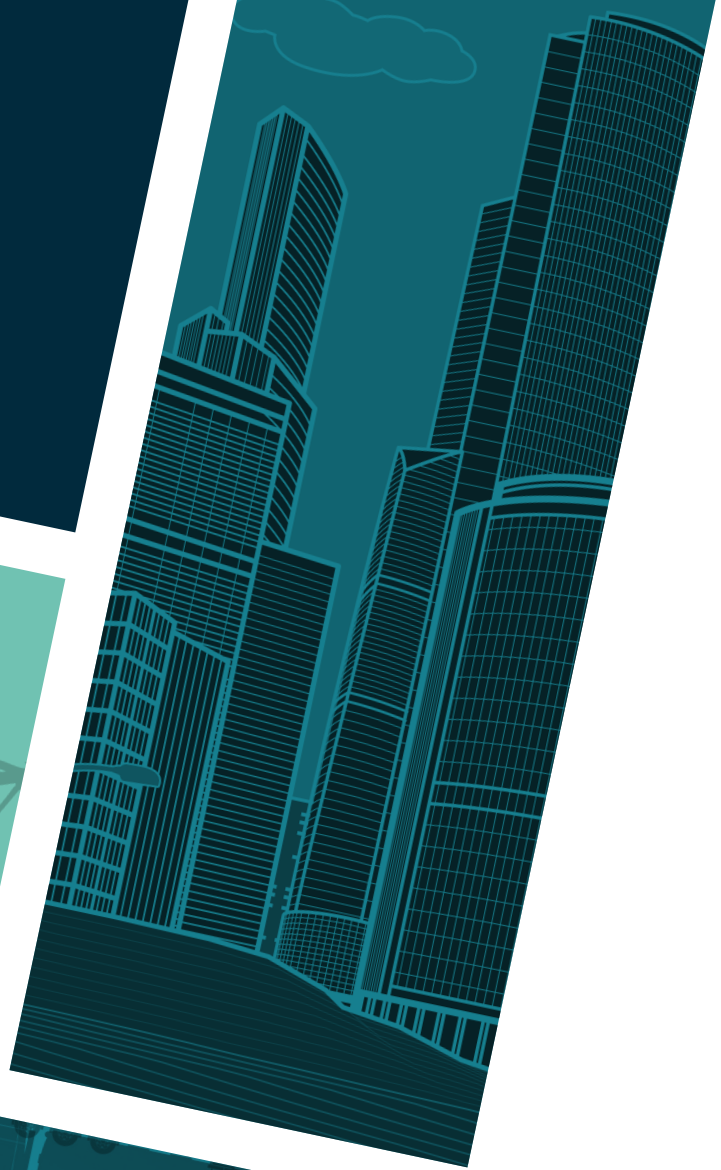


 THE COUNCIL

COMMERCIAL
PROPERTY AND CASUALTY



**MARKET
INDEX
2026**

Q1
2
3
4

Commercial P&C Market Index

Q1/2026

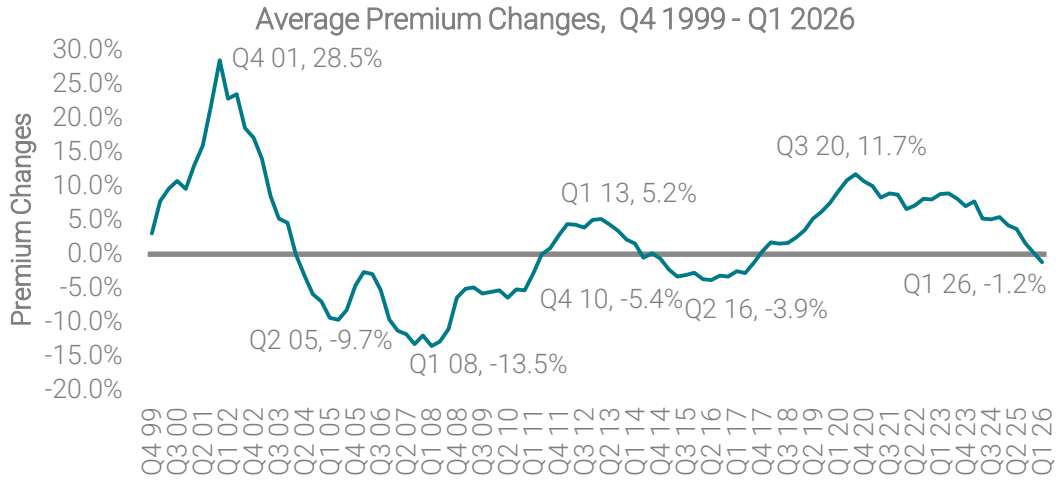
EXECUTIVE SUMMARY

The following are key takeaways from The Council of Insurance Agents & Brokers' Commercial P&C Market Index for Q1 2026 (January 1 – March 31):

- 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.

PREMIUMS

Numerous respondents reported the common signs of a soft market: lower pricing, more flexibility in underwriting terms, more overall appetite, including for business they may have been rejected at previous renewals. That translated to the first overall average decrease in premiums across the various account sizes since Q3 2017. The -1.2% average is a 700% decrease from Q4 2025's 0.2% average increase and an end to the 33-quarter streak of increases for this metric.



Source: The Council of Insurance Agents & Brokers

By account size segment, large account premiums fell the most, at an average of -2.7%, the second decrease in a row after Q4 2025's -2.1%. This was followed by medium accounts at -1.9%. Small account premium increases slowed from 2.8% in Q4 2025 to 1.1% this quarter, the only account size to record an increase.

KEY NUMBERS AT A GLANCE

- **-1.2%:** average premium decrease out of all account sizes, the first decrease since Q3 2017
- **-2.7%:** average premium decrease for large accounts, the largest out of all account sizes
- **1.1%:** average premium increase for small accounts, a 60% decrease from the previous quarter
- **-2.1%:** average decrease in premiums for medium accounts, down from 0.0% in Q4 2025

AVERAGE COMMERCIAL PREMIUM CHANGES

	By Account Size			AVERAGE
	SMALL	MEDIUM	LARGE	
First Quarter 2026	1.1%	-1.9%	-2.7%	-1.2%
Fourth Quarter 2025	2.8%	0.0%	-2.1%	0.2%
Third Quarter 2025	1.2%	1.9%	1.6%	1.6%
Second Quarter 2025	4.2%	4.0%	2.9%	3.7%
First Quarter 2025	3.6%	3.7%	5.3%	4.2%
High	20.8%	31.7%	33.0%	28.5%
High Date	4Q01	4Q01	4Q01	
Low	-10.0%	-15.0%	-15.9%	-13.6%
Low Date	1Q08	3Q07	3Q07	

Source:
The Council of Insurance Agents & Brokers

PREMIUM PRICING BY LINE OF BUSINESS

The soft market was evident in the lines of business as well. Like last quarter, nine lines of business posted an average decrease in premiums in Q1 2026: business interruption, commercial property, construction risks, cyber, D&O, employment practices, marine, terrorism, and workers compensation. Of those lines for which respondents reported an average increase, half had premium increases of roughly 1% or lower.

Commercial property premiums fell by an average of 5.5% in Q1 2026, the largest decrease in premiums out of all lines and down significantly from the -0.7% decrease in Q4 2025. It outstripped both cyber (-3.5% decrease) and workers compensation (-3.7%), both lines that have seen persistent decreases in premiums for at least a year.

For the third consecutive quarter, commercial auto had the highest average increase in premiums out of all lines at 5.8%, a slight moderation from the previous quarter's 6.6%. "Auto premiums have eased, but remained problematic," as one respondent from a large Northeastern firm put it.

KEY NUMBERS AT A GLANCE

- **0.8%:** average premium increase across the major lines (commercial auto, commercial property, general liability, umbrella, workers compensation)
- **-0.3%:** average decrease across all lines (including the major lines)
- **9:** number of lines for which respondents reported a decrease in premiums
- **-5.5%:** average decrease in commercial property premiums, the largest drop out of all lines
- **5.8%:** average increase in commercial auto premiums, the largest out of all lines

BY-LINE FIRST QUARTER 2026 PREMIUM CHANGES RANGED FROM -5.5% TO +5.8%

	COMM'L AUTO	WORKERS COMP	COMM'L PROPERTY	GEN'L LIABILITY	UMBRELLA	AVERAGE
First Quarter 2026	5.8%	-3.7%	-5.5%	2.6%	4.8%	0.8%
Fourth Quarter 2025	6.6%	-2.4%	-0.7%	1.6%	4.7%	1.9%
Third Quarter 2025	7.4%	-1.9%	-0.2%	2.8%	5.5%	2.7%
Second Quarter 2025	8.8%	-1.8%	1.9%	3.9%	11.5%	4.9%
First Quarter 2025	10.4%	-2.6%	2.9%	4.2%	9.5%	4.9%
High	28.6%	24.9%	45.4%	26.0%	51.9%	35.3%
Low	-11.6%	-12.3%	-15.0%	-13.6%	-13.5%	-13.2%

Source:
The Council of Insurance Agents & Brokers

PREMIUM CHANGES IN OTHER LINES

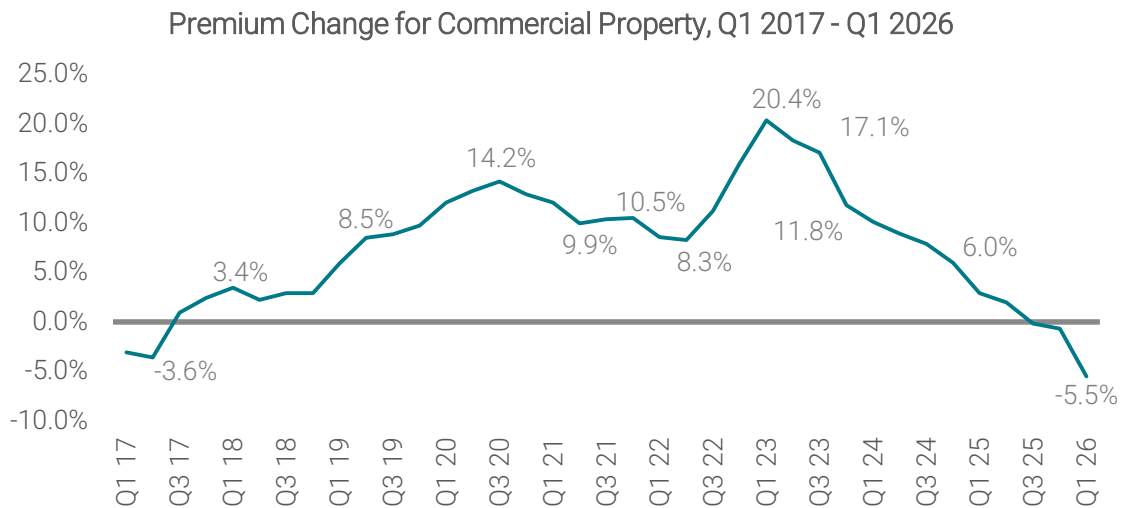
	1Q26	High	Low
Broker E&O	0.5%	15.4%	-4.5%
Business Interruption	-1.9%	28.8%	-10.2%
Construction	-0.3%	38.7%	-10.7%
Cyber	-3.5%	34.3%	-3.5%
D&O Liability	-2.1%	32.4%	-8.7%
Employment Practices	-1.8%	21.9%	-8.1%
Flood	0.2%	8.6%	-2.7%
Marine	-1.0%	4.5%	-10.6%
Medical Malpractice	1.1%	32.5%	-4.1%
Surety Bonds	0.0%	11.2%	-2.3%
Terrorism	-0.6%	10.4%	-3.6%

Source:
The Council of Insurance Agents & Brokers

NOTABLE LINE OF BUSINESS: COMMERCIAL PROPERTY

Increased carrier appetite for business led to increased competition in pricing and underwriting terms.

Commercial property premiums posted the largest decrease out of all lines of business in Q1 2026, sliding by an average of -5.5%, according to respondents. This is a significant acceleration of premium decline from Q4 2025's -0.7%. "Property market was down significantly with all premium accounts," said one respondent from a large Southwestern firm.



Non-cat property saw the biggest relief in premiums and underwriting terms and conditions, but "even some cat property saw rate decreases or improvements in terms/conditions," noted one respondent from a midsize Southeastern firm. Respondents attributed this to a more general increased carrier appetite for business in Q1 2026, with several characterizing appetites as aggressive. Respondents observed widespread use of lower pricing and more favorable underwriting terms and conditions as carriers competed for commercial property and other business this quarter.

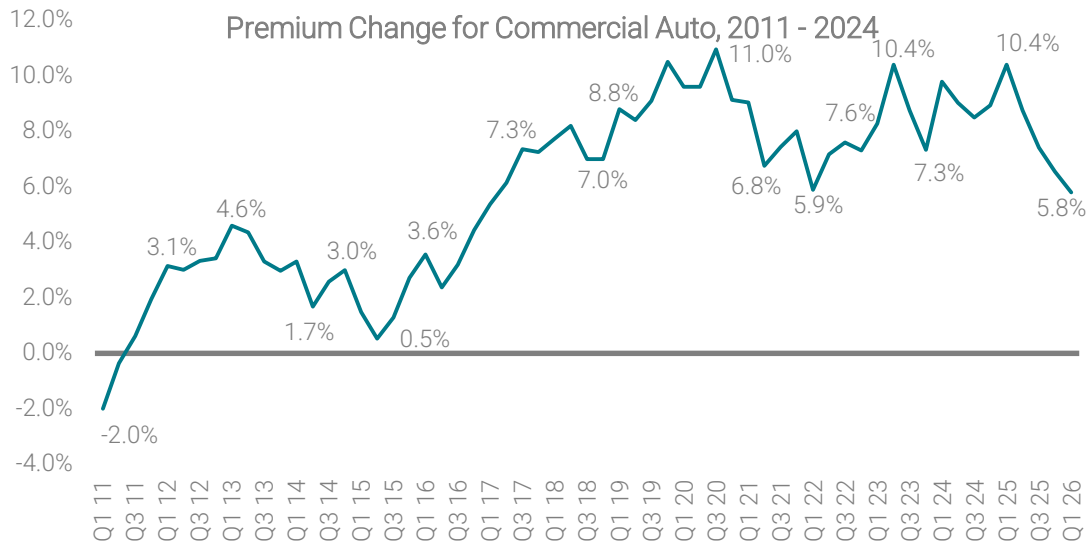
AM Best's March 2026 market outlook for commercial property offered some explanation for why carriers felt more comfortable easing up on pricing and underwriting. According to AM Best data, the annual loss ratio for the line improved further from 87.9% at the end of 2024 to 85% at the end of 2025, despite, as the report notes, "early 2025 California wildfires and notable severe convective storm activity and wildfires throughout the remainder of 2025."

The market outlook traces this profitability back to strong underwriting practices such as smart capacity deployment and diligent risk selection, as well as the strong premium base built before 2024 and 2025. Results from this P&C survey showed premium increases of above 10% for commercial property throughout 2023, with a peak of 20.4% in Q1 2023, and responses from the time reflected strict underwriting demands, including a push for accurate, updated insurance-to-value based on inflation and emphasis on risk mitigation.

NOTABLE LINE OF BUSINESS: COMMERCIAL AUTO

Unprofitability due to more frequent and more severe claims continued to drag on the line.

In contrast to commercial property, carrier efforts to rein in claims costs and restore stability to the troubled line have found little success so far. For the third consecutive quarter, commercial auto premiums increased the most out of all lines, averaging 5.8%. This marked 59 quarters of increased premiums for the line.



In another AM Best March 2026 market report commercial auto was identified as “one of the worst-performing P/C segments over the last ten years.” AM Best found that, with the exception of 2021, commercial auto has had annual loss ratios of above 100% since 2014 through at least 2024 and likely 2025. Net underwriting losses for the line exceeded \$5 billion in 2023 and 2024, with corresponding loss ratios of 109.2 and 107.2, respectively, according to AM Best’s report.

Distracted driving and congested roads contributed to the ongoing high commercial auto claim frequency, and as with previous quarters, social inflation and the nuclear verdicts it leads to amplified claim severity far beyond healthy levels, AM Best said. Other contributing factors to claim severity were the rise in medical costs after an accident and the increased cost of repair or replacement due to inflation. Ironically, the technology added to vehicles to make driving safer—such as telematics—seem to have also contributed to higher claims costs thus far, according to AM Best.

Overall, despite respondents noting some slight easing in premium prices and underwriting, commercial auto suffered from the same issues in Q1 2026 as it did in previous quarters.

The Council of Insurance Agents & Brokers is the premier association for the top regional, national and international commercial insurance and employee benefits intermediaries worldwide. Council members are market leaders who annually place 85 percent of U.S. commercial property/casualty insurance premiums and administer billions of dollars in employee benefits accounts. With expansive international reach, The Council fosters industry-wide relationships around the globe by engaging lawmakers, regulators and stakeholders to promote the interests of its members and the valuable role they play in the mitigation of risk for their clients. Founded in 1913, The Council is based in Washington, D.C.

**BELOW ARE THE SURVEY RESULTS FOR:
ALL REGIONS**

1. During the first quarter of 2026 (January 1 - March 31), on average, did premiums go up or down for each of the following account sizes, compared to the fourth quarter of 2025 (October 1 - December 31)? (If your company has more than one branch, refer to the premium change(s) at your individual branch)

	1 Down more than 30%	2 Down 20% - 30%	3 Down 10% - 19%	4 Down 1% - 9%	5 No change	6 Up 1% - 9%	7 Up 10% - 19%	8 Up 20% - 29%	9 Up 30% - 50%	10 Up more than 50%	N/A Not sure
Small Account (Less than \$25k in commission and fees)	0.0%	0.0%	0.0%	22.6%	25.8%	45.2%	0.0%	0.0%	0.0%	0.0%	6.5%
Medium Account (Between \$25k to \$100k in commission and fees)	0.0%	0.0%	12.9%	32.3%	19.4%	32.3%	0.0%	0.0%	0.0%	0.0%	3.2%
Large Account (More than \$100k in commission and fees)	0.0%	0.0%	6.5%	54.8%	12.9%	19.4%	0.0%	0.0%	0.0%	0.0%	6.5%

2. During the first quarter of 2026 (January 1 - March 31), on average, did premiums go up or down for each of the following lines of business, compared to the fourth quarter of 2025 (October 1 - December 31)? (If your company has more than one branch, refer to the premium change(s) at your individual branch)

	1 Down more than 30%	2 Down 20% - 30%	3 Down 10% - 19%	4 Down 1% - 9%	5 No Change	6 Up 1% - 9%	7 Up 10% - 19%	8 Up 20% - 29%	9 Up 30% - 50%	10 Up more than 50%	N/A Not Sure
Broker E&O	0.0%	0.0%	0.0%	6.9%	65.5%	17.2%	0.0%	0.0%	0.0%	0.0%	10.4%
Business interruption	0.0%	0.0%	3.4%	41.4%	41.4%	10.3%	0.0%	0.0%	0.0%	0.0%	3.5%
Commercial auto	0.0%	0.0%	0.0%	0.0%	3.4%	82.8%	13.8%	0.0%	0.0%	0.0%	0.0%
Commercial property	0.0%	3.4%	24.1%	44.8%	10.3%	17.2%	0.0%	0.0%	0.0%	0.0%	0.2%
Construction risks	0.0%	0.0%	3.4%	24.1%	37.9%	27.6%	0.0%	0.0%	0.0%	0.0%	7.0%
Cyber	0.0%	0.0%	10.3%	48.3%	37.9%	3.4%	0.0%	0.0%	0.0%	0.0%	0.1%
D&O	0.0%	0.0%	6.9%	27.6%	58.6%	3.4%	0.0%	0.0%	0.0%	0.0%	3.5%
Employment practices	0.0%	0.0%	6.9%	27.6%	55.2%	10.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Flood	0.0%	0.0%	3.4%	3.4%	75.9%	17.2%	0.0%	0.0%	0.0%	0.0%	0.1%
General liability	0.0%	0.0%	0.0%	6.9%	37.9%	51.7%	3.4%	0.0%	0.0%	0.0%	0.1%
Marine	0.0%	0.0%	3.4%	17.2%	69.0%	6.9%	0.0%	0.0%	0.0%	0.0%	3.5%
Medical malpractice	0.0%	0.0%	0.0%	3.4%	51.7%	27.6%	0.0%	0.0%	0.0%	0.0%	17.3%
Surety bonds	0.0%	0.0%	0.0%	0.0%	82.8%	0.0%	0.0%	0.0%	0.0%	0.0%	17.2%
Terrorism	0.0%	0.0%	0.0%	13.8%	75.9%	0.0%	0.0%	0.0%	0.0%	0.0%	10.3%
Umbrella	0.0%	0.0%	0.0%	3.4%	17.2%	65.5%	13.8%	0.0%	0.0%	0.0%	0.1%
Workers' compensation	0.0%	0.0%	6.9%	62.1%	24.1%	3.4%	0.0%	0.0%	0.0%	0.0%	3.5%

**BELOW ARE THE SURVEY RESULTS FOR:
PACIFIC NORTHWEST (NO. CA, AK, CO, HI, ID, MT, NV, OR, UT, WA, WY)**

1. During the first quarter of 2026 (January 1 - March 31), on average, did premiums go up or down for each of the following account sizes, compared to the fourth quarter of 2025 (October 1 - December 31)? (If your company has more than one branch, refer to the premium change(s) at your individual branch)

	1 Down more than 30%	2 Down 20% - 30%	3 Down 10% - 19%	4 Down 1% - 9%	5 No change	6 Up 1% - 9%	7 Up 10% - 19%	8 Up 20% - 29%	9 Up 30% - 50%	10 Up more than 50%	N/A Not sure
Small Account (Less than \$25k in commission and fees)	0.0%	0.0%	0.0%	0.0%	66.7%	33.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Medium Account (Between \$25k to \$100k in commission and fees)	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Large Account (More than \$100k in commission and fees)	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

2. During the first quarter of 2026 (January 1 - March 31), on average, did premiums go up or down for each of the following lines of business, compared to the fourth quarter of 2025 (October 1 - December 31)? (If your company has more than one branch, refer to the premium change(s) at your individual branch)

	1 Down more than 30%	2 Down 20% - 30%	3 Down 10% - 19%	4 Down 1% - 9%	5 No Change	6 Up 1% - 9%	7 Up 10% - 19%	8 Up 20% - 29%	9 Up 30% - 50%	10 Up more than 50%	N/A Not Sure
Broker E&O	0.0%	0.0%	0.0%	0.0%	66.7%	0.0%	0.0%	0.0%	0.0%	0.0%	33.3%
Business interruption	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Commercial auto	0.0%	0.0%	0.0%	0.0%	33.3%	66.7%	0.0%	0.0%	0.0%	0.0%	0.0%
Commercial property	0.0%	0.0%	0.0%	33.3%	33.3%	33.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Construction risks	0.0%	0.0%	0.0%	33.3%	66.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cyber	0.0%	0.0%	0.0%	33.3%	33.3%	33.3%	0.0%	0.0%	0.0%	0.0%	0.0%
D&O	0.0%	0.0%	0.0%	33.3%	66.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Employment practices	0.0%	0.0%	0.0%	33.3%	66.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Flood	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
General liability	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Marine	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Medical malpractice	0.0%	0.0%	0.0%	0.0%	66.7%	0.0%	0.0%	0.0%	0.0%	0.0%	33.3%
Surety bonds	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Terrorism	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Umbrella	0.0%	0.0%	0.0%	0.0%	33.3%	66.7%	0.0%	0.0%	0.0%	0.0%	0.0%
Workers' compensation	0.0%	0.0%	0.0%	0.0%	66.7%	33.3%	0.0%	0.0%	0.0%	0.0%	0.0%

AVERAGE COMMERCIAL PREMIUM CHANGES

	By Account Size SMALL	MEDIUM	LARGE	AVERAGE
First Quarter 2026	1.1%	-1.9%	-2.7%	-1.2%
Fourth Quarter 2025	2.8%	0.0%	-2.1%	0.2%
Third Quarter 2025	1.2%	1.9%	1.6%	1.6%
Second Quarter 2025	4.2%	4.0%	2.9%	3.7%
First Quarter 2025	3.6%	3.7%	5.3%	4.2%
High	20.8%	31.7%	33.0%	28.5%
High Date	4Q01	4Q01	4Q01	
Low	-10.0%	-15.0%	-15.9%	-13.6%
Low Date	1Q08	3Q07	3Q07	

Source:
The Council of Insurance Agents & Brokers

BY-LINE FIRST QUARTER 2026 PREMIUM CHANGES RANGED FROM -5.5% TO +5.8%

	COMM'L AUTO	WORKERS COMP	COMM'L PROPERTY	GEN'L LIABILITY	UMBRELLA	AVERAGE
First Quarter 2026	5.8%	-3.7%	-5.5%	2.6%	4.8%	0.8%
Fourth Quarter 2025	6.6%	-2.4%	-0.7%	1.6%	4.7%	1.9%
Third Quarter 2025	7.4%	-1.9%	-0.2%	2.8%	5.5%	2.7%
Second Quarter 2025	8.8%	-1.8%	1.9%	3.9%	11.5%	4.9%
First Quarter 2025	10.4%	-2.6%	2.9%	4.2%	9.5%	4.9%
High	28.6%	24.9%	45.4%	26.0%	51.9%	35.3%
Low	-11.6%	-12.3%	-15.0%	-13.6%	-13.5%	-13.2%

Source:
The Council of Insurance Agents & Brokers

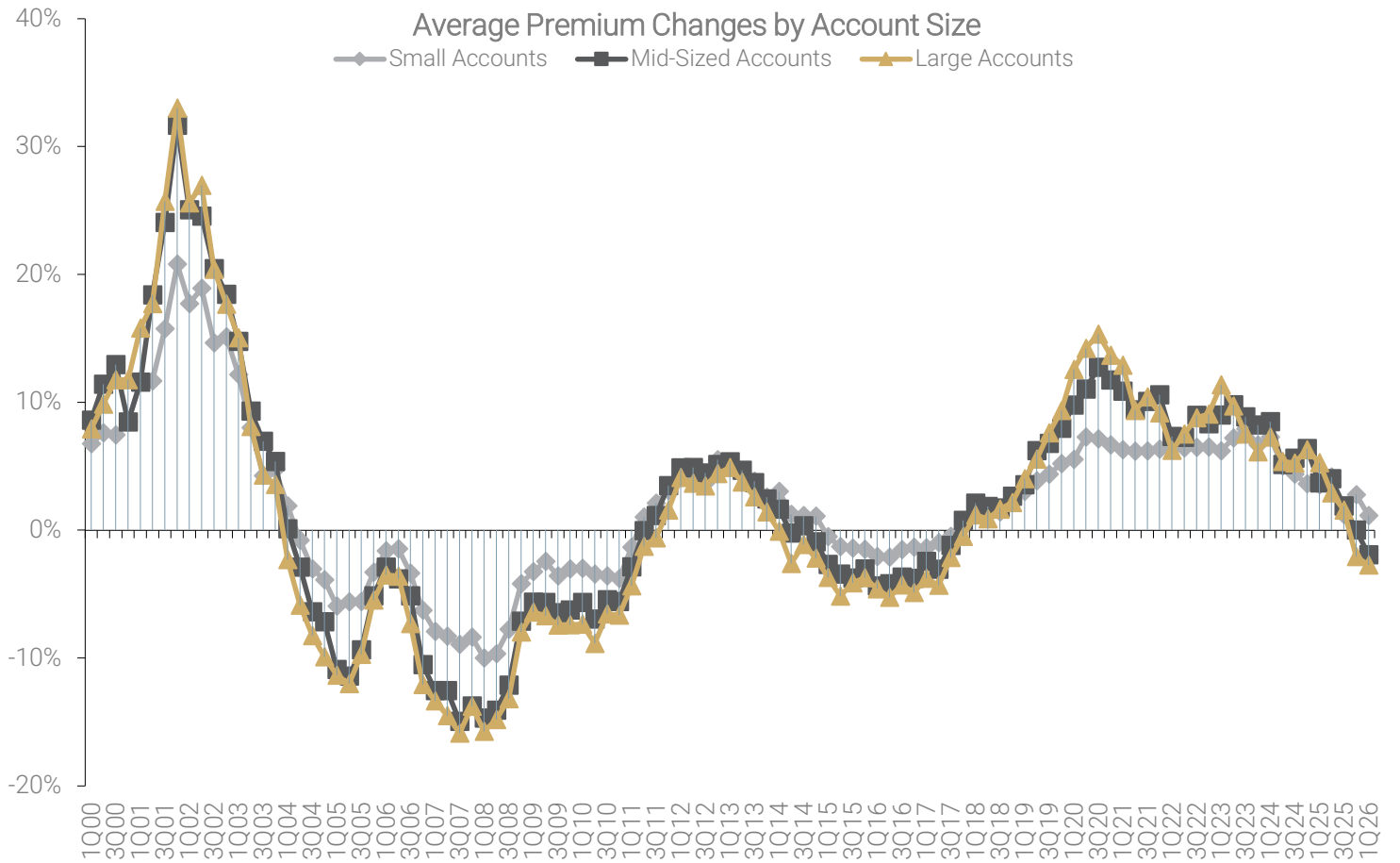
PREMIUM CHANGES IN OTHER LINES

	1Q26	High	Low
Broker E&O	0.5%	15.4%	-4.5%
Business Interruption	-1.9%	28.8%	-10.2%
Construction	-0.3%	38.7%	-10.7%
Cyber	-3.5%	34.3%	-3.5%
D&O Liability	-2.1%	32.4%	-8.7%
Employment Practices	-1.8%	21.9%	-8.1%
Flood	0.2%	8.6%	-2.7%
Marine	-1.0%	4.5%	-10.6%
Medical Malpractice	1.1%	32.5%	-4.1%
Surety Bonds	0.0%	11.2%	-2.3%
Terrorism	-0.6%	10.4%	-3.6%

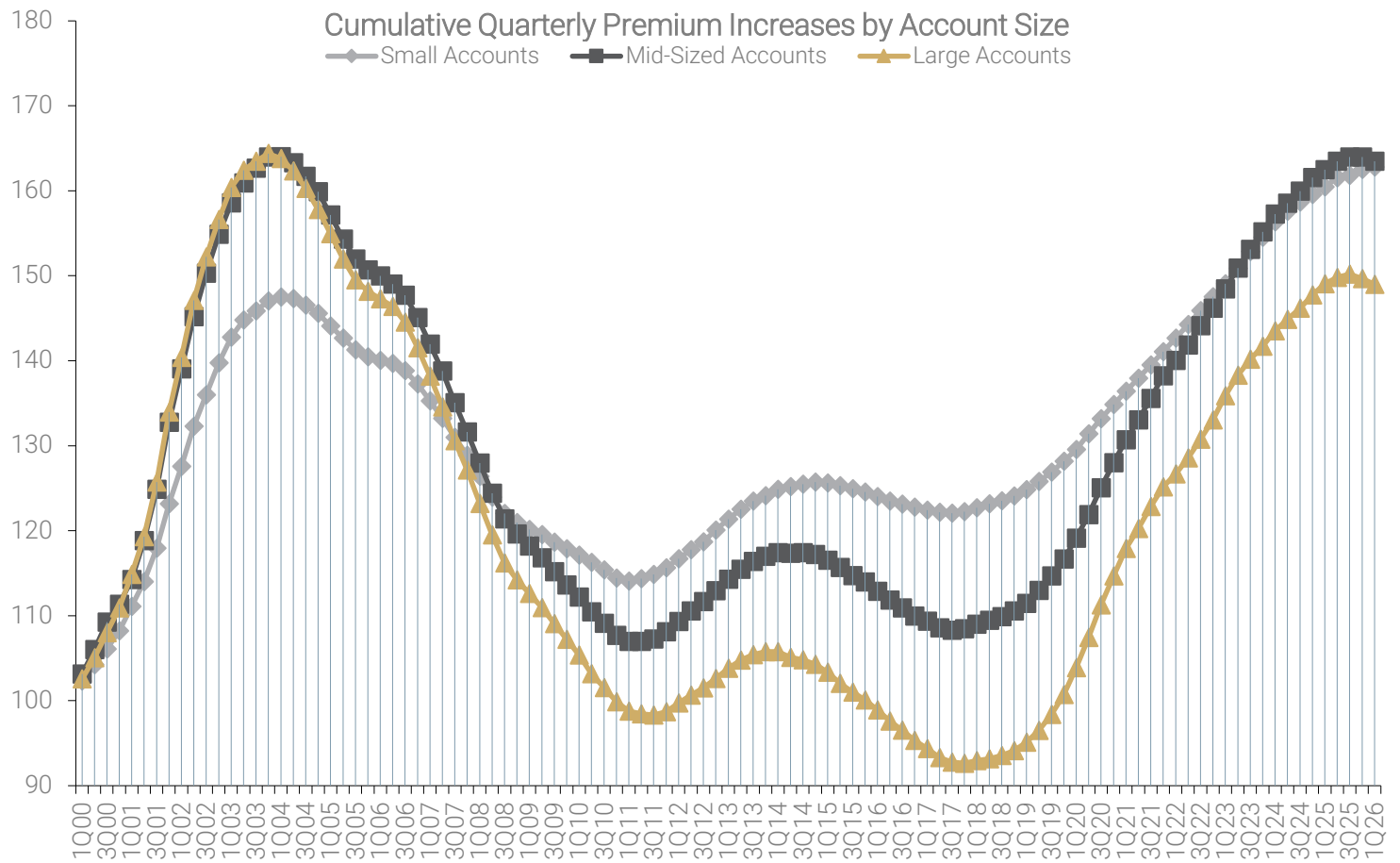
Source:

The Council of Insurance Agents & Brokers

Average Premium Changes by Account Size

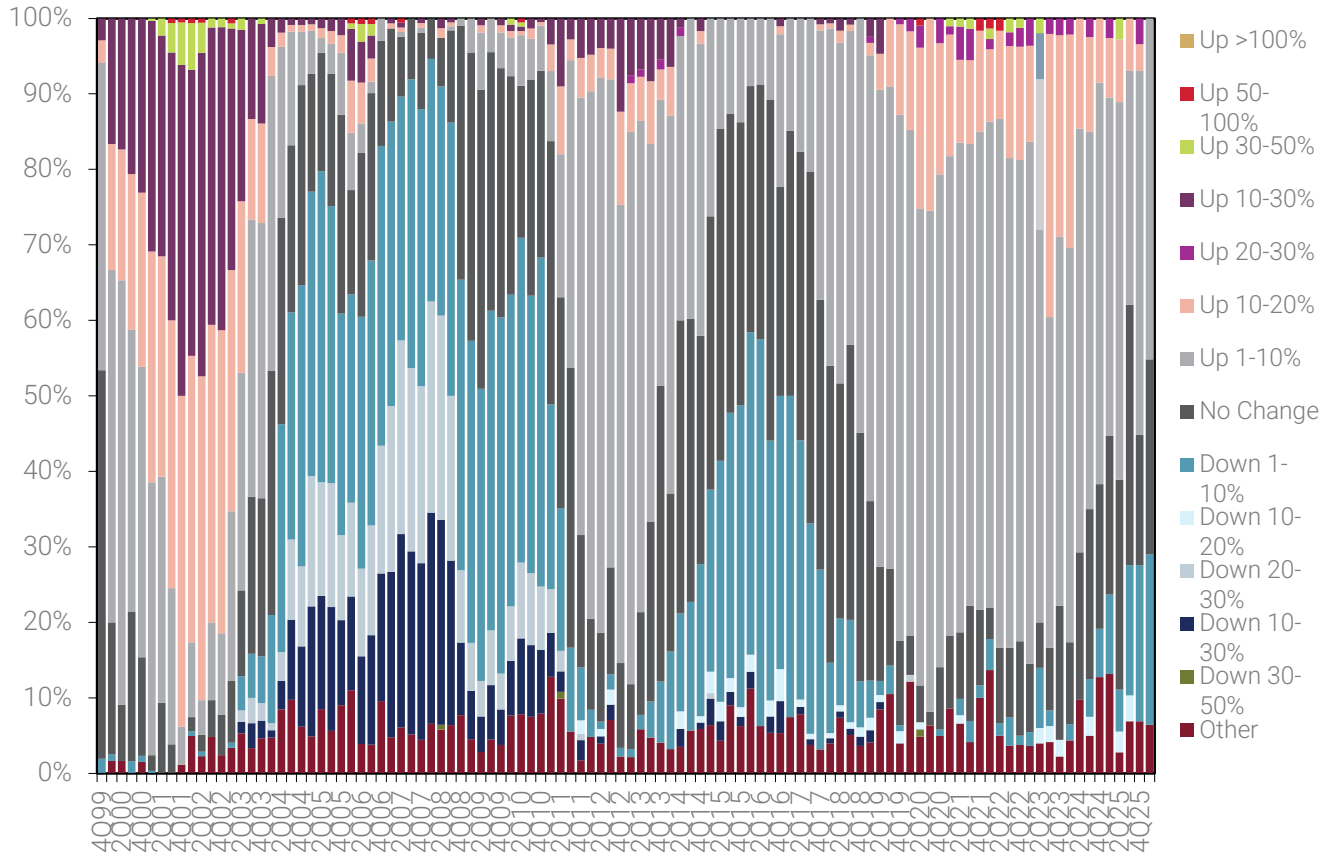


Cumulative Quarterly Premium Increases by Account Size



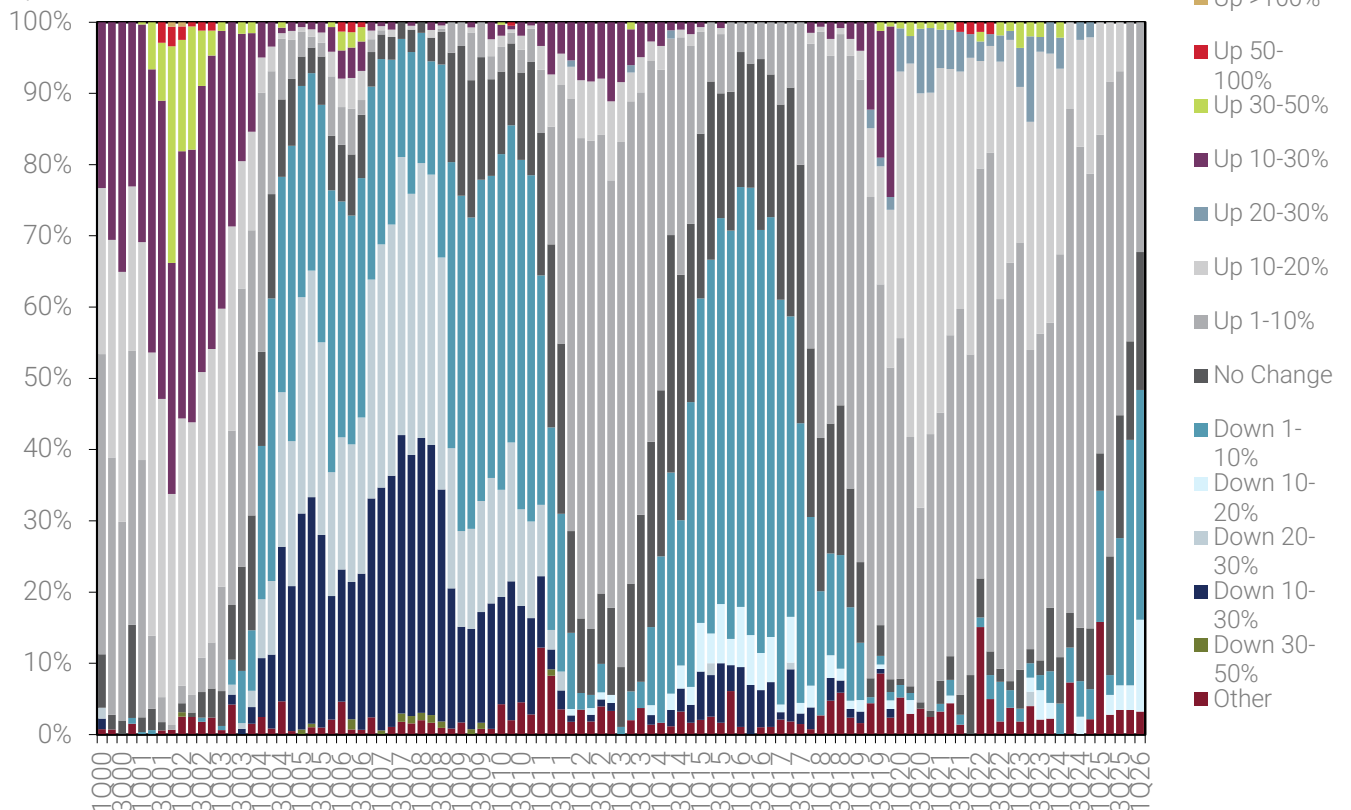
Percentage of Survey Respondents

Insurance Premium Changes, Small Commercial Accounts (Accounts generating <\$25,000 in annual commissions & fees)



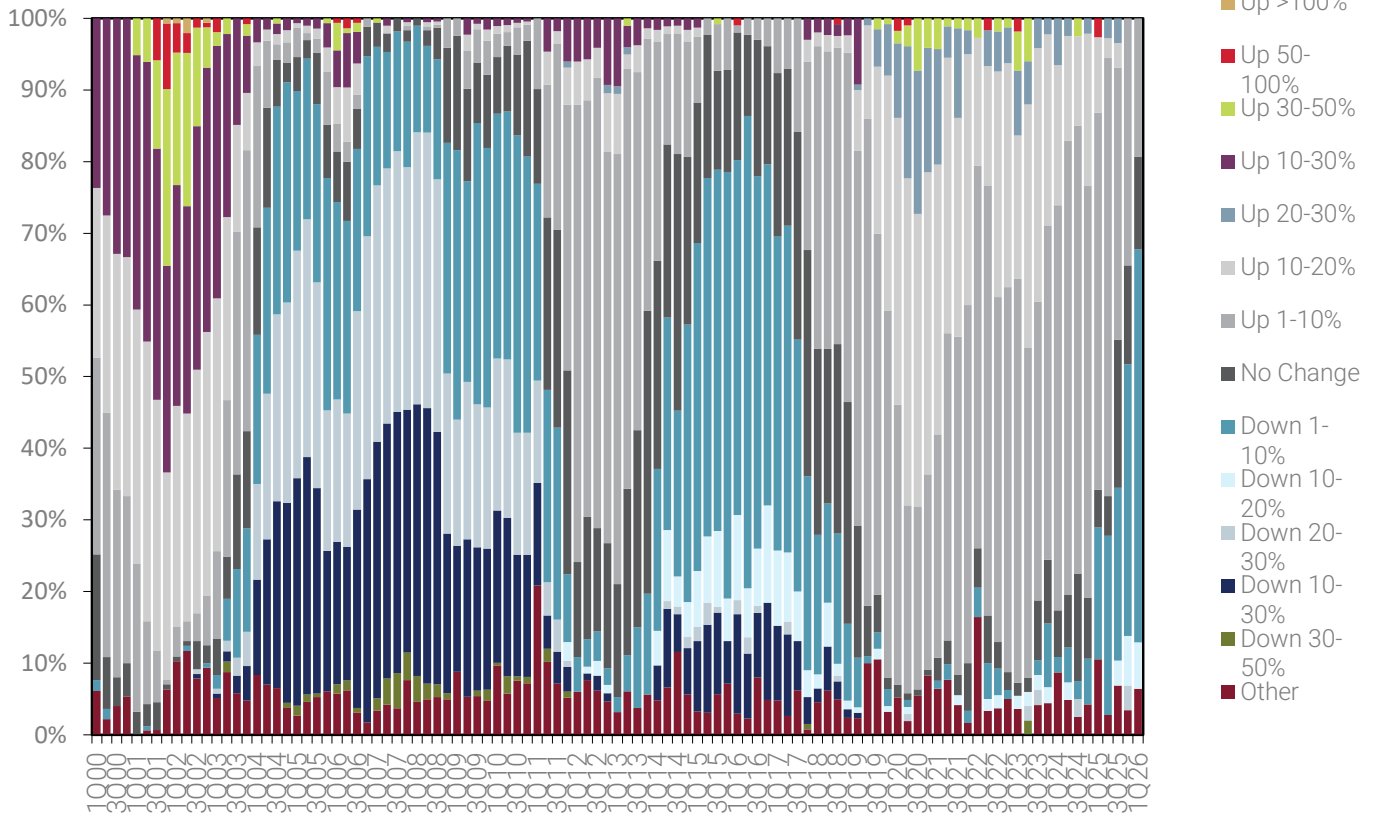
Percentage of Survey Respondents

Insurance Premium Changes, Medium Commercial Accounts (Accounts generating \$25,000-\$100,000 in annual commissions & fees)

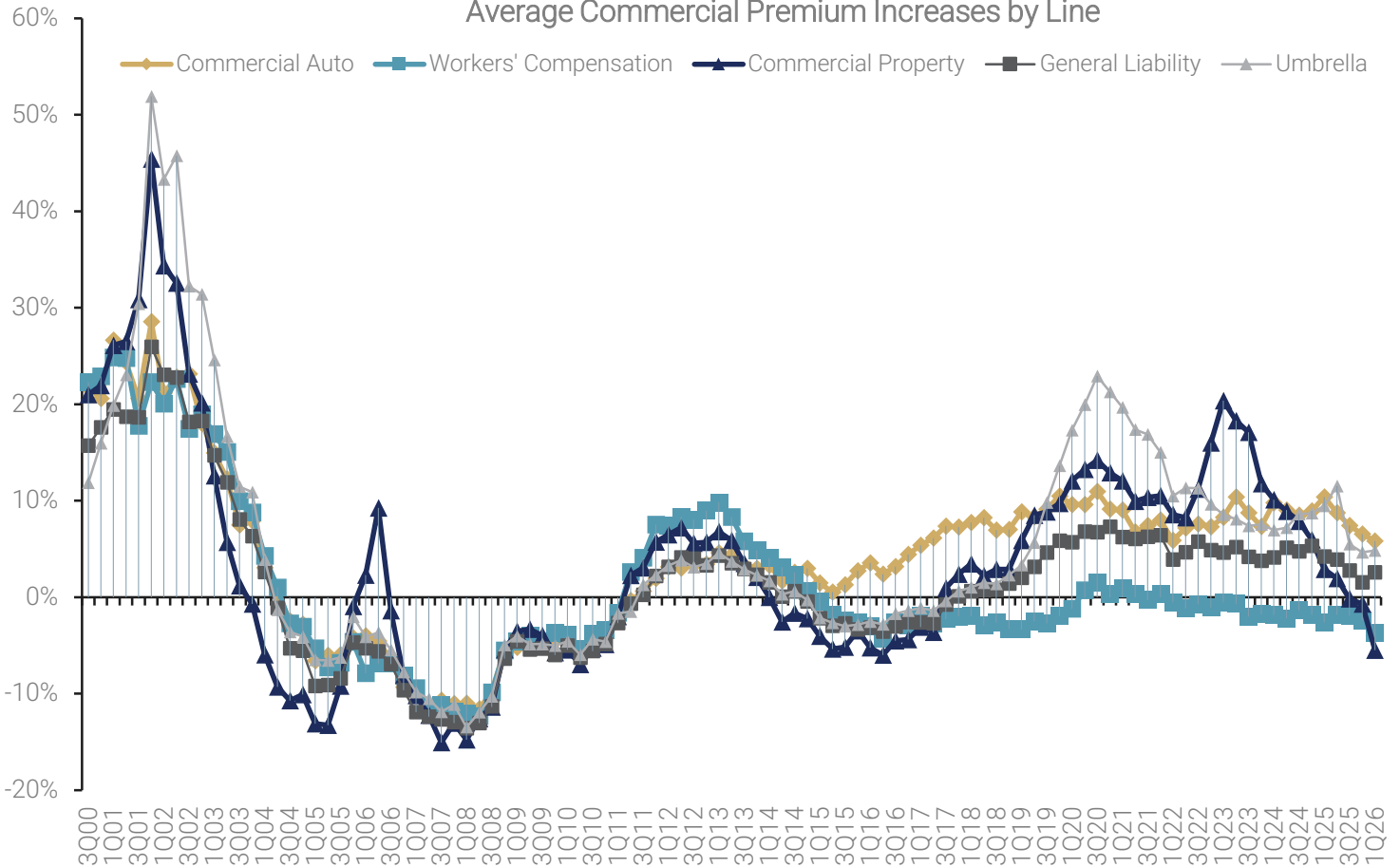


Insurance Premium Changes, Large Commercial Accounts (Accounts generating >\$100,000 in annual commissions & fees)

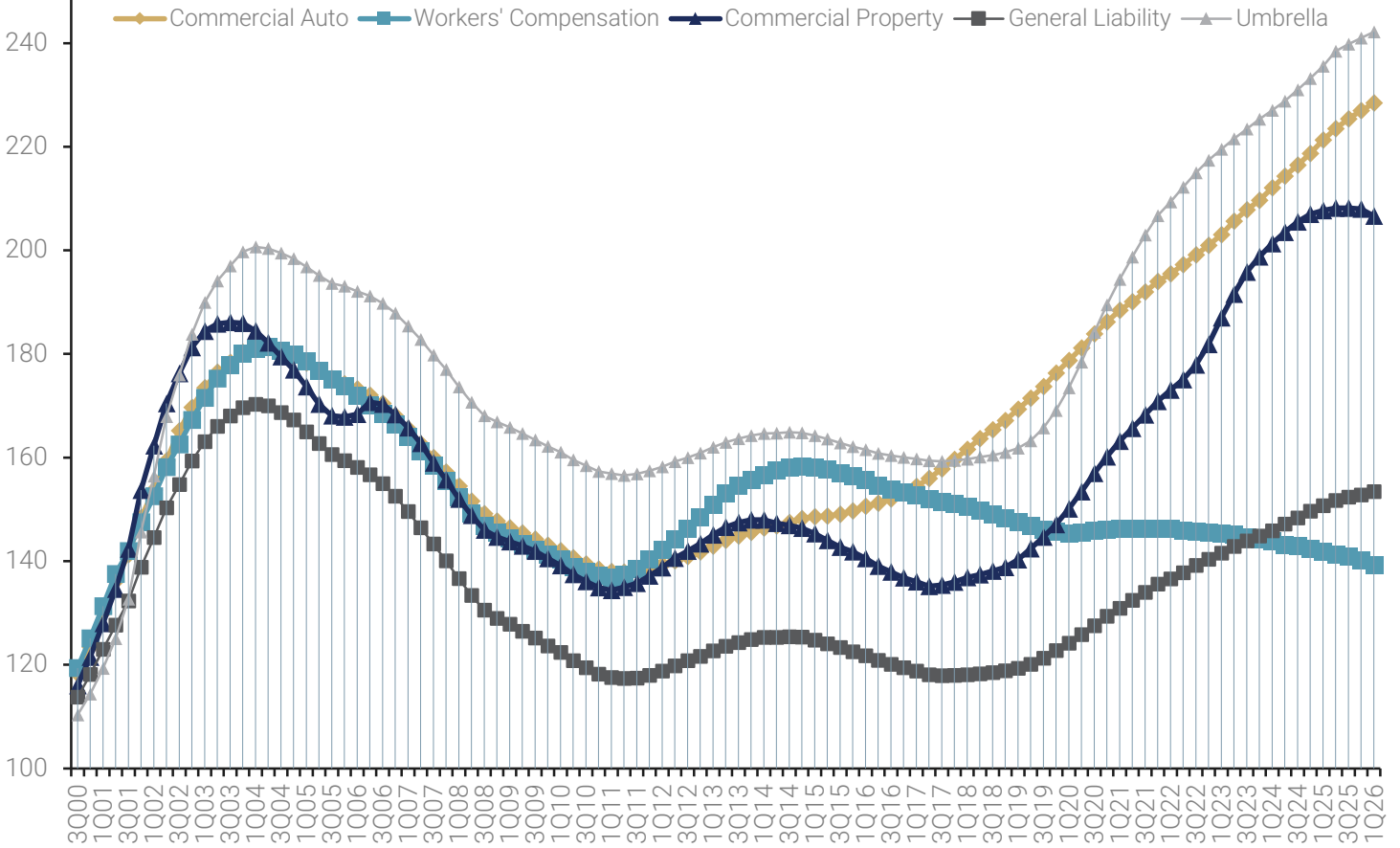
Percentage of Survey Respondents



Average Commercial Premium Increases by Line

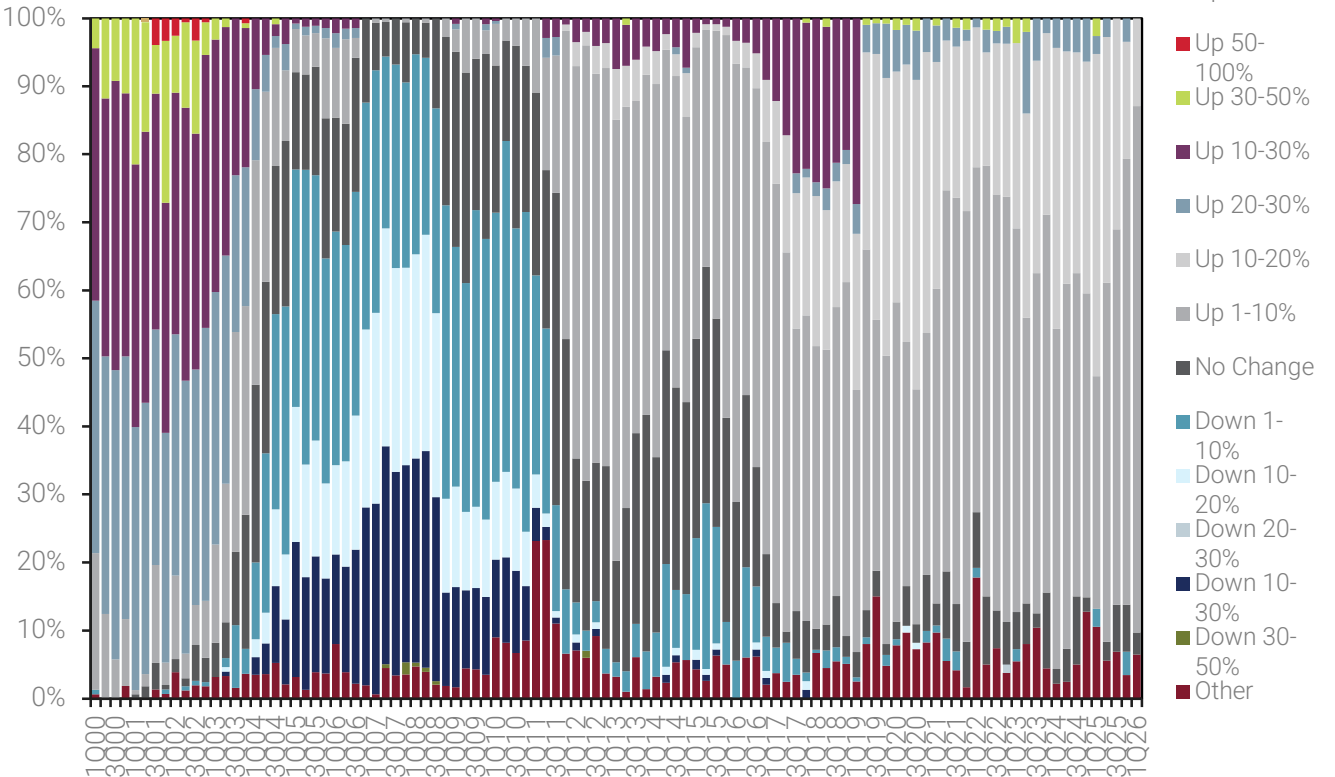


Cumulative Quarterly Premium Increases by Line of Business



Commercial Auto Insurance Premium Changes

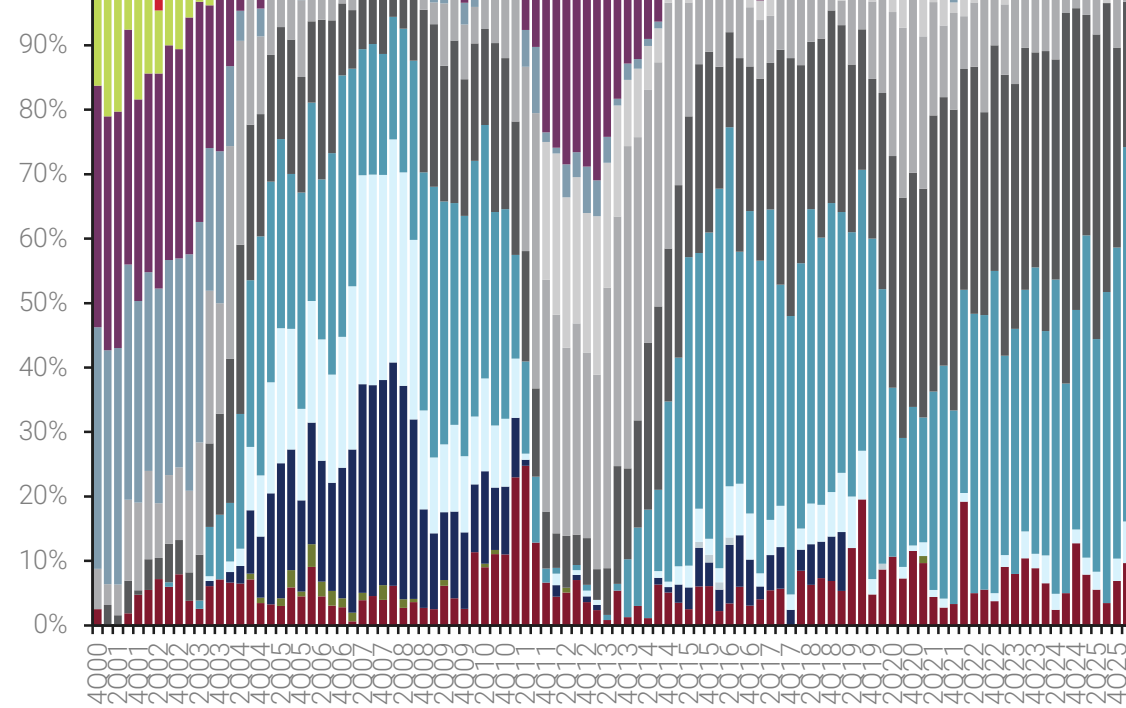
Percentage of Survey Respondents



Workers Compensation Insurance Premium Changes

Percentage of Survey Respondents

100%

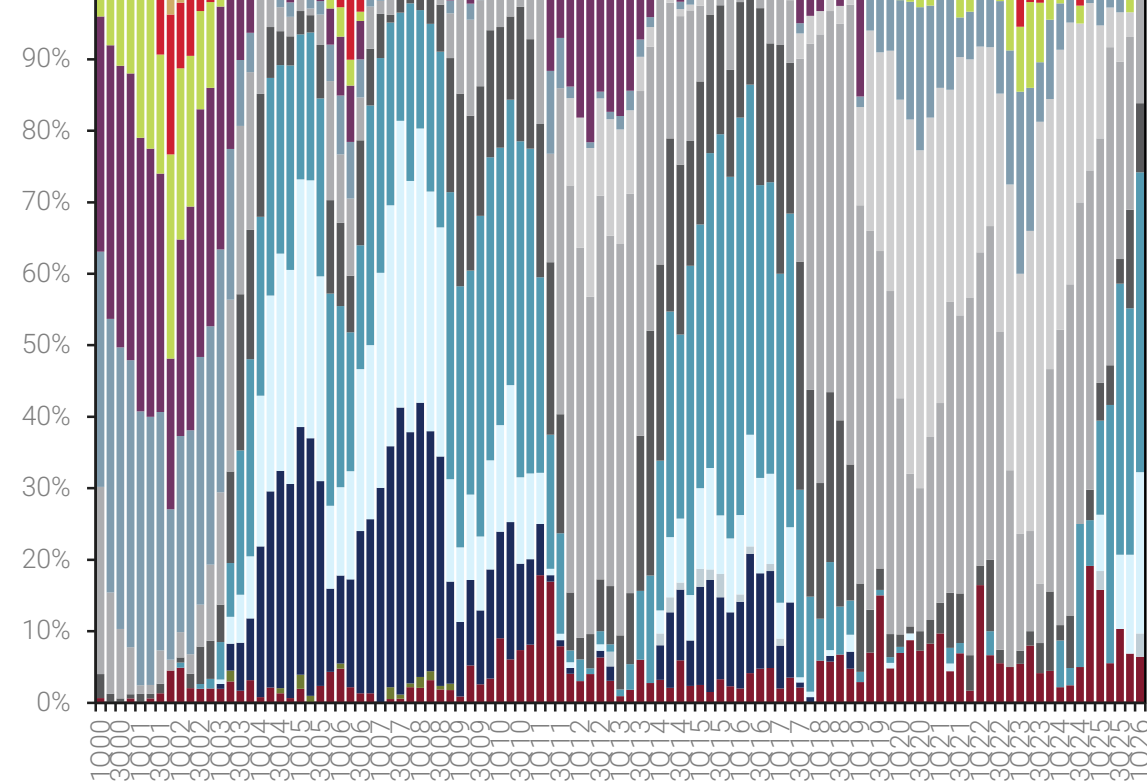


- Up >100%
- Up 50-100%
- Up 30-50%
- Up 10-30%
- Up 20-30%
- Up 10-20%
- Up 1-10%
- No Change
- Down 1-10%
- Down 10-20%
- Down 20-30%
- Down 10-30%
- Down 30-50%
- Other

Commercial Property Insurance Premium Changes

Percentage of Survey Respondents

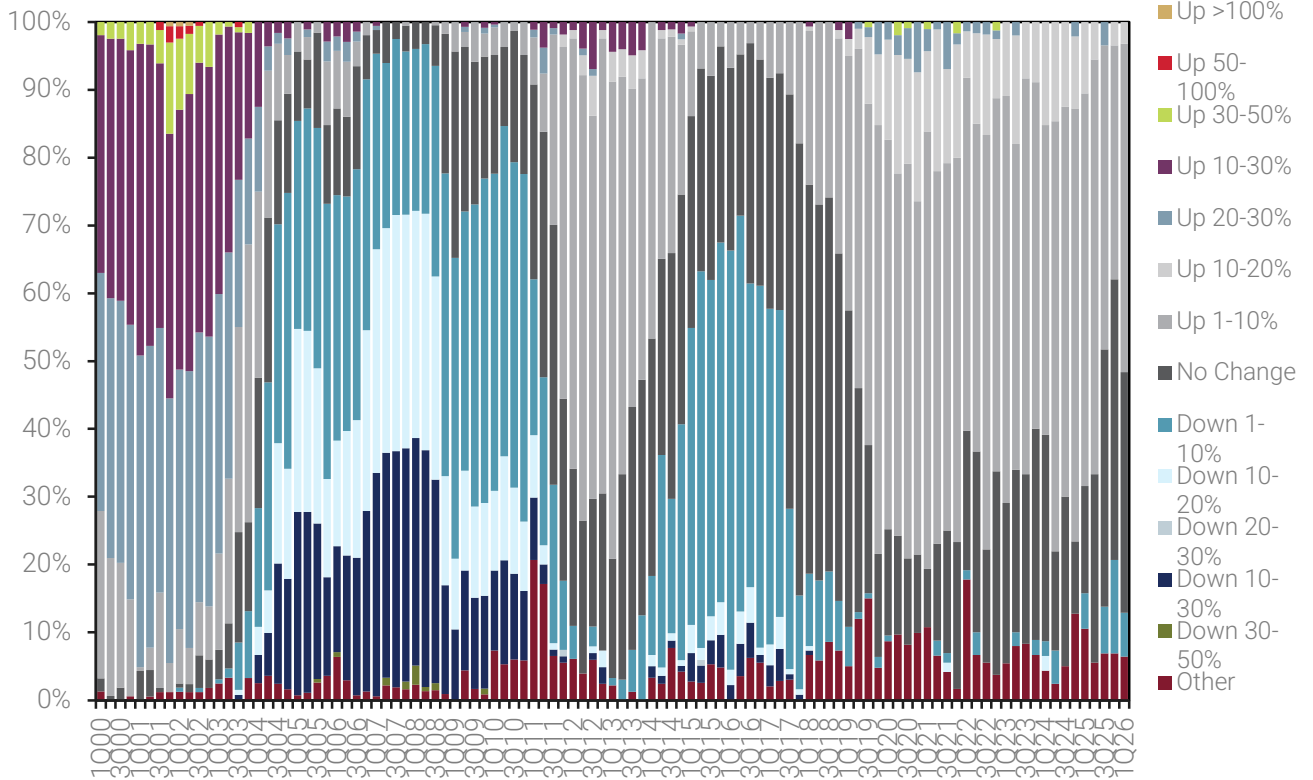
100%



- Up >100%
- Up 50-100%
- Up 30-50%
- Up 10-30%
- Up 20-30%
- Up 10-20%
- Up 1-10%
- No Change
- Down 1-10%
- Down 10-20%
- Down 20-30%
- Down 10-30%
- Down 30-50%
- Other

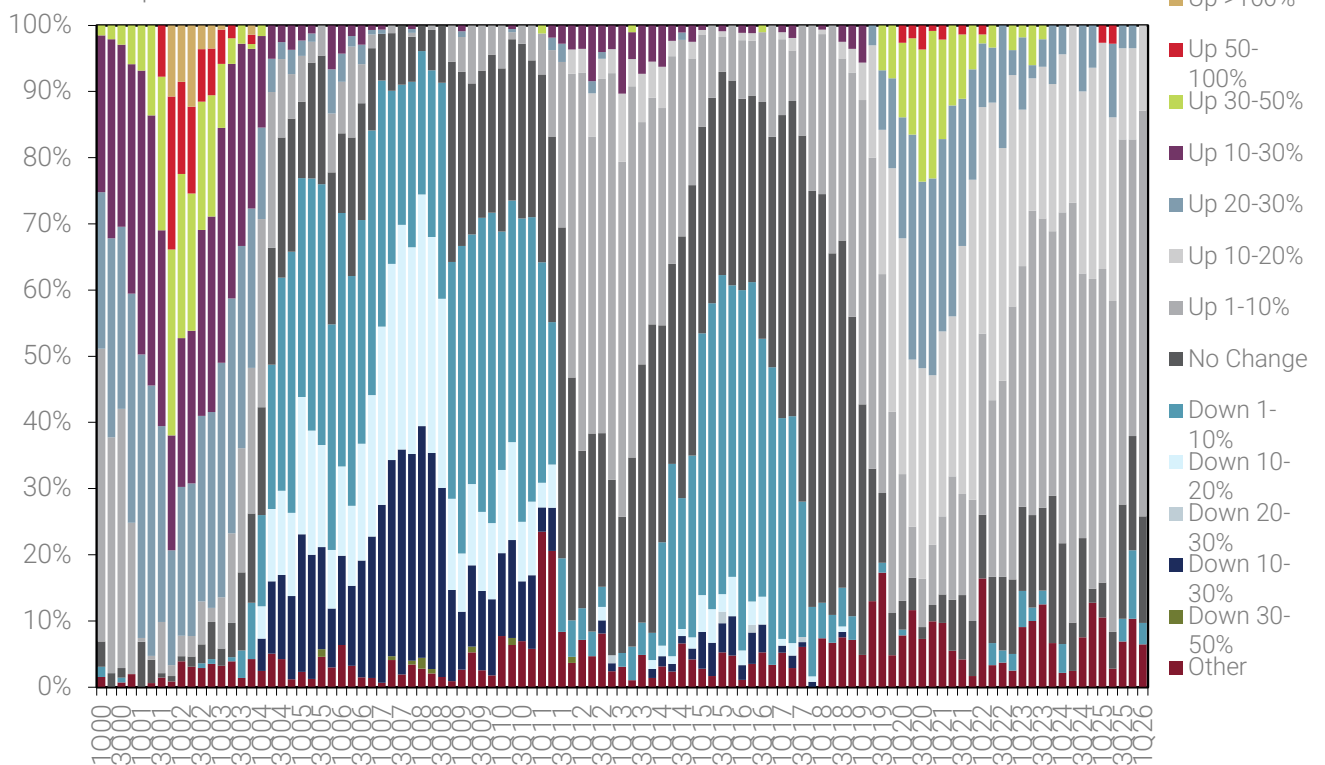
Commercial General Liability Insurance Premium Changes

Percentage of Survey Respondents



Umbrella Insurance Premium Changes

Percentage of Survey Respondents



Business Interruption Insurance Premium Changes

Percentage of Survey Respondents

