

PROPERTY/CASUALTY MARKET REPORT

Q3/2024

D&O PREMIUM INCREASES DOWN WHILE UMBRELLA CREPT UP IN Q3, THE COUNCIL'S P/C MARKET REPORT SHOWS

Premiums rose by an average of 5.1% across all account sizes in Q3 2024, a very slight change from the 5.2% increase in the previous quarter. Medium-sized account premiums saw the highest increase out of all three account sizes, at an average of 5.6%.

Carrier competition for small business likely led to small account increases coming in as the lowest of all account sizes, at 4.4%.

With the exception of umbrella, all lines of business saw lower increases in premiums in this quarter than in Q2 2024. Similar to last quarter, three lines of business recorded premium decreases this quarter: workers compensation, cyber, and D&O.

D&O premiums dropped the most out of the lines whose premiums decreased, at an average of -1.9%. Survey respondents pointed to much more competition for the line among carriers, which likely led to downward pressure on premiums. In addition, a Woodruff Sawyer report on the D&O market, "Looking Ahead to 2025: Navigating a Shifting D&O Insurance Landscape," published in September 2024, suggested an "influx of new capital" also led to the decline.

Umbrella had the largest increase in premiums out of all lines, at 8.6%. Respondents pointed to reduced capacity for this line, as well as reduced limits and more scrutiny from underwriters suggesting carrier wariness.

Social inflation, most commonly in commercial auto claims, was the main factor behind umbrella increases, according to a 2024 analysis by Gen Re and a Q3 2024 market report by Risk Placement Services. Umbrella claim frequency and severity was noticeably up, Gen Re found. RPS pointed to the \$1 billion spent on attorney advertising and a more sophisticated plaintiffs' bar, which has become much more familiar with, and much more adept at seeking out, information it can use to pursue higher settlement values—resulting in extended litigation and nuclear verdicts.

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