



Compensation
Advisory Partners

Industry Report // 2024 - 2025

Insurance



CAP's insurance industry research annually examines executive compensation and financial performance across two segments of the industry, including 19 of the largest Property & Casualty (P&C) and Life & Health (L&H) Insurance companies and continues CAP's research in this industry. Our analysis covers 2024 outcomes and the median revenue of the companies in our sample is approximately \$20B.

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Key Takeaways

- 2024 performance results were particularly strong compared to prior year results. Top-line growth in 2024 was in the double digits and at its highest rate in over a decade, while profitability and returns continued to grow year-over-year. Similar to 2023, P&C companies had stronger performance results than L&H companies, overall.
- Annual incentives in 2024 generally funded above target, and average payouts as percent of target were the highest since 2021. This year, P&C companies funded higher than L&H companies, which is a reversal from 2023. Long-term incentive payouts for performance periods ending in 2024 were also above target, and similar to the last performance cycle.
- The median increase to CEO total target compensation for 2024 was 5.5%, largely driven by increases to target long-term incentives. Median increase for P&C CEOs was slightly higher than L&H CEOs (6.8% vs. 4.7%).
- In 2024, insurance companies had their best year with respect to total shareholder return (TSR), since 2013. The 2024 median return was twice the median TSR of the S&P 500 constituents. This momentum has continued in 2025, where year-to-date, insurance companies are outperforming the S&P 500.

2024 Performance: Strong Overall Performance

Top line growth in the insurance industry was particularly strong in 2024, with median Revenue growth of +10.1% for all insurers in our sample, the largest increase over the last ten years. Revenues for L&H insurers increased +6.1% at median in 2024, the first year-over year increase since 2019. Revenue and Premium growth for P&C insurers in 2024 were up +12.3% and +9.0%, respectively, which was in line with reported growth in 2023.

Net Investment Income continued to be very strong in 2024, with the full sample of companies up +11.4% year-over-year at median. Growth was slightly below 2023 (+12.1%), but above the prior five-year average (+3.1%). P&C insurers (+21.5%) outperformed L&H insurers (+6.9%) with respect to 2024 net investment income growth.

Operating profitability improved year-over-year, with Operating Income increasing +8.1% and Operating ROE up +0.9 percentage points at median, for the full sample. These results are generally aligned with increases in 2023 (+9.9% and +1.5 percentage points, respectively) but meaningfully better than the prior five-year average from 2019 to 2023 (+5.6% and +0.2 percentage points, respectively). Both P&C and L&H insurers generally reported Operating Income and Operating ROE growth in 2024, however, growth for P&C insurers was significantly stronger than L&H insurers in the study.

In 2024, catastrophe losses (CATs) for P&C insurers increased +13.6% at median, compared to +2.6% in 2023 and 0.0% in 2022. Only 2 of 10 P&C insurers in our sample had lower CATs in 2024 than prior year. In aggregate, total reported CATs among all of our sample companies reached a new record of \$16.9 billion in 2024, up from \$15.7 billion in 2023. Total US insured losses from natural disasters in 2024 were estimated at \$140 billion (source: Munich Re).

Consistent with the strong financial results reported in the insurance industry as a whole, share price performance in 2024 was also exceptional, with 18 of 19 companies in the sample having positive TSR. Median 2024 TSR was +27.7%, which is the largest year-over-year return since 2013 among the companies in our sample. Median TSR increases among P&C insurers (+29.7%) and L&H insurers (+24.8%) were generally aligned, and each among the highest returns over the past decade for their respective industry – only 2019 was higher for P&C insurers (+30.2%), and only 2021 was higher for L&H insurers (+34.5%).

	Median Revenue Growth	Median Net Investment Income Growth	Median Op. Income Growth	Median Op. ROE Improvement	Median TSR
P&C (n=10)	+12.3%	+21.5%	+24.9%	+1.8%pt.	+29.7%
L&H (n=9)	+6.1%	+6.9%	+6.0%	+0.6%pt.	+24.8%
Total Sample (n=19)	+10.1%	+11.4%	+8.1%	+0.9%pt.	+27.7%

2024 CEO Pay for Performance: Bonuses Funded above 2023, in Line with Strong Performance Results

	Median Annual Incentive Funding (% of Target)			Median Annual Incentive Payouts (% of Salary)		
	2022	2023	2024	2022	2023	2024
P&C (n=10)	108%	108%	143%	446%	428%	522%
L&H (n=9)	112%	122%	110%	315%	320%	326%
Total Sample (n=19)	111%	113%	129%	316%	325%	392%

Annual incentives, or bonuses, for insurance companies funded above target for 2024 results and aligned with financial performance. Median annual incentive funding for the industry has been above target for the last 5 years. However, the magnitude of bonuses was generally higher in 2024 (129%) than in prior years, for the full sample. In the last 5 years, only 2021 was a stronger year with respect to median annual incentive funding (133%).

In 2024, 6 of 19 companies funded annual incentives at or above 150% of target, more than any other year since 2021 (7 companies). All companies, but one in our sample, funded bonuses at or above target. In the prior four years, generally 3 to 4 companies funded below target in a given year.

P&C companies funded annual incentives higher than L&H companies. Median bonus funding for P&C companies was 143% of target, with 7 of 10 companies funding above target. For L&H companies, median funding was 110% of target, with 4 of 9 companies funding above target.

2024 LTI Performance Plan Payouts

	Median LTI Incentive Payouts (% of Target)		
	2020-2022	2021-2023	2022-2024
P&C (n=10)	117%	138%	138%
L&H (n=9)	90%	114%	108%
Total Sample (n=19)	112%	114%	110%

Performance-based long-term incentive awards for the 2022-2024 period paid slightly above target, comparable to prior award cycles. P&C payouts were higher than those of L&H companies for the last 5 performance cycles.

Long-term incentive payouts typically have a strong correlation to stock returns, since TSR is among the most prevalent long-term metric used in these plans. The results show that this holds true again for the 2022-2024 performance period. For the full group of companies, the half that outperformed the median TSR of the 19 companies (measured over the full three-year performance period) had an average payout of 152% of target, and those that underperformed the median TSR had an average payout of 86%.

2024 CEO Target Pay: Modest Increases

Median CEO target total direct compensation (TDC) for 2024 increased modestly for most companies in the sample. The median increase in TDC for all CEOs in the sample was 5.5% in 2024, which compares with 5.8% in 2023 and 5.6% in 2022. Increases in target pay levels were made to 14 of 19 CEOs in our sample year-over-year, with the magnitude of change largely driven by increases in long-term incentives rather than cash compensation. Median LTI increased +7.5%, with 12 of 19 companies making increases), 8 companies increased salaries and 5 companies increased annual incentives in 2024.

	Median Pay Increase by Element			
	Salary	Target Total Cash Compensation	Target Total LTI	Target Total Direct Compensation
P&C (n=10)	0%	+1.4%	+8.6%	+6.8%
L&H (n=9)	+1.7%	0%	+7.3%	+4.7%
Total Sample (n=19)	0%	0%	+7.5%	+5.5%

2025 Say-on-Pay Vote Outcomes

Despite challenges faced by a cyclical industry such as weather, interest rates, and inflationary pressures, the insurance companies managed the pay and performance relationships well in recent years. For 2024 specifically, the financial and stock price performance was very strong and the incentive payouts were commensurate with these strong performance results. Investors overwhelmingly supported these 2024 pay outcomes for all the companies in our sample. All companies received strong support (90%+) on their non-binding Say-on-Pay vote, with the exception of one company that received 65% support.

Share Price Performance and 2025 Outlook

TSR for this sample of insurers in 2024 was the highest in over a decade, with median TSR up +27.7%. Both P&C and L&H companies exhibited strong TSR, at +29.7% and +24.8% median increases, respectively.

In 2025 so far, share price performance in the insurance industry has slowed but is generally positive, while the overall market has been down or flat. Through May 30, 2025, median TSR for the full insurance company sample is up +7.9%, outpacing the median share price performance of the S&P 500 Index constituents of -1.1%. Year-to-date TSR for P&C companies has been strong (+14.7%), outpacing L&H companies (+1.2%). This is generally consistent with analyst expectations for 2025 performance, where P&C companies are viewed positively due to their strong capital levels and lower exposure to credit and equity markets than other financial sectors. Despite elevated concerns in January from California fires, catastrophe losses have come in lower than initially expected causing the annual outlook to brighten from Q1 and analysts to raise their profit forecasts. L&H companies are generally viewed neutrally on the street given sensitivity to market volatility through their asset holdings (i.e., more exposed to equity markets and alternative investments), and increased pressure on fees and spreads.

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CAP's Insurance Sample

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Allstate
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Chubb Limited
Cincinnati Financial
CNA Financial
Hanover Insurance Group
Hartford Insurance Group
Progressive
Travelers Companies
W.R. Berkley

Life & Health Companies

Aflac
Genworth Financial
Globe Life
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Compensation Advisory Partners

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