

RISK TRENDS



MARKET UPDATE

2025 ENDED WITH SOFTEST MARKET CONDITIONS SINCE 2017 FOR ALL ACCOUNT SIZES & MAJORITY OF LINES OF BUSINESS, THE COUNCIL'S P/C MARKET SURVEY SHOWS

The market appeared to move further into the soft part of the insurance market cycle in Q4 2025. Premiums across all account sizes rose by an average of 0.2%, down from 1.6% in Q3 2025. Large account premiums fell by an average of 2.1% and medium account premiums showed a percentage change of 0%; on the other hand, small account premiums rose by an average of 2.8%.

Signs of softened market conditions were equally evident across lines of business. Nine lines saw premiums decrease this quarter, which is more than half of the lines tracked by this survey and up from six the previous quarter. All other lines recorded premium increases that were flat or lower than in Q3.

Overall, the average increase in premiums across all the major lines of business (commercial auto, commercial property, general liability, umbrella, and workers compensation) was 1.9% in Q4 2025, down from 2.7% in Q3. Two of those lines, workers compensation and commercial property, showed decreases.

Commercial auto marked its 58th consecutive quarter of increases in Q4 2025 with an average premium increase of 6.6%, the highest out of all lines.

Respondents and industry sources both attributed this increase—as well as the nearly 15 years of previous increases—to high claim frequency and severity due to social inflation and nuclear verdicts. According to AM Best, the average cost per commercial auto claim more than doubled over the past decade, equating to an average annual increase of 8%, far above economic inflation. These severe claims also affected umbrella, which was the only other line besides commercial auto to show an average premium increase above 2%.

D&O premiums fell the most out of all lines, at an average of 3.8%. Abundant capacity and a very favorable loss ratio in 2024 (named “one of the best results in a decade” by AM Best) likely contributed to this relief.

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

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