

2026

A photograph of a smiling couple embracing in a modern interior setting. The woman is wearing a blue and white striped dress, and the man is wearing a light blue and white checkered shirt. A thick green diagonal line runs from the top left towards the bottom right, separating the image from the text.

The State of the US Personal Insurance Market

TRENDS AND INSIGHTS

B.F. SAUL
INSURANCE

Expert Advisory. Claims Advocacy.

Table of Contents

Introduction	1
Homeowner's Insurance Sees Cautious Reopening in High-Risk Markets	2
Flood Insurance is Underused but Increasingly Important.....	3
Auto Insurance is Steadying While Repair Costs Climb	5
Umbrella Liability is More Critical as Verdicts and Exposures Rise	6
Cyber Insurance is Evolving to Address New Digital Threats	7
Proactive Strategies for Reducing Risks and Premiums in 2026.....	8
The Importance of Partnering with an Independent Insurance Advisor.....	10



2026 Outlook FOR THE US PERSONAL INSURANCE MARKET

Stability Returns, but Strategic Planning Remains Essential

After several volatile years, both consumers and insurers are beginning to see signs of a more stable personal insurance landscape. This renewed stability is showing up in two key ways:


1. Carriers are cautiously re-entering select high-risk markets, leveraging technology such as aerial imagery, geospatial data, and AI modeling to refine their risk appetite.
2. At the same time, premiums are beginning to plateau, and proactive measures taken by high-net-worth clients are leading to improved insurability.

The most significant takeaway is a shift toward more predictable renewal pricing as the rate of premium

increases slows, a welcome change from the higher increases seen in 2025.

However, the long-term impacts of climate change, rising repair costs, and evolving cyber liability risks continue to shape coverage availability and pricing. These dynamics will define the key insurance trends for 2026.

This white paper provides an overview of personal insurance trends in the US heading into 2026. It highlights areas where premium rate growth is slowing, identifies emerging underwriting and technology trends, and outlines practical steps individuals and their advisors can take to mitigate risk and secure the right protection for the year ahead.



Technology, including AI and aerial imagery, drones, and GIS mapping, is transforming how carriers evaluate risk for homeowner's insurance. These tools allow for far more precise assessments of roof conditions, vegetation, wildfire exposure, elevation, and storm impacts.

Homeowner's Insurance Sees Cautious Reopening in High-Risk Markets

After several years of sharp rate increases and limited availability, the homeowner's market has begun to stabilize. Both premiums and carrier appetite appear to be plateauing, offering policyholders a much-needed pause from recent volatility. While challenges remain, many insureds and their advisors can expect slower premium increases and more willingness from carriers to provide at least one or two viable quotes in high-risk areas that had previously been uninsurable.

For 2026, pricing may not be ultra-competitive, but the trend toward stabilization is clear. Expanded capacity and new market entrants support more modest adjustments, especially for well-maintained primary residences. However, carriers are requesting higher total insurable values on accounts in high-risk zones. For example, properties near coasts or in wildfire-prone regions may require higher minimum house values to ensure sufficient premium for the perceived risk, and in some cases, carriers may only consider homes in certain regions if they exceed stated threshold values.

In high-risk regions like California, Florida, and wildfire-prone areas, carriers are reopening cautiously but selectively. Some require higher minimum home values, a larger share of non-catastrophe coverage, or tighter inspection protocols to qualify. Climate change has led to increased frequency and intensity of natural disasters, impacting areas that are not historically exposed and prompting insurers to make these changes as well as update risk models, place greater emphasis on data analysis, and explore different coverage structures.

For instance, non-admitted and excess and surplus (E&S) options were historically viewed as à la carte options with very narrow, non-standard coverage. Today, they are increasingly part of the mainstream. Almost all high-net-worth insurers, including AIG, Cincinnati, Berkeley One, Vault, and PURE, have introduced E&S divisions that closely mirror their admitted coverage forms. This gives homeowners greater flexibility, but it also requires careful review of policy differences, such as water-backup limits or inspection requirements.

Technology, including [AI and aerial imagery](#), drones, and GIS mapping, is transforming how carriers evaluate risk. These tools allow for far more precise assessments of roof conditions, vegetation, wildfire exposure, elevation, and storm impacts. While carriers rarely disclose their exact modeling tools, advisors consistently observe their effects on eligibility, renewal decisions, and mitigation recommendations. Roof condition remains a key underwriting trigger, making detailed documentation of repairs or replacements essential.

AI is also streamlining claims intake by automating photo and document review, while human adjusters still handle complex cases. For homeowners, this can result in faster quotes, quicker claims decisions, and more personalized mitigation guidance. Carriers are also paying close attention to model accuracy and transparency to meet emerging governance standards and ensure fair, unbiased outcomes.

Homeowners can improve their insurability by documenting upgrades (roof, plumbing, electrical, leak-detection systems), keeping a digital inventory of belongings, and working closely with their advisors. Proactive maintenance and accurate records help ensure technology-driven assessments reflect true property conditions.

Flood Insurance is Underused but Increasingly Important

Despite being excluded from nearly all homeowner's insurance policies, flood coverage remains critically underused. The [Insurance Information Institute](#) (III) reported that around 27% of households had additional flood insurance in 2020. However, the 2025 flooding across Texas, which left communities reeling, also revealed that only about [7% of residential properties in Texas](#) are covered by flood insurance. That figure dips below 1% in some inland areas, and estimates from the [National Flood Insurance Program](#) (NFIP) and FEMA suggest a much lower national average of 4% to 15%. The Mid-Atlantic region has also seen increasing inland flood risk, prompting more local advisors to revisit flood coverage options, even for homes outside mapped high-risk areas.

Flood risk remains one of the most underestimated hazards nationwide. According to the [National Association of Insurance Commissioners](#), roughly 90% of all natural disasters involve flooding, and "low risk" is not the same as "no risk". At the same time, many FEMA flood maps continue to underestimate actual exposure.



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In contrast, private flood models and satellite data reveal that millions of properties outside designated flood zones face meaningful risk.

The temporary NFIP shutdown in late 2025 highlighted market vulnerabilities and the need for alternatives beyond the federal program. During this period, while NFIP honored renewals, new policies could not be issued, prompting agencies and consumers to rely more heavily on the private flood market. Many agencies reported a smooth transition, with no disruptions to closings, thanks to a robust set of private carrier options.

Private flood insurers have expanded quickly, offering competitive pricing, broader coverage options, higher limits, and more flexible terms, sometimes including additional protections for basements or personal property not available through NFIP. Many advisors now favor private flood policies even when NFIP is available because they rely on more accurate, risk-based pricing.

While premiums for private flood insurance remain attractive, especially in lower-risk zones, rates have increased slightly as private carriers assume a greater share of risk following NFIP’s temporary market exit. Premiums can also be surprisingly affordable in lower-risk zones, [making flood insurance worthwhile even for homes outside FEMA-mapped high-risk areas.](#)

Auto Insurance is Steady While Repair Costs Climb

Vehicle insurance has stabilized but continues to feel the effects of inflation, as rising labor costs, expensive materials, and persistent parts shortages keep claim costs elevated. While supply chains have improved from their pandemic-era lows, delays are still common for specialty components and electronics. The longer repairs take, the longer policyholders need rental vehicles. This significantly adds to the total cost of claims, one of the key 2026 auto insurance trends.

Industry reporting shows that repair costs continued rising in 2025 due to new vehicle technologies, including ADAS sensors, calibration requirements, and integrated electronics. Modern vehicles rely on complex systems of cameras, sensors, and computer-controlled systems, making even routine repairs significantly more expensive.

A notable example is bumper repairs. What used to be a simple cosmetic fix now often involves ultrasonic parking sensors, blind-spot detection modules, and integrated cameras. Even a low-speed fender-bender can require recalibrating systems, replacing wiring harnesses, and using manufacturer-certified technicians, pushing repairs that once cost a few hundred dollars into the thousands.

According to [Swiss Re's latest update](#), it's also likely that tariffs and the uncertainty about their impact on the vehicle production supply chain will also increase the costs of replacement parts.

As underwriters continue to take a closer look at driving records and claim histories, many insureds are proactively choosing not to file small claims for minor incidents, such as towing requests or small glass repairs, as these incidents may now be tracked more closely and can negatively affect future underwriting.

For luxury or high-value vehicles, it remains important to confirm whether the policy includes agreed-value coverage. If the vehicle is totaled within the first policy year, agreed value ensures the payout reflects the insured amount rather than a depreciated actual cash value calculation. Given that, repair timelines remain longer than historical norms, and policyholders should review rental reimbursement terms and consider whether extensions are available if repairs exceed standard timeframes.

Electric vehicles are not yet rated differently, but insurers are monitoring associated risks, including battery replacement costs, longer repair timelines, and increased fire risk from charging systems.

Consumers who own a boat or other watercraft will continue to find insurance rates relatively flat for a second consecutive year.

Umbrella Liability is More Critical as Verdicts and Exposures Rise

Concerns about personal liability remain extremely high, but that isn't reflected in coverage levels among affluent households. [Chubb's 2024 Wealth Report](#) found that 92% of wealthy households worry about the financial impact of a liability lawsuit, but only 28% carry sufficient excess liability coverage.

Meanwhile, across the US, [social inflation](#) (an increase in claims costs beyond what could be attributed to general economic inflation alone) and more frequent nuclear verdicts (jury awards over \$10M) mean that a single lawsuit can jeopardize assets built over decades.

Because plaintiffs' attorneys often look for "deep pockets," individuals and families with significant wealth remain more likely targets when severe injuries occur on their property or result from an auto incident. Standard homeowner's and auto policies provide some protection, but their liability limits typically max out at \$500,000 to \$1 million, which is well below the level of protection most high-net-worth individuals require.

This gap between perceived risk and actual protection remains one of the most persistent vulnerabilities among high-net-worth households.

Umbrella insurance premiums have increased, largely due to the factors noted above, but the greater challenge this year is availability. The process of obtaining umbrella coverage is also becoming more rigorous. Underwriters are asking more detailed questions about why an individual needs a particular limit, often reviewing net worth, occupation, public visibility, and board service as part of their evaluation. While clients with clean driving records and low losses generally won't have trouble obtaining policies, those with accidents or speeding tickets may find it harder to obtain higher limits.

In today's environment, the cost of adding umbrella coverage has risen significantly, with each additional "layer" often priced as high as the initial limit. Advisors are seeing clients rethink upward adjustments, sometimes opting to maintain existing limits rather than absorb substantially higher premiums for increased coverage.

For affluent households, umbrella coverage remains one of the most important and cost-effective safeguards available, though securing appropriate limits may require careful planning and a clean underlying portfolio. Families with significant assets or public profiles may benefit from stress-testing their insured limits against today's larger jury awards and settlement trends to see if their coverage can meet those higher demands.

Cyber Insurance is Evolving to Address New Digital Threats

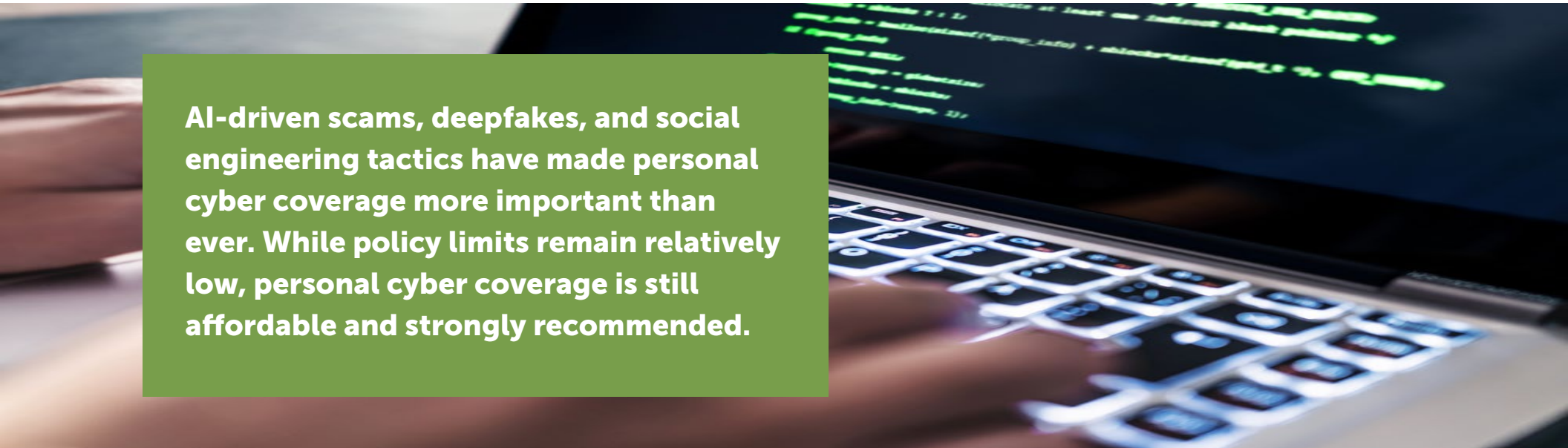
Cyber insurance continues to evolve alongside increasingly sophisticated digital threats. AI-driven scams, deepfakes, and social engineering tactics have made personal cyber coverage more important than ever. Most high-net-worth carriers now include social-engineering protection, and several are developing new options to address AI-enabled fraud. While policy limits remain relatively low, personal cyber coverage is still affordable and strongly recommended.

Today's policies typically cover expenses related to identity theft, ransomware or extortion response, device restoration after malware, and even online harassment or defamation, though specific terms vary by carrier. Insurers are also assessing how best to handle emerging threats such as deepfake-enabled impersonation and voice cloning.

Carriers regularly review their offerings and attend industry events to keep pace, but coverage details and exclusions are not yet standardized across the market.

Claims data shows that familiar scams haven't gone away. Fraudulent wire transfers and impersonation scams continue to underscore the ongoing need for vigilance. Some carriers offer hands-on assistance to help policyholders recover from these incidents.

Overall, while today's personal cyber insurance delivers meaningful protection, it should be seen as one layer in a holistic approach to digital risk, rather than a universal solution. To help [reduce exposure](#), advisors recommend clients set up verbal passphrases and use out-of-band verification for any urgent or unexpected money requests, even from family members. As a general guideline, no wire or cryptocurrency transfers should be initiated without confirming the request through direct verbal communication at a known, trusted number.



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Proactive Strategies for Reducing Risks and Premiums in 2026

While climate and economic pressures are beyond any one household's control, proactive risk mitigation remains the most effective way to protect property and manage premiums. Carriers increasingly reward prevention with discounts, and many have developed service partnerships that can help streamline the installation of devices like water-shutoff systems and electrical monitoring tools. However, it's important to remember that insurance is a financial backstop, not a maintenance plan.

Every household's risk profile is unique, but the following strategies have consistently proven effective for managing exposure and maintaining insurability:

- **Invest in water damage prevention.** According to [analysis from the III](#), water remains a leading cause of homeowner losses, often resulting in repair costs of tens of thousands of dollars. Installing risk-mitigation devices, like smart water-leak detection systems with

automatic shutoff valves, or temperature sensors that send alerts before pipes freeze and burst, is strongly recommended. Insurers frequently offer discounts for these devices, making them especially valuable for homes that may sit vacant for extended periods, such as secondary or vacation properties.

- **Reduce wildfire exposure.** In high-risk areas, insurers increasingly rely on drones and AI to assess vegetation and materials. Maintaining defensible space, replacing flammable landscaping, and upgrading to fire-resistant roofing or siding can improve pricing and eligibility. High-net-worth clients, in particular, often experience significant benefits from proactive mitigation efforts.
- **Prepare for severe weather and protect watercraft.** Boat and watercraft owners in hurricane zones should maintain a documented storm plan to provide proof of preparedness to insurers. For inland properties, homeowners should regularly inspect roofs, gutters, and exterior systems as wind and hail events become more frequent.
- **Maintain and document upkeep.** Pairing smart devices and preventive measures with a documented maintenance plan for your roof, plumbing, HVAC, and electrical systems can speed both underwriting and claims. Many carriers now consider maintenance documentation a sign of strong risk management, which can support more favorable pricing and smoother renewals.

- **Consider adjusting deductibles.** We recommend higher deductibles to reduce your premiums and reserve your insurance for catastrophic losses. This approach works well for clients who are comfortable taking on higher out-of-pocket expenses in exchange for more stable, long-term pricing. Avoid dropping coverage entirely, as doing so can create exposure to catastrophic losses and may limit eligibility for umbrella liability protection.
- **Investigate before buying.** Before purchasing a home, request a professional inspection of the roof, plumbing, electrical, and mechanical systems, and ask for documentation of past upgrades. Insurers now rely heavily on property-condition data, so having clear records in advance can prevent surprises.
- **File claims judiciously.** Reserve insurance for catastrophic losses and avoid submitting small or frequent claims. Frequent small claims, especially those related to water damage, can jeopardize insurability and raise future premiums. If a repair cost is only slightly above the deductible, it's often more cost-effective to handle it out of pocket. Preserving a clean claims record remains one of the best ways to keep premiums under control.
- **Apply the same principle to minor auto claims.** Small auto claims, such as towing or minor glass repairs, may also increase premiums. Consider roadside-assistance membership like AAA instead, so minor incidents are handled outside of the insurance claims history.



The Importance of Partnering with an Independent Insurance Advisor

Navigating the personal insurance market into 2026 requires expertise and perspective, especially for households with complex profiles or substantial assets. Independent advisors like B. F. Saul Insurance bring clarity, helping clients evaluate evolving coverage options, assess carrier stability, and secure appropriate protection across all assets.

Top advisors are constantly looking to evolve services to meet the sophisticated insurance requirements of our high-net-worth clients:

Expanded Market Access: Our team is skilled at navigating both standard and specialty markets, including non-admitted options that continue to play a larger role for complex or hard-to-place risks. This broad access helps clients secure appropriate coverage even as the market evolves.

Deeper Client Insight: Lifestyle changes, real estate purchases in high-exposure regions, and multi-state property ownership all influence insurance needs. We take the time to understand these shifts so we can anticipate and prevent common pitfalls, such as confusion between replacement cost and market value, and ensure that legacy properties and valuable collections remain properly protected.

Tech Integration: Carriers are relying more heavily on data analytics, AI-supported modeling, and aerial imagery to evaluate risk. We use similar tools to compare carriers, analyze emerging exposures, and develop tailored coverage recommendations.

Holistic Collaboration: We frequently partner with your wealth managers, estate planners, and family offices to build integrated protection strategies that align with your overall financial plan.

B. F. Saul collaborates with leading financial advisors, realtors, and wealth managers to ensure clients receive objective guidance and tailored coverage strategies. With deep experience in the Mid-Atlantic and licensed professionals across all 50 states, B. F. Saul offers tailored guidance for insuring high-value homes, automobiles, and personal assets. Our advisors combine industry knowledge with hands-on service, helping clients make informed decisions, avoid unnecessary claims, and protect what matters most.

If you work with high-net-worth clients or individuals with complex insurance needs, we welcome the opportunity to discuss how B. F. Saul Insurance can help protect their assets in 2026 and beyond.

The logo for B.F. SAUL INSURANCE. "B.F. SAUL" is in a green, sans-serif font, and "INSURANCE" is in a dark blue, bold, sans-serif font. A thin green horizontal line is positioned below "INSURANCE".

B.F. SAUL INSURANCE

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