AMWINS

Navigating a Softer Quake and Wildfire Market



Insureds with earthquake and wildfire exposure are finding more options and better pricing than they have seen in years.

New and expanded MGA capacity and strong reinsurance capital have pushed rates on both earthquake and wildfire down 10% to 20%, and well performing risks have more flexibility than they have had in years.

Earthquake is the softest it has been since 2019. Wildfire is the bigger surprise. The opportunity is real, but so is the temptation to chase the price at the expense of coverage.

Wildfire



Capacity and pricing

Wildfire has been surprisingly aggressive. Traditional special form property markets have returned; their pricing is often similar to the cost of CA FAIR Plan and wrap combination.

Wraps are commonly used and competitively priced. **Amwins offers an exclusive wrap** designed to complement the FAIR Plan by filing non-fire coverage gaps for both commercial properties and dwellings.

Markets are hungry for premium, with carriers that have not traditionally targeted wildfire raising their tolerance for the exposure. New entrants are also adding pressure, and we've seen a reduction in wildfire deductibles as a result. All this has made it possible to move FAIR Plan business to traditional risk coverage.

Rates are softening across many property segments, including areas where wildfire and severe weather risks remain, and after years of increases buyers understandably want savings. However, price should not be the only focus. A policy that looks attractive can carry limitations that only surface after a major loss. The question then becomes whether critical protections are being given up to save premium.

High deductibles and exclusions add uncertainty and can conflict with lender requirements for full property protection. The result is a difficult balance between affordability and adequacy in the highest-risk locations.

U.S. nonresidential **construction input prices rose 8.4% from May 2025 to May 2026**. After a major fire, entire communities compete for the same labor and materials, so a limit that looked adequate beforehand may fall short afterward. Annual valuation reviews matter more than ever.



Underwriting perspective

Underwriting has become far more detailed, and simply submitting a building schedule is no longer enough. Underwriters want to understand defensible space, vegetation management, water access and nearby suppression resources, along with any mitigation measures. A property with water tanks and active brush management may be viewed very differently from one without them. Retailers should present the full story behind the risk.



Takeaway

Wildfire concerns are not going away. Population growth in mountain communities and drier conditions have raised exposure, and a winter with below-average snowfall can quickly raise wildfire potential. Underwriting scrutiny should stay high, and if activity continues, carriers may become more selective about what they write.

Retailers with FAIR Plan wildfire accounts should consider testing them against the traditional market, while using the softer conditions to fix deductible structures and coverage gaps that are hard to correct after a loss.



Earthquake

Larger MGAs still dominate the earthquake marketplace, but newcomers have been competitive with reinsurance the engine behind much of the softening. Expanded traditional and alternative capital drove risk-adjusted property catastrophe pricing down by as much as 25% at June 1 renewals, with the deepest cuts on loss-free programs.

The reductions are not uniform. The largest go to:

- Loss-free accounts and newer, well-engineered construction
- Risks outside heavily aggregated areas
- Portfolios with credible modeling
- Submissions with complete exposure data

Submission quality remains the strongest differentiator, particularly as carriers use AI and aerial imagery to pre-qualify risks. Retailers should provide geocoded statements of values, accurate construction and occupancy data, foundation and soil details and any retrofit or engineering reports. Difficult locations can be separated out, and deductibles restructured.

Policy wording is also important when determining what coverage is best for your clients. Compare earth movement definitions, sprinkler leakage treatment, ensuing fire and water damage and ordinance law.

Deductible application matters too: a 5% deductible can produce very different results depending on whether it applies to each building or the total scheduled value at the affected location. Even where the percentage holds, competition may create room to negotiate how it applies.

Parametric coverage can add fast liquidity on shaking-intensity trigger, though clients must understand the basis risk between the payout and the physical loss. **CAT modeling** can also help retailers compare deductible alternatives and choose between full-value, layered, shared-limit or modeled loss structures.

We help you win

The best time to prepare for an earthquake or a wildfire is before it starts. Retailers should work with an experienced wholesale broker who specializes in these risks and understands how early conversations about pricing and coverage expectations can help structure placements and budgets.

Our team of expert brokers serves as your partner in providing insurance solutions that best meet your client's needs. We collaborate on risks and draw on our global network to deliver unmatched insurance solutions to our clients.

Contact your Amwins broker today.

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To learn more about how Amwins can help you place coverage for your clients, reach out to your local Amwins broker.

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