Division of Financial Regulation

Department of Consumer and Business Services

Reinsurance Report

October 2025

About DCBS: The Department of Consumer and Business Services is Oregon's largest business regulatory and consumer protection agency. For more information, visit https://www.oregon.gov/dcbs/.

About Oregon DFR: The Division of Financial Regulation protects consumers and regulates insurance, depository institutions, trust companies, securities, and consumer financial products and services and is part of the Department of Consumer and Business Services. Visit dfr.oregon.gov.

This report is based on information and data collected by DFR through May 2025.

Table of Contents

Acknowledgements

This report was prepared by:

Simon Howard, data analyst

Spencer Peacock, operation policy analyst

Raven Collins, senior policy advisor

Brian Fjeldheim, senior policy advisor

Eric Bredeson, product regulation manager

Eric Cutler, senior advisor

Jesse O'Brien, policy manager

TK Keen, administrator/acting insurance commissioner

Executive summary

The Oregon Division of Financial Regulation (DFR) received inquiries from legislators during the 2025 legislative session about the current and historical status of Oregon's reinsurance market, information that is not regularly collected by DFR, nor readily available. However, in regular conversations with carriers since the 2020 wildfires, DFR anecdotally understood that reinsurance costs had significantly increased for carriers. In order to substantiate that claim, DFR engaged in building and executing a data call. DFR's data call and subsequent analysis found:

- The financial health of insurers and their ability to maintain affordable coverage for Oregon consumers is influenced by the cost and availability of reinsurance. Major catastrophes, like the 2020 wildfires and record acreage burned in 2024, have driven reinsurance costs up and have made reinsurance harder for insurers to secure.
- This matters to consumers because reinsurance is a financial safety net for insurance companies. When reinsurance prices increase, insurers may raise policyholder premiums as well. A hardened reinsurance market not only pressures insurers but also directly affects consumers by raising costs and challenging insurance availability in the market.

DFR issued the data call in April 2025 for all insurers writing property coverage in Oregon, comprising the top 80 percent of the market and all domestics, based on 2018 to 2024 financial data.

By seeking proactive communication and data disclosures, DFR can exchange information with companies about the impact risks, especially catastrophe risks, have on insurers ability to provide products and innovative solutions to cover market demand. Overall, the Oregon reinsurance market has hardened significantly, posing affordability challenges for carriers and consumers alike.

Introduction

Reinsurance describes an arrangement whereby an insurance company transfers some portion of their risk exposure to another company, the reinsurer. This structure allows the primary insurer to share its financial risks with regard to losses and claims payments, thereby increasing its capacity to underwrite a greater number of policies and enhancing its ability to manage risk exposures from catastrophic loss events.

Catastrophe treaties are a specific type of reinsurance agreement that we focused on. These contracts are designed to protect insurers against losses from low-frequency and high-severity events.

Reinsurance costs are important not just to carriers – carriers pass along the costs to consumers in the form of premiums. When an insurer purchases reinsurance, it's buying protection against catastrophic losses. When reinsurance prices are raised, insurers face a higher cost of doing business. Since insurers must remain solvent, those costs are typically passed along to policyholders in the form of higher premiums.

The property and casualty reinsurance market has been a hot topic in recent years, especially with national and global challenges like the coronavirus pandemic, an increase in natural catastrophe losses, supply chain issues, a warming climate, and elevated inflationary burdens.

Oregon reinsurance market

The data call provided insight into the Oregon reinsurance market from 2018 through 2024 so that changes and trends related to growth, profitability, challenges, losses, and the overall financial health of the insurance market could be reviewed and summarized. For the data call, information was requested regarding catastrophe treaties.

The following items were proposed and considered during development of the data call, and some were removed from the final version issued. However, some of these areas were addressed in the narrative responses DFR received from insurers:

- Treaty structure:
  - Attachment points and limits
    - Tower structure (layering of coverage limits) before and after loss events
  - Retention levels
  - Per occurrence vs. aggregate coverage
  - Special exclusions
- Program pricing
  - Premium rates and increases/decreases
  - Reinstatement provisions
  - Secondary peril coverage
  - Quota share losses, costs, and effects on reinsurance utilization and premiums
- Other:
  - Number of reinsurers
  - Contractual radius per event in miles
  - Availability and ease of placement
  - Purchasing direct or from a broker – broker contributions to market access
  - Tools provided by reinsurer or broker (ex. risk scores)
  - Stabilization (or not) of the market over time

Data call

The reinsurance data call was issued on April 10. The focus of DFR's data call was on catastrophe treaties, a specific type of reinsurance agreement that protects insurers against losses from low-frequency and high-severity events.

Sixty-three insurers writing property coverage in Oregon (comprising the top 80 percent of the market and all domestics, based on 2018 through 2024 financials) were named as respondents to the data call.

Insurers provided information from calendar years 2018 to 2024 regarding the total amounts of premiums collected, total amounts of reinsurance coverage purchased, and the number and names of reinsurance companies that insurers entered into treaties with for reinsurance coverage. Insurance companies described which perils were covered and which contractual limitations or exclusions existed from 2018 forward, described the ease (or difficulty) of obtaining coverage since 2018, and provided information on adjustment(s) of contract terms in response to market dynamics.

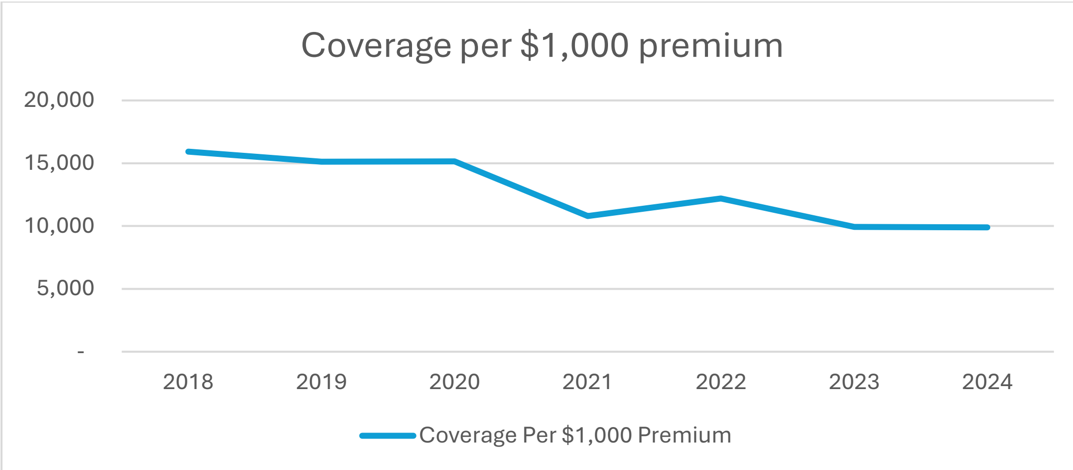
Key findings

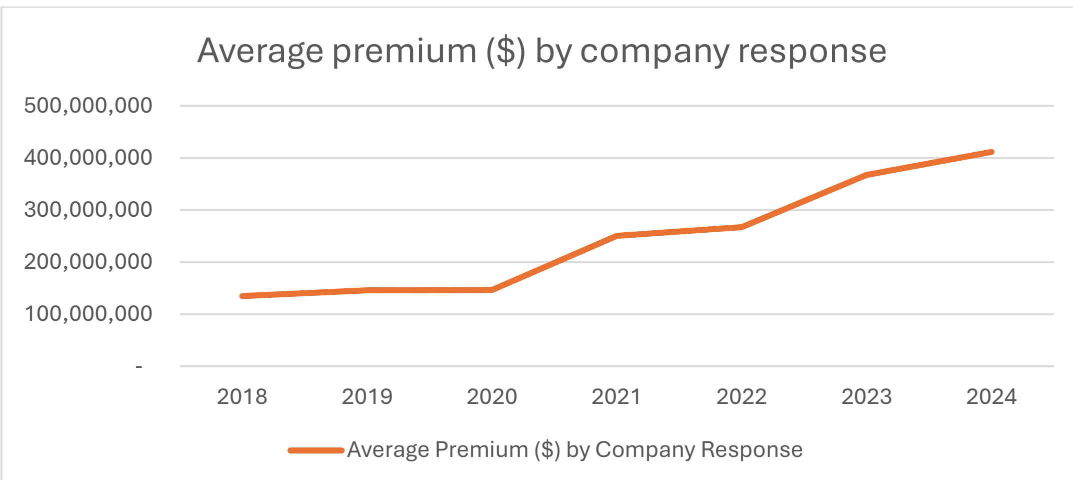
The tables and graphs below illustrate that from 2018 to 2024, premium costs increased at a higher rate (205 percent) than the coverage amount purchased (90 percent), as reported.

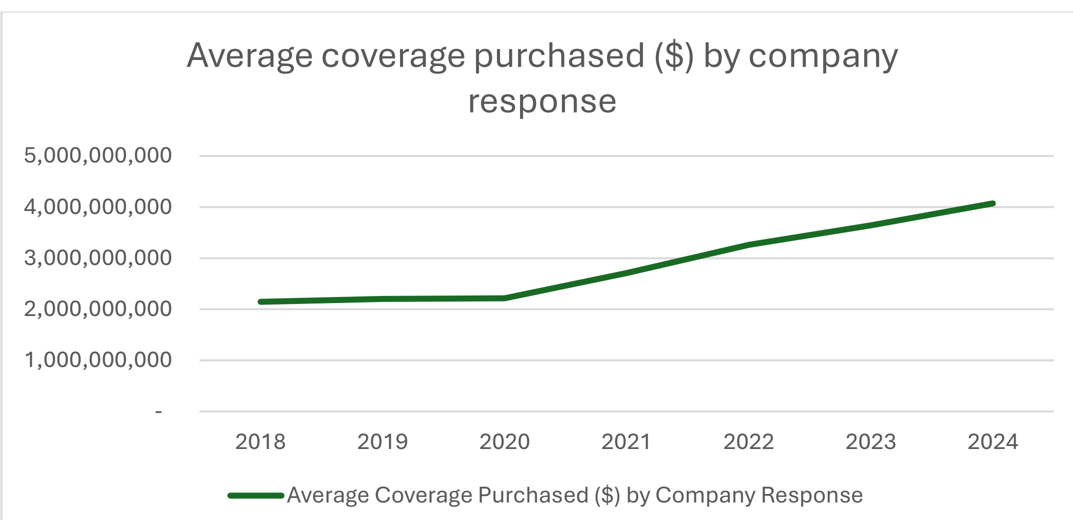
- This is also reflected in the 38 percent decrease in coverage per $1,000 of premium from 2018 to 2024.
- The most significant change in all values took place between 2020 and 2021.

Summarized data by year

Year	Average premium ($) by company response	Average coverage purchased ($) by company response	Coverage per $1,000 premium
2018	134,737,503	2,145,815,344	15,926
2019	145,768,566	2,205,409,731	15,130
2020	146,354,998	2,217,662,992	15,153
2021	250,603,692	2,707,404,434	10,804
2022	266,854,414	3,258,436,104	12,211
2023	366,958,203	3,644,220,619	9,931
2024	411,436,634	4,071,967,980	9,897


Coverage per $1,000 premium
20,000
15,000
10,000
5,000
-
2018
2019
2020
2021
2022
2023
2024
Coverage Per $1,000 Premium


Average premium ($) by company response
500,000,000
400,000,000
300,000,000
200,000,000
100,000,000
-
2018
2019
2020
2021
2022
2023
2024
Average Premium ($) by Company Response


Average coverage purchased ($) by company response
5,000,000,000
4,000,000,000
3,000,000,000
2,000,000,000
1,000,000,000
-
2018
2019
2020
2021
2022
2023
2024
Average Coverage Purchased ($) by Company Response

Change, 2018-2024		
Average premium ($) by company response	**Average coverage purchased ($) by company response**	**Coverage per $1,000 premium**
205%	90%	-38%

It is important to note several caveats and limitations of this data call: reporting varies depending on company or group treaty structure; individual company experience reported may not be Oregon-specific, and may instead be reported from a national level; data were aggregated by company response – a company response may represent either a single company or group of companies; average premium and coverage were provided to account for the entrance and exit of companies during the reporting period; and finally, N/A and 0 responses were excluded from the analysis.

The graphs illustrate that insurance companies generally receive less coverage from reinsurers per unit cost over the survey period. Premiums have been increasing since 2018. Note that there is a higher monetary amount of reinsurance coverage purchased at the end of the survey period, but the total dollar amount of coverage may not have the same replacement value as it did at the beginning of the survey period. This could be an area of additional study.

As for the survey response observations,

- The majority (75 percent) of respondents stated that obtaining coverage was harder or significantly harder in 2024 as compared to 2018. No companies reported that obtaining reinsurance coverage was easier or significantly easier.
- All (100 percent) respondents identified affordability as a factor impacting the ease of reinsurance treaty placement since 2018, while 75 percent identified offered coverage, and 56 percent identified the number of options as other leading factors.
- The market hardened through the coronavirus pandemic and the 2020 wildfires. Insurers described the market as peaking around 2023, and softening through the end of 2024.

All of the information gathered is intended to help DFR assess property and casualty market stability for the benefit of consumers, monitor insurer resilience, identify certain reinsurance market trends, and to better inform future regulatory actions and legislative recommendations.

Appendix

Appendix A: Data call cover letter issued to insurance companies on April 10, 2025.

To: Insurers in Appendix A

Re: 2025 catastrophe reinsurance data call

Statutory authority

All information outlined in this data call is required under ORS 731.296. All information submitted in response to this request is confidential and will not be disclosed, except as provided in ORS 705.137. Failure to respond or delay in responding or incompletely responding to this letter is in violation of ORS 731.296 and may be subject to enforcement action.

Reporting information

At the direction of the Oregon insurance commissioner, the Oregon Division of Financial Regulation requires insurers to provide the following information using the accompanying reporting template, as well as respond to the following questions:

- Provide information regarding catastrophe (CAT) reinsurance treaties for each year from 2018-2024, including:
    - Total amount of premium
    - Total amount of coverage purchased
    - Number of companies entered into treaties with for reinsurance coverage
    - Names of companies entered into treaties with for reinsurance coverage

- Describe which perils were covered and which contractual limitations or exclusions existed from 2018 to the present.
- Describe the placement experience since 2018.
- Have reinsurers adjusted contract terms in response to market dynamics?
- Please provide additional information that would be helpful for DFR's understanding of the P&C reinsurance market.

This response must be reported for every CAT reinsurance treaty, for each year 2018-2024.

- If the company does not have information to report for any of the requested fields, please respond with N/A in each requested field. You must report for every CAT reinsurance treaty.

Companies required to report are listed in Appendix A of this call letter.

The report must be submitted using the provided Excel reporting template. All reports must be submitted by email to DFR.DataTeam@dcbs.oregon.gov.

DFR will provide updated frequently asked questions as needed based on questions received. Please submit questions promptly to DFR.DataTeam@dcbs.oregon.gov. A notice will be sent to all contacts identified for each group or company including the most current FAQs.

Acknowledgement of this data call is due by end of day on ***Thursday, April 17, 2025,*** to be submitted using the provided "Data Call Acknowledgment Form."

Completed templates are due by end of day ***Monday, May 12, 2025***. Extension requests will not be granted.

Reporting definitions

Catastrophe (CAT) treaties: The reinsurance contract providing coverage for insured losses resulting from wildfires.
Total amount of premium: The annual gross written premium.
Total amount of coverage purchased: The total coverage purchased.
Covered perils: The specific risks or causes of loss that the CAT treaty provides coverage for.
Contractual limitations: A specific provision that limits coverage, claim amounts, sublimits, deductibles, timelines, geographic restrictions, and any other condition that clarifies the reinsurer's obligations.
Exclusions: Specific risks, perils, conditions, or circumstances that are not covered under the reinsurance contract.

Group or individual company reporting will be accepted

DFR will accept submissions at either the group or individual company level. If you submit at the group level, the submission must cover all companies within the group that are required to report. The full list of companies required to report can be found in Appendix A following this call letter.

DFR will not accept a group submission for a portion of the companies required to report for the group. If DFR receives multiple acknowledgments for the same group or company, we will notify the involved parties, who then must determine how the group/company will proceed.

Companies within a group not listed in Appendix A are not required to be included in a group report. If there is a company in your group, not included in Appendix A, that you believe has business to report please notify us and include them in your group response.

Acknowledgment required

Please note: Your acknowledgement of this call letter is due by end of day on ***Thursday, April 10, 2025***. Your acknowledgment must be submitted using the provided "Data Call Acknowledgment

Form." The acknowledgment must include two contacts. If submitting an acknowledgment for a group, all companies within the group must be listed, by name and NAIC code, otherwise the acknowledgment will be rejected.

Please submit your acknowledgment to DFR.DataTeam@dcbs.oregon.gov.

Group and company information to be provided on the reporting template

Each template will require information on the group and company. If the company is not part of a group, input "N/A" in the group information fields.

Each template will also require contact information. This may be the primary or secondary contact established through the acknowledgment process.

Group submissions must list all companies in the response on the reporting template.

Key information recapped

The acknowledgment form is due by end of day ***Thursday, April 10, 2025,*** and must be sent to DFR.DataTeam@dcbs.oregon.gov.

Completed templates are due by end of day ***Monday, May 12, 2025.*** Extension requests will not be granted. The report must be submitted using the provided reporting template. All reports must be submitted by email to DFR.DataTeam@dcbs.oregon.gov.

Please submit questions promptly to DFR.DataTeam@dcbs.oregon.gov.

Statutory authority

All information outlined in this data call is required under ORS 731.296. All information submitted in response to this request is confidential and will not be disclosed, except as provided in ORS 705.137. Failure to respond or delay in responding or incompletely responding to this letter is in violation of ORS 731.296 and may be subject to enforcement action.

Sincerely,

Eric Bredeson
Property & Casualty Product Regulation manager
DFR/DCBS

Appendix B: Companies required to report

Group Code - Name	NAIC code	Company name
8 - ALLSTATE INS GRP	19240	ALLSTATE IND CO
	19232	ALLSTATE INS CO
	17230	ALLSTATE PROP & CAS INS CO
	37907	ALLSTATE VEHICLE & PROP INS CO
	26905	CENTURY NATL INS CO
	15130	ENCOMPASS IND CO
	10071	ENCOMPASS INS CO OF AMER
	25712	ESURANCE INS CO
	30210	ESURANCE PROP & CAS INS CO
	22772	INTEGON IND CORP
	29742	INTEGON NATL INS CO
28 - AMICA MUT GRP	19976	AMICA MUT INS CO
33 - CALIFORNIA CAS MGMT GRP	35955	CALIFORNIA CAS GEN INS CO OF OR
50 - COUNTRY INS & FIN SERV GRP	20982	COUNTRY CAS INS CO
	20990	COUNTRY MUT INS CO
	21008	COUNTRY PREF INS CO
69 - FARMERS INS GRP	40649	ECONOMY PREMIER ASSUR CO
	25321	FARMERS DIRECT PROP & CAS INS CO
	21636	FARMERS INS CO OF OR
	21652	FARMERS INS EXCH
	26298	FARMERS PROP & CAS INS CO
	21660	FIRE INS EXCH
	11185	FOREMOST INS CO GRAND RAPIDS MI

	11800	FOREMOST PROP & CAS INS CO
	44245	TOGGLE INS CO
	21709	TRUCK INS EXCH
111 - LIBERTY MUT GRP	33588	FIRST LIBERTY INS CORP
	42404	LIBERTY INS CORP
	23035	LIBERTY MUT FIRE INS CO
	23043	LIBERTY MUT INS CO
	33600	LM INS CORP
	18333	PEERLESS IND INS CO
	39012	SAFECO INS CO OF IL
	11071	SAFECO INS CO OF OR
155 - PROGRESSIVE GRP	10872	AMERICAN STRATEGIC INS CORP
	10194	ARTISAN & TRUCKERS CAS CO
	42994	PROGRESSIVE CLASSIC INS CO
176 - STATE FARM GRP	25143	STATE FARM FIRE & CAS CO
200 - UNITED SERV AUTOMOBILE ASSN GRP	21253	GARRISON PROP & CAS INS CO
	25941	UNITED SERV AUTOMOBILE ASSN
	25968	USAA CAS INS CO
	18600	USAA GEN IND CO
215 - KEMPER CORP GRP	38156	ALPHA PROP & CAS INS CO
	16063	UNITRIN AUTO & HOME INS CO
	10915	UNITRIN DIRECT PROP & CAS CO
	40703	UNITRIN SAFEGUARD INS CO
	10698	VALLEY PROP & CAS INS CO
333 - MUTUAL OF ENUMCLAW GRP	11232	ENUMCLAW PROP & CAS INS CO
	14761	MUTUAL OF ENUMCLAW INS CO
361 - MUNICH RE GRP	23450	AMERICAN FAMILY HOME INS CO

	23469	AMERICAN MODERN HOME INS CO
	42722	AMERICAN MODERN PROP & CAS INS CO
	38652	AMERICAN MODERN SELECT INS CO
473 - AMERICAN FAMILY INS GRP	29068	AMERICAN FAMILY CONNECT PROP & CAS I
	10386	AMERICAN FAMILY INS CO
	19275	AMERICAN FAMILY MUT INS CO SI
	13412	AUSTIN MUT INS CO
	17221	HOMESITE INS CO
	13927	HOMESITE INS CO OF THE MIDWEST
645 - OREGON MUT GRP	14907	OREGON MUT INS CO
2878 - UNITED HERITAGE MUT GRP	26824	SUBLIMITY INS CO
	18939	UNITED HERITAGE PROP & CAS CO
3548 - TRAVELERS GRP	19062	AUTOMOBILE INS CO OF HARTFORD CT
	19070	STANDARD FIRE INS CO
	36137	TRAVELERS COMMERCIAL INS CO
	27998	TRAVELERS HOME & MARINE INS CO
	25666	TRAVELERS IND CO OF AMER
	38130	TRAVELERS PERSONAL INS CO
NO GROUP	24341	PEMCO MUT INS CO

Appendix C: Narrative response template issued to insurance companies on April 10, 2025.

1. Describe which perils were covered and which contractual limitations or exclusions existed from 2018 to the present.

2a. From 2018 to present, has placement become easier or harder? Please select an option from the below list, and provide additional information in the space below. For example, please consider ease of placement based on the affordability and availability of coverage, among any other factors.

- ☐ Significantly easier
- ☐ Easier
- ☐ No change
- ☐ Harder
- ☐ Significantly harder

2b. Please select all of the following factors that apply to your selection:

- ☐ Affordability
- ☐ Number of options
- ☐ Covered peril types
- ☐ Offered coverage
- ☐ Other: ____

2c. Please provide any additional comments and supporting information regarding the ease of placement since 2018.

3. Have reinsurers adjusted contract terms in response to market dynamics? Please provide a brief description, considering the following: affected contract terms, specific market dynamics, the impact on availability and affordability of coverage, etc.

4. Please provide additional information that would be helpful for the DFR's understanding of the specific factors in the P&C reinsurance market affecting the availability and affordability of reinsurance coverage for Oregon risks.