

The Market Is Splitting—Because Risk Is Moving Differently

April feels different—but not in the way markets usually signal change. Rates are not collapsing. Capacity is not flooding back. There is no single turning point you can point to and say, “that’s where the market shifted.” And yet, it has.

What we are seeing is not a traditional cycle. It is a change in how risk moves through the system—and that is beginning to split the market in ways that are more structural than cyclical.

March made that clear.

The Middle East conflict became a global energy shock almost overnight. Not simply because of the event itself, but because of where it occurred—through one of the world’s most critical energy chokepoints. Oil flows tightened, shipping routes adjusted, and war risk pricing moved immediately.

At the same time, within our own industry, another form of movement became impossible to ignore.

Talent is moving—faster, and at greater scale.

The dispute involving Brown & Brown, Howden, and former Hays Companies personnel is only the most visible example. Teams are shifting. Books of business are following. Firms are responding not just competitively, but structurally—and increasingly, legally.

These are not separate developments.

They are the same story, expressed in different systems.

In energy, risk moves through physical channels—shipping routes, chokepoints, logistics networks.

In brokerage, it moves through human channels—producers, teams, relationships.

In both cases, the impact is not defined by the event.

It is defined by how the system transmits it.

And that is where the market begins to split.

Property markets, particularly outside catastrophe zones, are showing signs of competition. Cyber remains stable and increasingly disciplined. These are

areas where risk is better understood, more distributed, and more manageable.

Casualty remains under pressure. Climate-exposed regions remain constrained. These are areas where risk accumulates, where uncertainty persists, and where movement is harder to absorb.

The same dynamic applies to distribution.

Firms that are building—through talent, through platform, through targeted expansion—are operating in one environment. Firms that are defending—protecting scale, managing portfolios, retaining teams—are operating in another.

Both can succeed. But they are not operating under the same conditions. This is not a market that is hard or soft.

It is a market that is diverging.

For brokers, that changes the job.

The question is no longer “where is the market?”

It is “how does risk move—and where does it concentrate?”

- That may mean pushing aggressively in lines where competition has returned, while restructuring those where pressure remains. It may mean treating talent as a strategic asset, not just a resource. It may mean understanding supply chains and energy flows with the same clarity as policy wordings.

Because in this market, leverage does not come from timing alone.

It comes from understanding movement.

That is what this issue focuses on.

— **Alex Hodges**

Editor, *Insurance Research Letter (IRL)*