

RISK TRENDS



MARKET UPDATE

CYBER PREMIUM RELIEF CONTINUED WHILE AUTO STRUGGLED FOR 54TH QUARTER, THE COUNCIL'S P/C MARKET SURVEY SHOWS

Premiums across all account sizes rose by an average of 5.4% in Q4 2024, a slight increase from the previous quarter's 5.1%. As in Q3 2024, premiums for medium accounts had the largest average increase of 6.4%, closely followed by 6.3% for large accounts.

Most lines of business recorded average increases in premiums roughly comparable to or lower than those reported in Q3 2024. Workers compensation, D&O, and cyber premiums continued to fall this quarter, and employment practices joined them with an average decrease of 0.2%.

Cyber premiums fell by an average of 1.8% this quarter, a record low for the line and the second one set in 2024 after the 1.7% decrease reported in Q2 2024. Increased underwriting capacity and competition among carriers for U.S. cyber business, as well as increased cyber resiliency, may all have contributed to this downward pressure on premiums.

Commercial auto and umbrella had the highest average increases in premiums out of all lines, at an average of 8.9% and 8.7%, respectively.

According to a report by CBIZ on commercial auto market conditions, driver shortages, repair costs, and supply chain issues all drove up the frequency and severity of commercial auto claims in 2024—and a report by AM Best found the average loss per commercial liability claim doubled since 2014. Increased claim frequency and severity are associated with increased premium costs. On top of that, the recent rise in fleet electrification can also result in higher premiums due to the unique risk profile of electric vehicles.

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Source: The Council of Insurance Agents & Brokers, Commercial Property/Casualty Market Index

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