

# PROPERTY/CASUALTY MARKET REPORT

Q1/2024

## PREMIUM INCREASES FLAT TO DOWN, CIAB Q1 2024 P/C MARKET SURVEY SHOWS

Premium increase moderation continued this quarter, with premiums across all account sizes increasing by 7.7%, slightly up from the previous quarter's 7.0%. It was the 26th consecutive quarter of increases.

Moderation was clearer when looking at individual commercial lines. All lines recorded premium increases flat or down from the previous quarter, with the single exception of commercial auto. Workers compensation and D&O premiums decreased by an average of -1.8% and -0.8%, respectively.

Commercial property premiums increased by an average of 10.1%, lower than 11.8% in Q4 2023, but difficulties with that line continued, according to respondents. One respondent described placing the line in general as "almost impossible," with other responses highlighting stricter underwriting, the amount of detail required in submissions, and the push for property value increases as the main challenges.

Commercial auto premiums increased by an average of 9.8%, compared to 7.3% last quarter. Experts suggest high vehicle repair costs due to inflation and supply chain woes, the increase in nuclear verdicts for auto accidents and a shortage of experienced truck drivers have all contributed to issues with the line. P/C Survey data also shows a steady increase in the number of respondents reporting an increase in commercial auto claims, which would contribute to premium pricing as well.

D&O decreases seem to be due to an excess of capacity—survey data shows the number of respondents reporting an increase in capacity for the line doubled between Q4 2023 and Q1 2024—meeting a lack of demand. AM Best points to a slowdown in the courts and less M&A activity, while S&P data shows the number of initial public offerings (IPOs) has fallen steeply from 906 in 2021 to just 102 in all of 2023, translating to less demand for D&O insurance.

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