

# RISK TRENDS



## MARKET UPDATE

### MOST LINES OF BUSINESS SOFTENED IN Q2 2025, THE COUNCIL'S P/C MARKET SURVEY SHOWS

Softened market conditions were again evident this quarter. Premiums across all account sizes rose by an average of 3.7%, down from 4.2% in Q1 2025. Large account premium increases moderated the most: premiums for that account size rose by just 2.9%, a 45% decrease from the previous quarter. On the other hand, small and medium accounts both recorded slightly higher premium increases than last quarter, at 4.2% and 4.0% respectively.

All lines of business except umbrella had premium increases flat to or lower than the previous quarter's increases. Five lines of business again recorded decreases in premiums this quarter: cyber, D&O, employment practices, terrorism, and workers compensation.

Overall, the average increase in premiums across all the major lines of business (commercial auto, commercial property, general liability, umbrella, and workers compensation) was 4.9% in Q2 2025, the same as last quarter.

D&O premiums decreased by 2.5%, the largest out of the five lines. As with last quarter, industry reports showed that a surplus of capacity and more carrier competition pushed premiums down. Respondents also suggested that some carriers were using premium decreases in D&O, as well as in workers compensation, to offset increases in other lines like umbrella.

Umbrella had the highest increase in premiums out of all lines, at 11.5%. Industry experts attributed this increase to legal system abuse, as in previous quarters. Reports showed that nuclear verdicts (more than \$10 million in damages) and thermonuclear verdicts (more than \$100 million in damages) hit record highs in 2024, and the number of verdicts over \$1 billion more than doubled from two to five between 2023 and 2024. These large verdicts tend to pierce non-umbrella policy limits and hit umbrella.

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

This Risk Trends update is not intended to be exhaustive nor should any discussion or opinions be construed as legal advice. Readers should contact legal counsel for legal advice.

Premiums across all account sizes rose by an average of 3.7% in Q2 2025, down from the 4.2% recorded in the previous quarter.

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