RISK TRENDS

MARKET UPDATE

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

Softened market conditions firmed slightly in Q3 2026 but otherwise did not meaningfully change from Q2 2026. The average change in premiums across all account sizes was -1.3%, up from -2.0% in Q2. Large account premiums decreased the most out of all account sizes for the fourth consecutive quarter, at an average of -3.1 %. Medium and small accounts showed only slight changes at -0.7% and -0.2%, respectively.

Nine lines of business posted decreases this quarter, one less than in Q2. Across all lines of business, including the major lines, respondents reported an average change of -0.2%.

In contrast, when considering solely the major lines-commercial auto, commercial property, general liability, umbrella, and workers compensation-premiums across those lines rose by 0.6%, primarily driven by commercial auto (without that line, the average drops to -1.0%). Premiums for commercial auto rose by 6.7%, by far the highest out of all lines; this was the 61st consecutive quarter of auto premium increases.

Analysis by industry observer AM Best suggested that the primary drag on commercial auto was nuclear verdicts driven by social inflation, translating to higher claim frequency and severity for the liability segment of commercial auto. Nearly 40% of respondents also reported an increase in claims, up from 30% in the previous quarter.

Similar to the first half of 2026, commercial property recorded the largest decrease in premiums out of all lines at-6.2%. It was followed by D&O at-4.1 % and workers compensation at-3.6%-the 11th consecutive quarter of decreases for D&O and the nineteenth for workers compensation.

Analyses from major brokers and AM Best found that in general D&O's decreases were driven by similar factors reported on in previous market surveys: an abundance of capacity, favorable loss developments, and a more refined risk selection stemming from the severe market adjustment in 2020 and 2021. A decline in regulatory enforcement actions and a slight decrease in securities class-action lawsuits were also named by industry analysts as possible factors for the soft D&O market

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

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