



MANUFACTURING & DISTRIBUTION



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NOTABLE TRENDS

The manufacturing and distribution sector is seeing a mix of stability and fluctuation across coverage lines. While workers' compensation, management liability, and cyber liability rates are decreasing slightly with increased competition in the marketplace, property insurance is experiencing moderate increases due to pricing corrections and valuation increases over the last several years. Primary insurers' facultative and treaty reinsurance costs continue to be under pressure due to catastrophic weather events nationally, such as the Los Angeles wildfires. Auto liability rates continue to rise, and general liability shows modest increases.

Specialized coverage, such as product recall and manufacturers' E&O, remains stable, while umbrella liability rates are trending upward with reduced capacity for higher limits. Additionally, litigation costs are driving challenges across the industry. Outcomes will depend on individual risk profiles and loss histories.

PRIMARY INSURERS' FACULTATIVE
AND TREATY REINSURANCE

**COSTS CONTINUE
TO BE UNDER
PRESSURE**

DUE TO CATASTROPHIC
WEATHER EVENTS NATIONALLY.





EMERGING RISKS

Manufacturers are navigating evolving risks driven by technological advancements, AI, automation, and economic uncertainty.

Cybercrime is becoming more sophisticated, supply chain challenges persist, and workforce shortages continue to impact operations. **Large fleets** continue to have exposure to nuclear verdicts, meaning premiums may increase 10%+ due to lack of profitability for all major insurance carriers. This trend is driving the need for higher umbrella limits for balance sheet protection.

Inflation and shifting regulations under a **new federal administration** add further complexity, while environmental, social, and governance issues are becoming more important.

Automation introduces compliance, reputational, and safety risks. Staying informed and adapting your risk management strategies in collaboration with insurance partners is crucial to mitigating these challenges.

HOW M3 CAN HELP

M3 is here to help manufacturers tackle the challenges of the 2025 insurance market with proactive risk management strategies. We assist with everything from risk assessments and cybersecurity to workforce training and compliance. By leveraging our AI tools and analytic capabilities, we improve underwriting outcomes and secure better insurance terms. Our team also explores cost-control options like captives or higher deductibles and keeps you updated on emerging risks, like AI liability. Let's work together to position your insurance plans for success in 2025.

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**PREMIUMS
MAY INCREASE
10+%**

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