

RISK TRENDS



MARKET UPDATE

THE FOLLOWING ARE KEY TAKEAWAYS FROM THE COUNCIL OF INSURANCE AGENTS & BROKERS:

The soft market was clear in Q1 2026. Respondents reported an average decrease in premiums across all account sizes for the first time since Q3 2017. That average was -1.2%, down noticeably from the previous quarter's 0.2%.

According to respondents, premiums decreased for nine different lines this quarter, while premiums increased for six others and remained flat for one (the average premium change for surety bond was 0.0%). The average increase in premiums across all the major lines of business (commercial auto, commercial property, general liability, umbrella, and workers compensation) was just 0.8%, down from 1.9% in Q4 2025. Across all lines, that average was even lower: -0.3%.

Commercial property premiums posted the largest average decrease in premiums out of all lines, -5.5%, with workers compensation at -3.7% and cyber at -3.5%. Respondents attributed property's decrease to more aggressive competition between carriers for both new and old business; in line with that, 72% of respondents observed an increase in property underwriting capacity, with some respondents noting a "significant" increase.

High claim frequency and severity were a drag on commercial auto stability in Q1 2026. Respondents said premiums for the line rose by an average of 5.8%, the highest out of all lines of business and the 59th consecutive quarter of increases. Social inflation and litigation, increased vehicle repair and replace costs due to both inflation and the amount of technology used in new vehicles, and steadily increasing medical costs all contributed to larger and more frequent claims in the prior year, wrote AM Best in a March 2026 report on the commercial auto market. All those factors have kept commercial auto unprofitable since 2014, except for 2021, AM Best said. 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.

Respondents reported an average decrease in premiums across all account sizes for the first time since Q3 2017.

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

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