

sedgwick

State of the Line

2026 MID-YEAR

Property loss adjusting

At the end of 2025, we characterized the softening in claim activity as a cyclical pause, rather than a structural shift, and noted that when conditions changed, operational demand would respond quickly. The first half of 2026 delivered on that expectation — in the precise shape the data anticipated. Claim activity reaccelerated, driven not by a single catastrophic event but by a concentrated sequence of mid-sized losses, including winter storms, a historic Southern freeze and a period of intense storm activity.

Dive deeper into the stats with the full report here →

The implications for claims operations:



The pause ended on schedule.

New claim intake rose roughly 12% versus the second half of 2025 — essentially back to year-ago levels — with catastrophe-driven assignments returning after the quietest CAT period in recent memory. This is confirmation that lower volumes reflected claim formation dynamics, not reduced exposure.

Frequency, not severity, defined the first half of 2026.

The U.S. recorded 12 $1 billion weather events through June, the fifth-most on record for a first half — though losses remained moderate as activity was spread across mid-sized events.

Winter and freeze perils punched above their weight.

Two January-and-February winter storms — including a late-January ice-and-snow event stretching from Texas to the Northeast — and a record Florida freeze generated peak-season-scale losses in the opening weeks of the year, reinforcing the need for year-round readiness.

AI moved from adoption to governance.

The differentiator is no longer whether carriers use AI, but if they can scale it inside governed, human-centered workflows as regulatory expectations formalize.

What this means for insurers and risk managers:

Treat quiet quarters as staging, not signal.

The first quarter's calm gave way to a compressed March-through-June storm run. Capacity plans should assume rapid inflections.

Manage the portfolio of events, not the event.

Clustered, geographically dispersed activity strains cycle times and coordination differently than a single landfall. Segmentation and escalation paths matter more than surge headcount alone.

Hold the line on severity discipline.

Labor, materials and coverage-adequacy pressures persisted through both the quiet and active periods.

Demand governance from AI investments.

Regulatory expectations around validation, documentation and auditability are now explicit. Scaled value will accrue to governed deployments.