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Executive Compensation Peer Groups Among S&P 1500 Insurers

■ By Kyle Eastman

Selecting the right peer group is one of the most critical tasks for executive compensation decision-makers. When thoughtfully constructed and properly utilized, peer groups can help to ensure that pay is competitive, defensible, and aligned with company performance. However, the peer selection process is often challenging, requiring a careful balancing of factors such as competition for customers and talent, company size, and organizational structure. This is especially true for insurance companies, many of which operate in niche markets or have unique risk profiles, limiting the pool of potential peers.

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To provide insight into leading industry practices, CAP examined executive compensation peer groups among the 55 publicly traded insurers in the S&P Composite 1500 Index.

S&P 1500 Insurers	Revenue (billions)	Market Cap (billions)
75th Percentile	\$16.6	\$27.5
Median	\$7.3	\$9.6
Average	\$14.5	\$21.4
25th Percentile	\$2.5	\$3.0

Note: See “Size Matrix” in the Appendix for additional information.

We highlight differences between the 23 large-cap (S&P 500), 16 mid-cap (S&P 400), and 16 small-cap (S&P 600) insurers, as well as differences across the Property & Casualty Insurance (n=32), Life & Health Insurance (n=11), Reinsurance (n=4), and Insurance Brokers (n=7) GICS sub-industries.

Overview of Compensation Benchmarking Peer Groups

In 2025, 96% of S&P 1500 insurers disclosed a compensation benchmarking peer group in their proxy statement, up from 93% in 2024. Insurers adopting a peer group in 2025 cited alignment with market best practices as their primary rationale. Insurers without a peer group stated that executive compensation decisions are based on a general understanding of industry practices.

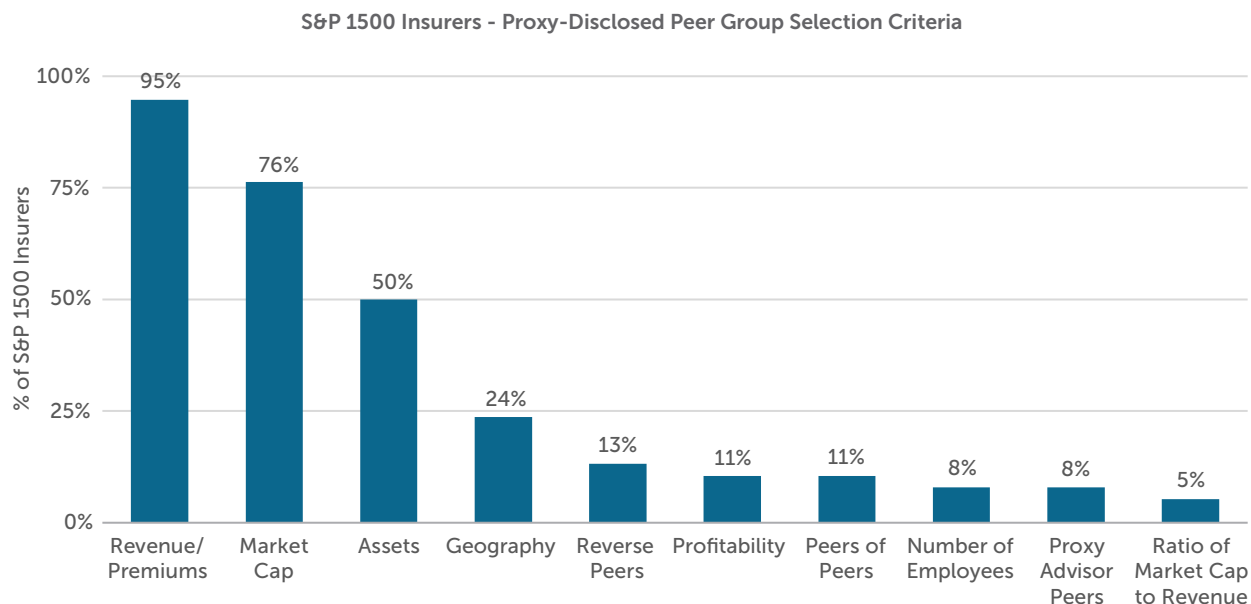
The median peer group size among S&P 1500 insurers is 15 companies, with most insurers selecting between 13 and 16 peers. As a general rule, peer groups should include enough companies to provide reliable market data, without being so large as to complicate the benchmarking process. Smaller groups (e.g., fewer than 10) may be too narrow, risking skewed benchmarks due to the specific circumstances of one or two peers. On the other hand, larger groups (e.g., over 20) can become unwieldy, including less comparable peers and reducing precision.

S&P 1500 Insurers	Peer Group Size (# of companies)		
	2025	2024	2023
75th Percentile	16	16 / 17	17
Median	15	15	15
Average	14 / 15	14 / 15	14 / 15
25th Percentile	13	13	13

Note: “X / Y” above indicates that the calculated statistic is between “X” and “Y”.

Peer Group Selection Criteria

Generally, S&P 1500 insurers choose peers that are competitors for business and talent, have similar operating models, and operate in comparable industries. Beyond these broad factors, the most frequently disclosed peer selection criteria relate to company size, with the most common being revenue/premiums and market capitalization. Due to the long-duration, capital-intensive nature of their businesses, life and health insurers use assets as a size criterion more frequently (75%) than other insurers (43%).



Thirteen percent of S&P 1500 insurers disclose using reverse peers (companies that include the S&P 1500 insurer in their peer group) and 11% disclose using peers of peers (companies commonly included in the peer groups of current peers) as peer selection criteria. Eight percent disclose that they consider the peer groups developed by the major proxy advisory firms (ISS and Glass Lewis) when selecting peers. In CAP's experience, companies will often review these factors – such as the overlap between their compensation benchmarking peer group and the ISS and Glass Lewis peer groups – as a secondary check on peer group decisions, but not as a primary criterion for peer selection.

Frequency of Peer Group Changes

Companies typically strive to maintain consistent compensation benchmarking peer groups over time. Alterations can meaningfully shift key benchmarks – such as peer group median compensation levels – independent of actual market trends, which can complicate executive compensation decisions. However, peer groups can become outdated due to internal changes or external events (e.g., M&A activity). To address this, companies typically review their peer groups annually and adjust as needed.

Over the three-year period from 2023 to 2025, 75% of S&P 1500 insurers modified their compensation benchmarking peer groups at least once (67% excluding peer group changes due to M&A). Among these S&P 1500 insurers, 32% made a change in only one of the three years, 50% made a change in two of the three years, and 18% made a change in all three years. On average, S&P 1500 insurers modified their peer groups 1.4 times over this period, suggesting that peer group changes occur approximately every other year, on average.

S&P 1500 Insurers	Peer Group Changes - Three Years from 2023 to 2025			
	Years with Peer Group Changes		Total Number of Peer Group Changes (additions plus subtractions)	
	Including M&A	Excluding M&A	Including M&A	Excluding M&A
75th Percentile	2 of 3	2 of 3	9	8
Median	2 of 3	1 of 3	4	3
Average	1 / 2 of 3	1 / 2 of 3	6 / 7	5 / 6
25th Percentile	0 of 3	0 of 3	0	0

Note: "X / Y" above indicates that the calculated statistic is between "X" and "Y".

Larger companies tend to adjust their peer groups less frequently than smaller companies. From 2023 to 2025, 61% of large-cap S&P 500 insurers modified their peer group at least once, compared to 100% of small-cap S&P 600 insurers. This difference likely stems from three primary factors: large companies are generally more stable, with less significant growth requiring peer group updates; large companies have smaller pools of potential peers, limiting opportunities for peer group adjustments; and large companies face less M&A activity, reducing the need for peer group changes.

Size Relative to Peers

When screening for potential peers, companies typically set upper and lower limits for size metrics like revenue and market capitalization. For example, one S&P 1500 insurer discloses that it considers companies with revenue between 0.50x and 2.00x its own revenue, while another uses a range of 0.33x to 3.00x for market capitalization. However, these ranges are usually used as guidelines rather than strict rules, and companies outside the size ranges may be selected as peers if they are particularly close competitors for business or talent.

At median, the ranges between the smallest and largest compensation benchmarking peers among S&P 1500 insurers are 0.36x to 4.55x for revenue and 0.27x to 5.80x for market cap. Smaller companies select relatively large peers more frequently than larger companies. To illustrate, the median largest peer for large-cap S&P 500 insurers has a revenue multiple of 3.46x and market cap multiple of 3.40x, compared to 5.20x and 9.31x, respectively, for small-cap S&P 600 insurers. One reason smaller companies often select much larger peers is to align executive compensation with aspirational growth targets. This helps attract and retain talent by offering competitive pay that reflects where the company aims to be, rather than its current size.

S&P 1500 Insurers	2025 Median			
	Revenue vs. S&P 1500 Insurer		Market Cap vs. S&P 1500 Insurer	
	Smallest Peer	Largest Peer	Smallest Peer	Largest Peer
S&P 1500	0.36x	4.55x	0.27x	5.80x
S&P 500 (large-cap)	0.36x	3.46x	0.26x	3.40x
S&P 400 (mid-cap)	0.33x	5.36x	0.31x	6.18x
S&P 600 (small-cap)	0.44x	5.20x	0.32x	9.31x

Peer Group Industry Representation

Industry is a key criterion in developing compensation benchmarking peer groups, as companies in the same industry generally compete for the same executives. However, within the insurance industry, distinct sub-industries often have less overlapping talent markets. For example, compensation benchmarks from the life and health insurance sub-industry may be limited for certain roles that are more common within property and casualty insurance (e.g., chief claims officer), and vice versa.

When building peer groups, companies must balance industry relevance with other factors, like company size. S&P 1500 insurers typically prioritize peers from their own sub-industry – on average, 54% of peer companies

are from the same sub-industry – but they also include similarly sized peers from other insurance sub-industries (26% of peers, on average), the broader financial sector (15%), and occasionally non-financial sectors (6%).

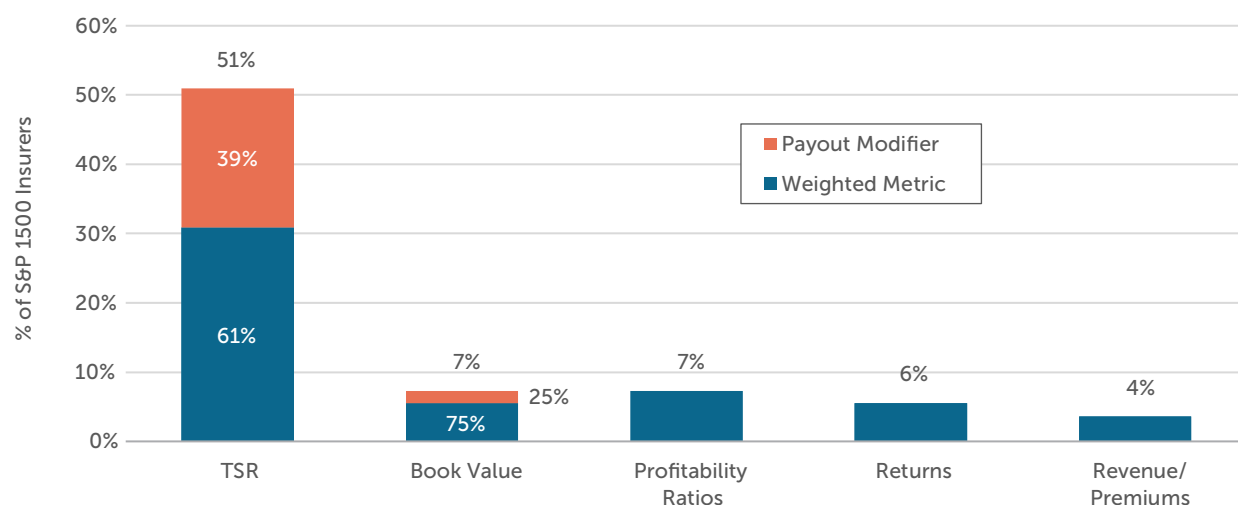
Unsurprisingly, the proportion of peers from the same sub-industry is correlated with the number of companies that exist in that sub-industry. For example, with 32 property and casualty insurers in the S&P 1500, peer groups in this sub-industry have a relatively high 71% sub-industry overlap, on average. In contrast, with only four reinsurers in the S&P 1500, reinsurance peer groups have a much lower 13% sub-industry overlap, on average.

S&P 1500 Insurers	2025 Average			
	% of Peers in Same Sub-Industry	% Other Insurance Peers	% Non-Insurance Financial Peers	% Non-Financial Peers
All GICS Sub-Industries	54%	26%	15%	6%
Property & Casualty Insurance	71%	16%	9%	4%
Life & Health Insurance	44%	25%	31%	1%
Reinsurance	13%	82%	5%	0%
Insurance Brokers	25%	27%	24%	24%

Performance Peer Groups for Relative Incentive Plan Metrics

S&P 1500 insurers also use peer groups to measure relative performance in their incentive plans, most commonly the long-term incentive plan. Just over half of S&P 1500 insurers use relative total shareholder return (TSR) as a long-term incentive plan metric, while 16% of S&P 1500 insurers use relative financial metrics (book value, profitability ratios, returns, and revenue/premiums).

S&P 1500 Insurers - Relative Long-Term Incentive Plan Metrics



Notes:

- Profitability Ratios include combined ratio and expense ratio, and Returns include return on equity and return on surplus.
- An additional 4% of S&P 1500 insurers use Book Value and an additional 2% of S&P 1500 insurers use Returns as relative annual incentive plan metrics.

Half of S&P 1500 insurers create a custom performance peer group to measure relative performance in their incentive plans. These performance peer groups differ from those used to benchmark executive compensation due to distinct selection criteria. While compensation benchmarking peer groups typically focus on company size and industry, performance peer groups tend to emphasize business similarity and risk profile.

The second most common approach – used by 35% of S&P 1500 insurers – is to measure performance against an externally determined index. Using an index offers objectivity and transparency, as indices provide standardized, publicly available performance benchmarks free from peer selection bias. Index data is widely accessible and broadly accepted. However, indices lack the precision and flexibility of custom performance peer groups.

Fifteen percent of S&P 1500 insurers construct a single peer group for both compensation benchmarking and relative performance measurement. For these insurers, the market for executive talent often closely aligns with the market for business and investment capital.

S&P 1500 Insurers	Performance Peer Groups for Relative Incentive Plan Metrics – % of S&P 1500 Insurers					
	Custom Performance Peer Group	Broad Market Index	Financials Sector Index	Insurance Industry Index	Insurance Sub-Industry Index	Compensation Benchmarking Peers
All GICS Sub-Industries	50%	12%	9%	9%	6%	15%
Property & Casualty Insurance	47%	11%	11%	5%	11%	16%
Life & Health Insurance	67%	0%	11%	11%	0%	11%
Reinsurance	67%	0%	0%	0%	0%	33%
Insurance Brokers	0%	100%	0%	0%	0%	0%

Peer Groups for SEC Pay Versus Performance (PVP) Disclosures

Under the SEC’s PVP disclosure rules, publicly traded companies are required to report the five-year relationship between executive “Compensation Actually Paid” and company performance, including their own total shareholder return (TSR) alongside the TSR of a peer group.

Companies must select their SEC PVP peer group from the following options:

- the externally determined industry index or company-selected peer group used for the stock performance graph in the annual report; or
- the executive pay peer group (compensation benchmarking peer group or custom performance peer group for relative incentive plan metrics) disclosed in the Compensation Discussion & Analysis (CD&A).

Although one might expect companies to use executive pay peer groups to demonstrate executive pay-for-performance alignment, 75% of S&P 1500 insurers opt for the industry index from the stock performance graph in their annual report. This preference is undoubtedly driven by a desire to avoid the additional disclosures required (comparing TSR for the old and new peer groups) when an executive pay peer group changes year over year.

S&P 1500 Insurers	SEC PVP Peer Groups – % of S&P 1500 Insurers			
	Peer Groups for Annual Report Stock Performance Graph		CD&A-Disclosed Executive Pay Peer Groups	
	Industry Index	Company-Selected Peer Group	Compensation Benchmarking Peers	Custom Perf. Peer Group for Relative Incentive Plan Metrics
All GICS Sub-Industries	75%	7%	16%	2%
Property & Casualty Insurance	66%	6%	25%	3%
Life & Health Insurance	100%	0%	0%	0%
Reinsurance	100%	0%	0%	0%
Insurance Brokers	57%	29%	14%	0%

Conclusion

This report outlines standard practices for selecting executive compensation peer groups among publicly traded insurance companies. Following market standards is prudent, but the most effective peer groups reflect a company's unique characteristics. Each insurance company's context is different, requiring a tailored approach to peer group construction. A high-quality peer group, thoughtfully designed with input from internal and external stakeholders, aligns with the company's business, talent market, and strategic goals. While no peer group is perfect, a well-crafted one can serve as a reliable guide for executive compensation decisions.

Appendix

S&P 1500 Insurers

GICS Sub-Industry	S&P 500 (large-cap)	S&P 400 (mid-cap)	S&P 600 (small-cap)
Property & Casualty Insurance	<ul style="list-style-type: none"> The Allstate Corporation American International Group, Inc. Arch Capital Group Ltd. Assurant, Inc. Chubb Limited Cincinnati Financial Corporation CNA Financial Corporation Erie Indemnity Company The Hartford Insurance Group, Inc. The Progressive Corporation The Travelers Companies, Inc. W. R. Berkley Corporation 	<ul style="list-style-type: none"> American Financial Group, Inc. Fidelity National Financial, Inc. First American Financial Corporation The Hanover Insurance Group, Inc. Kemper Corporation Kinsale Capital Group, Inc. Old Republic International Corporation RLI Corp. Selective Insurance Group, Inc. 	<ul style="list-style-type: none"> AMERISAFE, Inc. Assured Guaranty Ltd. Employers Holdings, Inc. HCI Group, Inc. Mercury General Corporation Palomar Holdings, Inc. ProAssurance Corporation Safety Insurance Group, Inc. Stewart Information Services Corporation Trupanion, Inc. United Fire Group, Inc.
Life & Health Insurance	<ul style="list-style-type: none"> Aflac Incorporated Globe Life Inc. MetLife, Inc. Principal Financial Group, Inc. Prudential Financial, Inc. 	<ul style="list-style-type: none"> Brighthouse Financial, Inc. CNO Financial Group, Inc. Primerica, Inc. Unum Group 	<ul style="list-style-type: none"> Genworth Financial, Inc. Lincoln National Corporation
Multi-Line Insurance	<i>None</i>	<i>None</i>	<ul style="list-style-type: none"> Horace Mann Educators Corporation
Reinsurance	<ul style="list-style-type: none"> Everest Group, Ltd. 	<ul style="list-style-type: none"> Reinsurance Group of America, Incorporated RenaissanceRe Holdings Ltd. 	<ul style="list-style-type: none"> SiriusPoint Ltd.
Insurance Brokers	<ul style="list-style-type: none"> Aon plc Arthur J. Gallagher & Co. Brown & Brown, Inc. Marsh & McLennan Companies, Inc. Willis Towers Watson Public Limited Company 	<ul style="list-style-type: none"> Ryan Specialty Holdings, Inc. 	<ul style="list-style-type: none"> Goosehead Insurance, Inc.

S&P 1500 Insurers - Size Matrix

Sub-Industry	S&P 1500	S&P 500	S&P 400	S&P 600
All Insurance	# of Companies: 55 Median Revenue: \$7.3B Median Market Cap: \$9.6B	23 \$17.2B \$36.2B	16 \$6.2B \$7.8B	16 \$1.2B \$1.7B
Property & Casualty Insurance	32 \$5.8B \$7.7B	12 \$22.0B \$33.5B	9 \$6.1B \$6.9B	11 \$1.1B \$1.2B
Life & Health Insurance	11 \$12.9B \$9.3B	5 \$18.9B \$41.7B	4 \$5.4B \$5.9B	2 \$12.6B \$4.0B

Multi-Line Insurance	1 \$1.6B \$1.5B	None	None	1 \$1.6B \$1.5B
Reinsurance	4 \$14.5B \$12.9B	1 \$17.2B \$16.4B	2 \$16.9B \$12.9B	1 \$2.7B \$2.2B
Insurance Brokers	7 \$9.9B \$28.2B	5 \$10.9B \$58.5B	1 \$2.5B \$7.0B	1 \$314M \$2.0B

S&P 1500 Insurers - Top Five Most Common Compensation Benchmarking Peers

Sub-Industry	S&P 1500	S&P 500	S&P 400	S&P 600
All Insurance	1. The Hartford (38%) 2. Hanover (36%) 3. W. R. Berkley (30%) 4. Cincinnati Fin. (28%) 5. Selective Ins. (28%)	1. The Hartford (52%) 2. Travelers (52%) 3. Allstate (43%) 4. Chubb (43%) 5. MetLife (39%)	1. W. R. Berkley (60%) 2. Cincinnati Fin. (53%) 3. Hanover (53%) 4. The Hartford (53%) 5. AXIS Capital (47%)	1. RLI (53%) 2. Selective Ins. (47%) 3. Employers (40%) 4. ProAssurance (40%) 5. Hanover (33%)
Property & Casualty Insurance	1. The Hartford (42%) 2. W. R. Berkley (42%) 3. Cincinnati Fin. (39%) 4. Hanover (39%) 5. Travelers (35%)	1. Travelers (75%) 2. Allstate (67%) 3. The Hartford (58%) 4. Chubb (58%) 5. MetLife (50%)	1. W. R. Berkley (100%) 2. Cincinnati Fin. (88%) 3. CNA (75%) 4. The Hartford (75%) 5. Hanover (63%)	1. RLI (60%) 2. Donegal (50%) 3. Horace Mann (50%) 4. Safety Ins. (50%) 5. Selective Ins. (50%)
Life & Health Insurance	1. Lincoln Nat'l (73%) 2. Unum (64%) 3. CNO Fin. (55%) 4. Principal Fin. (55%) 5. Assurant (45%)	1. Lincoln Nat'l (80%) 2. Aflac (60%) 3. MetLife (60%) 4. Prudential Fin. (60%) 5. Unum (60%)	1. Globe Life (100%) 2. CNO Fin. (75%) 3. Lincoln Nat'l (75%) 4. RGA (75%) 5. Voya (75%)	<i>Insufficient sample size</i>
Multi-Line Insurance	<i>Insufficient sample size</i>	<i>Insufficient sample size</i>	<i>Insufficient sample size</i>	<i>Insufficient sample size</i>
Reinsurance	1. AXIS (75%) 2. Hanover (75%) 3. Markel (75%) 4. W. R. Berkley (75%) 5. Arch Capital (50%)	<i>Insufficient sample size</i>	<i>Insufficient sample size</i>	<i>Insufficient sample size</i>
Insurance Brokers	1. Aon (71%) 2. Arthur J. Gallagher (71%) 3. Marsh & McLennan (71%) 4. WTW (71%) 5. ADP (57%)	1. Aon (80%) 2. Arthur J. Gallagher (80%) 3. ADP (80%) 4. Marsh & McLennan (80%) 5. WTW (80%)	<i>Insufficient sample size</i>	<i>Insufficient sample size</i>

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