



Compensation
Advisory Partners

Industry Report // 2025 - 2026

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. This report covers 2025 pay and performance outcomes. The median revenue of the companies in our sample approximates \$18B.

NEW YORK

1180 Avenue of the Americas, 22nd Floor
New York, NY 10036
+1 (212) 921-9350
www.capartners.com

CHICAGO

200 S Wacker Drive
Suite 3100
Chicago, IL 60606
+1 (312) 702-0307

LOS ANGELES

400 Continental Blvd
6th Floor
El Segundo, CA 90245
+1 (310) 426-2340

SEATTLE

500 108th Ave NE
Unit 1100
Bellevue, WA 98004
+1 (206) 246-2195

Key Takeaways

- 2025 top-line performance results were favorable, though slightly down from 2024 and 2023, which were strong years. Revenue growth was 5% in 2025 vs 10% in 2024. Profitability results were similar to last year with median Operating income growth of 8.9% and Operating ROE improvement of 80 basis points. Similar to the last two years, P&C companies had stronger performance results than L&H companies overall.
- Annual incentives in 2025 generally funded above target, but somewhat below 2024 payouts, which is aligned with financial performance.
- Long-term incentive payouts for performance periods ending in 2025 were above target with a median payout of 157% (well above the prior five cycles average median payout of 112%). This payout aligns with observed financial performance, where the current three-year performance period (from 2023-2025) was very strong given significant Operating ROE improvements in the last 3 years.
- 2025 saw as many CEO transitions as the prior four years combined, among companies in our sample. As a result, overall median CEO target total compensation increases year over year were impacted and were slightly lower (+4.4% in 2025 vs. +5.5% in 2024). However, when comparing across same incumbents, CEO target total compensation increased +7.6% at median in 2025, above +6.1% at median in 2024, mainly driven by increases to long-term incentives.
- Insurance companies continued to outperform the overall market with respect to total shareholder return (TSR). For the second consecutive year, median 2025 TSR among the insurers was double that of the S&P 500 constituents. This momentum has slowed in 2026, where year to date, insurance companies are slightly underperforming the S&P 500.

2025 Performance: Slower Growth and Continued Strong Profitability

Top line growth in the insurance industry in 2025 (+5.0% at median for full sample) was lower than 2024 (+10.1%) and 2023 (+8.7%) levels. Slowing top-line growth was consistent between both sets of insurers in our sample, where median P&C revenue growth was +6.3% in 2025 vs. +12.3% in 2024 and L&H revenue growth was +1.5% in 2025 vs. +6.1% in 2024. P&C companies continue to grow their top line at a higher rate than L&H companies.

Net Investment Income growth in 2025 (+7.9% at median for the full sample) was lower than in prior years (+11.4% and +12.1% in 2024 and 2023, respectively). Lower Net Investment Income growth is mostly attributed to the P&C companies in our sample, where growth declined from +21.5% in 2024 to +10.9% in 2025. L&H Net Investment Income growth of 6.0% was similar to last year.

Operating profitability remained strong in 2025, with Operating Income growing +8.9% and Operating ROE up +0.8 percentage points at median, for the full sample. These results align with increases in 2024 (+8.1% and +0.9 percentage points, respectively) and 2023. P&C insurers drove overall earnings expansion, with median Operating Income growth of +24.6% and Operating ROE improvement of +1.2 percentage points. L&H insurers had more modest growth, with Operating Income up +4.7% and Operating ROE improvement of +0.8 percentage points. 2025 Operating ROE reached the highest level over the last 8 years with 15.2% at median (P&C median at 19.4% and L&H at 14.9%).

Catastrophe losses (CATs) from the January 2025 California wildfires were a notable headwind for P&C insurers in the first quarter. Though the early year wildfire impact was offset by a less active hurricane season in the second half of the year, combined with strong underwriting results helping to absorb costs. CATs for P&C insurers in our sample were actually down slightly in 2025, following two consecutive years of rising CATs. CATs were \$16.4 billion in 2025, compared to \$16.8 billion in 2024, and \$15.7 billion in 2023. Six of ten P&C insurers reported lower pre-tax CATs in 2025.

For the fifth year in a row, total shareholder return (TSR) was positive. Median TSR in 2025 was +17.4%, yet it was down from 2024 (+27.7% at median). Similar to last year, median TSR was similar between P&C insurers (+18.2%) and L&H insurers (+17.4%), and roughly double that of the median increase in the S&P 500 (+8.9%).

	Median Revenue Growth	Median Net Inv Income Growth	Median Op. Income Growth	Median Op. ROE Improvement	Median TSR
P&C (n=10)	+6.3%	+10.9%	+24.6%	+1.2%pt.	+18.2%
L&H (n=9)	+1.5%	+6.0%	+4.7%	+0.8%pt.	+17.4%
Total Sample (n=19)	+5.0%	+7.9%	+8.9%	+0.8%pt.	+17.4%

2025 CEO Pay for Performance: Bonuses Continue to Fund Above Target with Slight Decline Year-over-Year

	Median Annual Incentive Funding (% of Target)			Median Annual Incentive Payouts (% of Salary)		
	2023	2024	2025	2023	2024	2025
P&C (n=10)	108%	143%	125%	428%	522%	497%
L&H (n=9)	122%	110%	113%	320%	326%	307%
Total Sample (n=19)	113%	129%	119%	325%	392%	389%

Annual incentives, or bonuses, for insurance companies generally funded above target in 2025 (119% of target at median), yet funded below 2024 levels (129% of target), which aligns with year-over-year financial performance. The median funding has been at or above target for each of the last 5 years (i.e., 2020-24), with average funding of 115% of target. However, more companies actually funded bonuses above target in 2025 (12 of 19) than any year since 2021 (16 of 19).

P&C companies funded annual incentives slightly higher than L&H companies, at 125% of target vs. 113%, respectively. The prevalence of companies funding below target (1 P&C and 1 L&H), within $\pm 10\%$ of target (2 P&C, 3 L&H), and above target (7 P&C, 5 L&H) was fairly consistent between both industries. This is in contrast from 2024, where more P&C companies funded above target and more L&H companies funded around target.

2025 LTI Performance Plan Payouts

	Median LTI Payouts (% of Target)		
	2021-2023	2022-2024	2023-2025
P&C (n=10)	138%	138%	159%
L&H (n=9)	114%	108%	121%
Total Sample (n=19)	114%	110%	157%

Performance-based long-term incentive awards for the 2023-2025 period paid well above target (157% at median), higher than the prior 5-year average median payout of 110% for performance periods ending between 2020-2024. For the 2023-2025 performance period, 14 of 19 companies in the full sample had payouts above target and 10 of these companies paid above 150% of target. These payout stats are greater than those in any of the prior 5 years, where on average, 12 and 7 companies funded above target and above 150% of target, respectively. P&C payouts continued to be higher than those of L&H companies. Stronger payouts are in part driven by the Operating ROE increases in recent years (Operating ROE is one of the most commonly used metrics in the industry).

Long-term incentives typically have a strong correlation to stock price, since TSR is among the most prevalent long-term metric used in these plans. The results show that this holds true once again for the 2023-2025 performance period. For the full group of companies, the half that outperformed the median TSR of the 19 companies (measured over the three-year period) had an average payout of 162% of target, and those that underperformed the median TSR of the group had an average payout of 118%.

2025 CEO Target Pay: Higher Increases for Same Incumbent CEOs

Median CEO target total direct compensation (TDC) for 2025 increased modestly for most companies in the sample. The median increase in TDC for all CEOs in the sample is 4.6% in 2025, lower than median increases in 2024 (5.5%) and 2023 (5.8%). The primary reason for the lower median TDC increase is due to 4 CEO transitions in our sample in 2025 (equal to the total number of transitions from 2021 through 2024). Measuring increases in target pay for constant incumbents only, median TDC increase for 2025 (7.6%) is above prior year increases in 2024 (6.1%) and 2023 (6.2%).

Excluding the 4 CEO transitions, all but one CEO had an increase in target pay, with the magnitude of change largely driven by long-term incentive increases rather than cash compensation. For constant CEO incumbents, median LTI increased +11.1% (12 CEOs received LTI increases), and median total cash compensation increased 3.5% (7 CEOs received salary increases, and 3 received annual incentive increases).

	Median Pay Increase by Element			
	Salary	Target Total Cash Compensation	Target Total LTI	Target Total Direct Compensation
P&C (n=10)	0%	+4.0%	+8.2%	+7.2%
L&H (n=9)	0%	0%	+4.4%	+3.0%
Total Sample (n=19)	0%	+3.2%	+4.8%	+4.6%
Constant Incumbents (n=15)	0%	+3.5%	+11.1%	+7.6%

CEO Security and Aircraft Perquisites

With heightened security concerns and an increasingly complex risk environment, insurance companies have increased their focus on security measures for most senior executives to ensure personal safety and protect shareholders from potential security incidents. Use of CEO security-related perquisites, including personal aircraft use, grew over the past year.

CEO security perquisite prevalence among our sample increased from 6 companies (32% prevalence) in 2024 to 10 companies (53%) in 2025. Disclosed values for security perquisites also increased, with median increasing from \$40.7K in 2024 to \$63.0K in 2025, a +54.6% increase year-over-year. Each of the 5 companies disclosing CEO security perquisite values in the last two years, reported a higher value in 2025 compared to 2024.

CEO personal aircraft use remained highly prevalent in our sample, with 14 companies (74%) providing it in both 2024 and 2025 (1 company added and 1 company provides access but did not have any reported value; both companies are L&H). Similar to security perquisites, the median value of CEO personal aircraft use increased year-over-year from \$112.1K in 2024 to \$150.7K in 2025, a +34.5% increase. However, individual company changes were more mixed, with 6 companies disclosing an increase (+\$169.1K, on average) and 9 companies disclosing a decrease (-\$28.3K, on average).

CEO security-related perquisites are slightly more prevalent among the P&C companies in our sample than the L&H companies, with 9 P&C companies (90% prevalence) disclosing a security and/or personal use of aircraft perquisites, compared to 6 L&H companies (67%). Perquisite values also skew higher for P&C companies (\$255.5K at median) in our sample than L&H companies (\$141.9K at median).

Share Price Performance and 2026 Outlook

So far in 2026, share price performance among the insurance industry has slowed but is positive, and generally aligned with gains in the broader market. Through April 30, 2026, median TSR for the full insurance company sample is up +3.3%, slightly below the median share price performance of the S&P 500 Index constituents of +4.0%. Year-to-date TSR for L&H companies is just slightly ahead of P&C companies (+3.6% v. +2.0% at median, respectively). Consensus analyst expectations for 2026 performance in the overall insurance industry indicate an expectation that financial performance will continue to “cool”, but remain net positive. P&C companies are expected to have healthy and resilient fundamentals that will still offset slowing premium growth and expected catastrophe losses. L&H companies continue to be viewed more neutrally as they are more sensitive to market volatility through their asset holdings (i.e., more exposure to equity markets and alternative investments), and increased pressure on fees and spreads. Larger L&H companies should continue to outperform as they benefit from scale, diversification, and capital strength.

For questions or more information, please contact the CAP Insurance Team:

Melissa Burek
Partner

melissa.burek@capartners.com
212-921-9354

Roman Beleuta
Partner

roman.beleuta@capartners.com
646-532-5932

Kyle White
Senior Associate

kyle.white@capartners.com
646-568-1161

Gray Broaddus

Senior Analyst

gray.broaddus@capartners.com
646-532-5931

CAP's Insurance Sample

P&C Companies

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

Life & Health Companies

Aflac
Genworth Financial
Globe Life
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MetLife
Principal Financial Group
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Compensation Advisory Partners

Please contact us at (212) 921-9350 or info@capartners.com if you have any questions about the issues discussed above or would like to discuss your own executive compensation issues. You can access our website at www.capartners.com for more information on executive compensation.