RISK TRENDS

MARKET UPDATE

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

The soft market became clearer in Q2 2026. Premium decreases across all account sizes accelerated to an average of 2.0% from 1.2% in Q1, the second consecutive quarter of decreases for this metric. Large account premiums slid by an average of 3.7%, followed by medium accounts at 1.9% and small at 0.5%.

Respondents reported premium decreases for 10 lines this quarter, one more than in the previous quarter. Across all lines of business including the major lines, respondents reported an average decrease of 0.3%.

As in Q1 2026, commercial property recorded the largest decrease in premiums out of all lines, 6.3%, marking a full year of decreases for the line. It was followed by cyber and workers compensation, which both posted average decreases of 3.2%, the ninth consecutive quarter of decreases for cyber and the eighteenth for workers compensation.

Looking across all major lines of business (commercial auto, commercial property, general liability, umbrella, and workers compensation) responses still averaged out to a premium increase, but the increase dropped to 0.4% from 0.8% in the previous quarter.

Umbrella logged the highest average increase, at 5.3%, followed by commercial auto at 4.5%. Nuclear verdicts and the resulting catastrophic claims continued to weigh on umbrella coverage: 40% of respondents noted a contraction in umbrella capacity. Other industry sources have suggested that exposures related to per- and polyfluoroalkyl substances (PFAS) and emerging risks like AI were also of concern to underwriters this quarter.

Commercial property decreases were at least partially driven by carriers seeking to offset increases they asked for in lines like commercial auto and umbrella. A surplus in property capacity—75% of respondents noted an increase in capacity for the line—also exerted downward pressure on premiums as carriers competed for clients. The resulting softened property market conditions won insureds in the middle and large market lower costs at renewal, lower deductibles, and higher sublimits.

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

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