

 THE COUNCIL

COMMERCIAL
PROPERTY/CASUALTY



**MARKET
INDEX
2025**

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Commercial Property/Casualty Market Index

Q3/2025

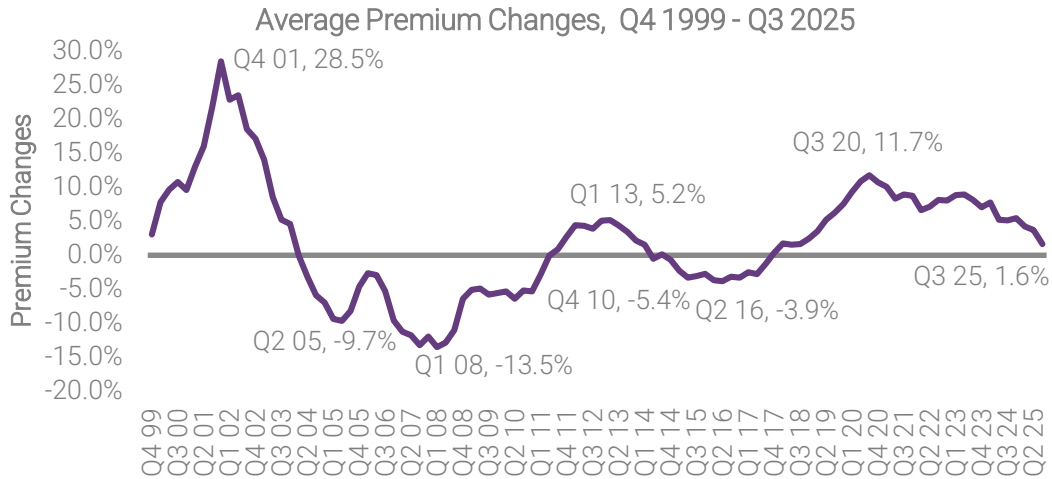
EXECUTIVE SUMMARY

The following are key takeaways from The Council of Insurance Agents & Brokers' Commercial Property/Casualty Market Report for Q3 2025 (July 1 – September 30):

- Q3 2025 showed clear soft market conditions across the board. Premiums across all account sizes rose by an average of 1.6%, down from 3.7% in Q2 2025. Premiums for each account size increased by less than 2%; small account premiums increased the least, at an average of 1.2%. Respondents attributed this to aggressive competition among carriers for small business.
- All lines of business had premium increases flat to or lower than the previous quarter's increases. The number of lines for which premiums decreased rose from five in Q2 to six in Q3: business interruption, commercial property, cyber, D&O, employment practices, and workers compensation.
- Overall, the average increase in premiums across all the major lines of business (commercial auto, commercial property, general liability, umbrella, and workers compensation) was 2.7% in Q3 2025, a 45% decrease from the 4.9% average increase recorded last quarter.
- Commercial property premiums decreased for the first time since Q2 2017, at an average of -0.2%. Respondents and industry sources attributed this to changes in two factors that caused significant hard market conditions in 2023: restricted capacity and a hard reinsurance market. More than half of survey respondents reported an increase in commercial property capacity in Q3 2025; not only did a wave of new carriers and MGAs enter the property market, but some carriers also reentered the market after exiting in 2023, industry sources said. A softened reinsurance market also allowed primary carriers some relief, which was passed on to insureds as well.
- Cyber premiums fell the most out of all lines in Q3, at an average of -2.6%. This was also the fourth record decrease set by the line in the past six quarters. Respondents and industry sources suggested that ample capacity and demand-driven competition for business—including lower premiums—kept the market buyer-friendly.

PREMIUMS

Soft market conditions were clearer than ever in Q3 2025. Each of the three account sizes (small, medium, and large) saw premium increases of less than 2%, for an overall average increase of 1.6% across all account sizes. This was a 57% decrease from the overall average increase of 3.7% recorded last quarter.



Source: The Council of Insurance Agents & Brokers

Small account premium increases moderated the most out of all account sizes, with respondents reporting an average increase of 1.2%, down 71% from the 4.0% increase in Q2 2025. Multiple respondents highlighted carriers' appetite for smaller accounts; as one respondent from a large Northwestern firm put it, "Carriers have been aggressive towards small business for a while."

Overall, several respondents commented that carriers were more competitive and more aggressive when it came to winning new business, a likely factor behind the notable moderation in premium increases this quarter.

KEY NUMBERS AT A GLANCE

- **1.6%:** average premium increase across all account sizes
- **32:** number of consecutive quarters of increased premiums across all account sizes
- **1.2%:** average increase in premiums for small accounts, lowest among all account sizes
- **1.9%:** average increase in premiums for medium accounts; 52% decrease from Q2
- **1.6%:** average increase in premiums for large accounts; a 45% decrease from Q2

AVERAGE COMMERCIAL PREMIUM INCREASES

	By Account Size			AVERAGE
	SMALL	MEDIUM	LARGE	
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%
Fourth Quarter 2024	3.6%	6.4%	6.3%	5.4%
Third Quarter 2024	4.4%	5.6%	5.3%	5.1%
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

“We are in a stable to soft market for most lines,” said one respondent from a large Northeastern firm. Indeed, all lines of business showed increases that were either roughly equivalent to Q2 increases or lower—and this quarter there were no exceptions, unlike previous quarters. Across the major lines of business (commercial auto, commercial property, general liability, umbrella, and workers compensation), premiums increased by an average of 2.7%, a 45% decrease from last quarter’s 4.9%.

Six lines recorded decreases in premiums in Q3, up from five lines in Q2, encompassing business interruption, commercial property, cyber, D&O, employment practices, and workers compensation. Cyber premiums fell the most out of these lines at an average of -2.6%, but also notable was the -0.2% decrease in commercial property premiums, given that just a year ago, in Q3 2024, respondents reported an average increase of 7.9%.

Another standout result from this quarter was the 5.5% average increase in umbrella premiums. Premium increases have steadily climbed for the line since Q1 2024, rising to an average increase of 11.5% just last quarter. Ivans’s Q3 2025 market index also showed a slight decrease in umbrella rates from 9.07% in Q2 to 8.99% in Q3; likewise, Marsh’s Q3 2025 results indicated umbrella rate increases slowed to 9% from 14% in the two prior quarters. It’s not yet clear what may be influencing this abrupt reversal in the magnitude of average premium increases for the line.

KEY NUMBERS AT A GLANCE

- **2.7%:** average premium increase across all lines of business, the same as Q2 2025
- **7.4%:** average premium increase for commercial auto, the highest out of all lines
- **6:** number of lines for which premiums decreased
- **-2.6%:** average premium decrease for cyber, the largest decrease out of all lines

BY-LINE THIRD QUARTER 2025 PREMIUM CHANGES RANGED FROM -1.9% TO +7.4%

	COMM'L AUTO	WORKERS COMP	COMM'L PROPERTY	GEN'L LIABILITY	UMBRELLA	AVERAGE
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%
Fourth Quarter 2024	8.9%	-1.8%	6.0%	5.3%	8.7%	5.4%
Third Quarter 2024	8.5%	-1.4%	7.9%	4.8%	8.6%	5.7%
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

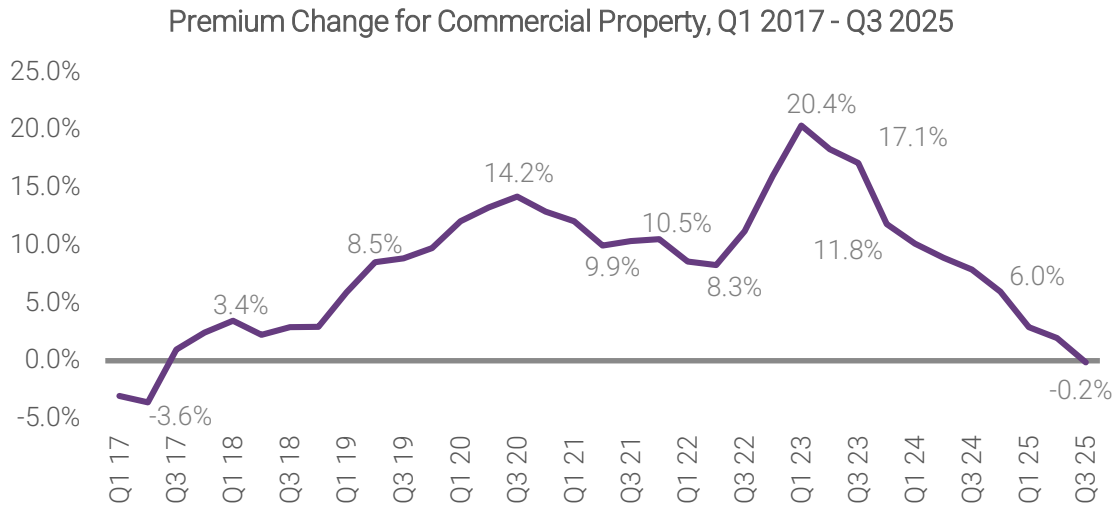
	3Q25	High	Low
Broker E&O	1.0%	15.4%	-4.5%
Business Interruption	-0.2%	28.8%	-10.2%
Construction	1.6%	38.7%	-10.7%
Cyber	-2.6%	34.3%	-2.6%
D&O Liability	-2.1%	32.4%	-8.7%
Employment Practices	-0.7%	21.9%	-8.1%
Flood	1.2%	8.6%	-2.7%
Marine	0.9%	4.5%	-10.6%
Medical Malpractice	0.9%	32.5%	-4.1%
Surety Bonds	0.2%	11.2%	-2.3%
Terrorism	0.2%	10.4%	-3.6%

Source:
The Council of Insurance Agents & Brokers

NOTABLE LINE OF BUSINESS: COMMERCIAL PROPERTY

Capacity growth and a softened reinsurance market led to lower premiums.

Commercial property premiums fell by -0.2% on average in Q3 2025, the first decrease in property premiums recorded since Q2 2017. This was also a more than 100% decrease from the previous quarter's 1.9% average increase.



The factor behind this moderation in premium increases that is most often mentioned in survey responses and industry sources is an influx of additional capacity in the property insurance market. More than half of the survey respondents said they had seen an increase in underwriting capacity for the line, and several anecdotal responses reported that carriers were more willing to provide capacity for property risks. Echoing that, an April 2025 report on the state of the property market by broker Amwins suggests that a wave of new carrier entrants and MGAs, as well as carrier reentrants, have provided a glut of capacity that “far outweighs demand,” leading to lower premiums.

“Common sentiment is that this is one of the most rapid erosions of property market conditions in decades,” the Amwins report states.

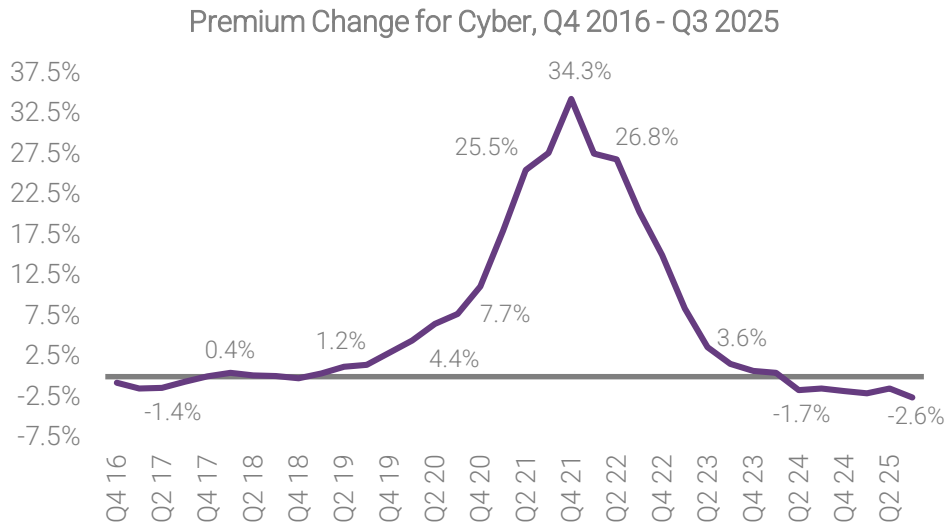
AM Best’s 2025 Market Segment Report for commercial property also notes that, as carriers in previous years deployed capacity more cautiously or pushed for premium increases (for example, in mid-2023, when premiums increased by up to 20.4% at the peak), accounts with high-risk property moved to the non-admitted market. This derisking may have contributed to the softened market conditions seen in Q3, as carriers may now feel they have reached adequate premiums on most accounts, the AM Best report says.

The AM Best report also points to an improvement in the commercial property reinsurance market, allowing primary property carriers to reduce costs. A hard reinsurance market was a key driver behind premium increases in 2023, as touched on in the Q2 2023 Commercial Property/Casualty Market Survey report. Property premiums rose by an average of 18.3% that quarter, the second highest average increase in premiums recorded in the past two decades (the highest was 20.4% in Q1 2023). Similar to the factors driving premium pricing changes in the insurance market, AM Best attributes the more favorable terms and conditions and pricing to additional capacity and thus competition in the property reinsurance market as well.

NOTABLE LINE OF BUSINESS: CYBER

An abundance of capital and competition among carriers kept premiums low.

Cyber premiums fell by an average of 2.6% in Q3 2025, the largest decrease out of all lines. This was another record decrease for the line and was the fourth recorded in the past six quarters.



As with commercial property, an excess of underwriting capacity was one of the main contributors to the soft market conditions for this line. Forty-three percent of respondents said there had been an increase in cyber underwriting capacity; a quarter of those respondents characterized the capacity increase as significant.

The main sources of capital for carriers seeking to deploy additional capacity were a favorable reinsurance market and the recent growth in the cyber ILS bond market, industry sources suggest. “Looking to the reinsurance market in 2025, supply of capital from traditional sources remain[ed] abundant relative to current demand,” an Aon May 2025 analysis of the cyber insurance market says. A July 2025 AM Best cyber market segment report makes a similar point on reinsurance and adds: “The insurance-linked securities (ILS) and catastrophe bond (CAT bond) markets have become important sources of alternative capital and diversification for the market. In 2024, the cyber-ILS market deployed over USD 750 million in 144A cyber cat bonds, including Beazley’s USD 210 million PoleStar 2024-3 transaction, one of the largest cyber CAT bonds issued to date.”

High demand for cyber insurance—45% of survey respondents said they had seen an increase in demand for the line—also attracted carriers, the AM Best market segment report shows. This demand was likely driven both by an increasing awareness of cyber risk and global cyber regulations that are pushing companies to purchase cyber insurance, according to the AM Best report and the Aon market analysis. Overall, the resulting “supply-demand imbalance,” as the Aon analysis put it, led to a more favorable buyer’s market in Q3 2025, including lower premiums.

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 third quarter of 2025 (July 1 - September 30), on average, did premiums go up or down for each of the following account sizes, compared to the second quarter of 2025 (April 1 - June 30)? (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)	0.00%	0.00%	3.40%	17.20%	34.50%	31.00%	6.90%	0.00%	0.00%	0.00%	6.90%
Medium Account (Between \$25k to \$100k in commission and fees)	0.00%	0.00%	3.40%	20.70%	17.20%	48.30%	6.90%	0.00%	0.00%	0.00%	3.40%
Large Account (More than \$100k in commission and fees)	0.00%	0.00%	3.40%	24.10%	20.70%	37.90%	3.40%	3.40%	0.00%	0.00%	3.40%

2. During the third quarter of 2025 (July 1 - September 30), on average, did premiums go up or down for each of the following lines of business, compared to the second quarter of 2025 (April 1 - June 30)? (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	0.00%	0.00%	0.00%	3.40%	44.80%	24.10%	0.00%	0.00%	0.00%	0.00%	27.70%
Business interruption	0.00%	0.00%	0.00%	27.60%	31.00%	24.10%	0.00%	0.00%	0.00%	0.00%	17.30%
Commercial auto	0.00%	0.00%	0.00%	0.00%	6.90%	55.20%	31.00%	0.00%	0.00%	0.00%	6.90%
Commercial property	0.00%	0.00%	10.30%	37.90%	3.40%	27.60%	6.90%	3.40%	0.00%	0.00%	10.50%
Construction risks	0.00%	0.00%	0.00%	13.80%	37.90%	27.60%	0.00%	3.40%	0.00%	0.00%	17.30%
Cyber	0.00%	0.00%	3.40%	55.20%	27.60%	3.40%	3.40%	0.00%	0.00%	0.00%	7.00%
D&O	0.00%	3.40%	0.00%	37.90%	41.40%	3.40%	3.40%	0.00%	0.00%	0.00%	10.50%
Employment practices	0.00%	0.00%	3.40%	27.60%	41.40%	13.80%	3.40%	0.00%	0.00%	0.00%	10.40%
Flood	0.00%	0.00%	0.00%	3.40%	51.70%	27.60%	0.00%	0.00%	0.00%	0.00%	17.30%
General liability	0.00%	0.00%	0.00%	6.90%	37.90%	44.80%	0.00%	3.40%	0.00%	0.00%	7.00%
Marine	0.00%	0.00%	0.00%	0.00%	65.50%	17.20%	0.00%	0.00%	0.00%	0.00%	17.30%
Medical malpractice	0.00%	0.00%	0.00%	3.40%	55.20%	20.70%	0.00%	0.00%	0.00%	0.00%	20.70%
Surety bonds	0.00%	0.00%	0.00%	3.40%	69.00%	6.90%	0.00%	0.00%	0.00%	0.00%	20.70%
Terrorism	0.00%	0.00%	0.00%	3.40%	69.00%	6.90%	0.00%	0.00%	0.00%	0.00%	20.70%
Umbrella	0.00%	0.00%	0.00%	3.40%	17.20%	55.20%	13.80%	3.40%	0.00%	0.00%	7.00%
Workers' compensation	0.00%	0.00%	0.00%	48.30%	44.80%	0.00%	3.40%	0.00%	0.00%	0.00%	3.50%

**BELOW ARE THE SURVEY RESULTS FOR:
SOUTHWEST (SO. CA, AZ, NM, OK, TX)**

1. During the third quarter of 2025 (July 1 - September 30), on average, did premiums go up or down for each of the following account sizes, compared to the second quarter of 2025 (April 1 - June 30)? (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)	0.00%	0.00%	0.00%	0.00%	50.00%	0.00%	50.00%	0.00%	0.00%	0.00%	0.00%
Medium Account (Between \$25k to \$100k in commission and fees)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%
Large Account (More than \$100k in commission and fees)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	50.00%	50.00%	0.00%	0.00%	0.00%

2. During the third quarter of 2025 (July 1 - September 30), on average, did premiums go up or down for each of the following lines of business, compared to the second quarter of 2025 (April 1 - June 30)? (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	0.00%	0.00%	0.00%	0.00%	50.00%	0.00%	0.00%	0.00%	0.00%	0.00%	50.00%
Business interruption	0.00%	0.00%	0.00%	0.00%	50.00%	50.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Commercial auto	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%
Commercial property	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	50.00%	50.00%	0.00%	0.00%	0.00%
Construction risks	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	50.00%	0.00%	0.00%	50.00%
Cyber	0.00%	0.00%	0.00%	0.00%	0.00%	50.00%	50.00%	0.00%	0.00%	0.00%	0.00%
D&O	0.00%	0.00%	0.00%	0.00%	0.00%	50.00%	50.00%	0.00%	0.00%	0.00%	0.00%
Employment practices	0.00%	0.00%	0.00%	0.00%	0.00%	50.00%	50.00%	0.00%	0.00%	0.00%	0.00%
Flood	0.00%	0.00%	0.00%	0.00%	0.00%	50.00%	0.00%	0.00%	0.00%	0.00%	50.00%
General liability	0.00%	0.00%	0.00%	0.00%	0.00%	50.00%	0.00%	50.00%	0.00%	0.00%	0.00%
Marine	0.00%	0.00%	0.00%	0.00%	0.00%	50.00%	0.00%	0.00%	0.00%	0.00%	50.00%
Medical malpractice	0.00%	0.00%	0.00%	0.00%	0.00%	50.00%	0.00%	0.00%	0.00%	0.00%	50.00%
Surety bonds	0.00%	0.00%	0.00%	0.00%	0.00%	50.00%	0.00%	0.00%	0.00%	0.00%	50.00%
Terrorism	0.00%	0.00%	0.00%	0.00%	0.00%	50.00%	0.00%	0.00%	0.00%	0.00%	50.00%
Umbrella	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	50.00%	50.00%	0.00%	0.00%	0.00%
Workers' compensation	0.00%	0.00%	0.00%	0.00%	50.00%	0.00%	50.00%	0.00%	0.00%	0.00%	0.00%

AVERAGE COMMERCIAL PREMIUM INCREASES

	By Account Size			
	SMALL	MEDIUM	LARGE	AVERAGE
Third Quarter 2025	1.2%	1.9%	1.6%	1.6%
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First Quarter 2025	3.6%	3.7%	5.3%	4.2%
Fourth Quarter 2024	3.6%	6.4%	6.3%	5.4%
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High Date	4Q01	4Q01	4Q01	
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Low Date	1Q08	3Q07	3Q07	

Source:

The Council of Insurance Agents & Brokers

BY-LINE THIRD QUARTER 2025 PREMIUM CHANGES RANGED FROM -1.9% TO +7.4%

	COMM'L AUTO	WORKERS COMP	COMM'L PROPERTY	GEN'L LIABILITY	UMBRELLA	AVERAGE
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%
Fourth Quarter 2024	8.9%	-1.8%	6.0%	5.3%	8.7%	5.4%
Third Quarter 2024	8.5%	-1.4%	7.9%	4.8%	8.6%	5.7%
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:
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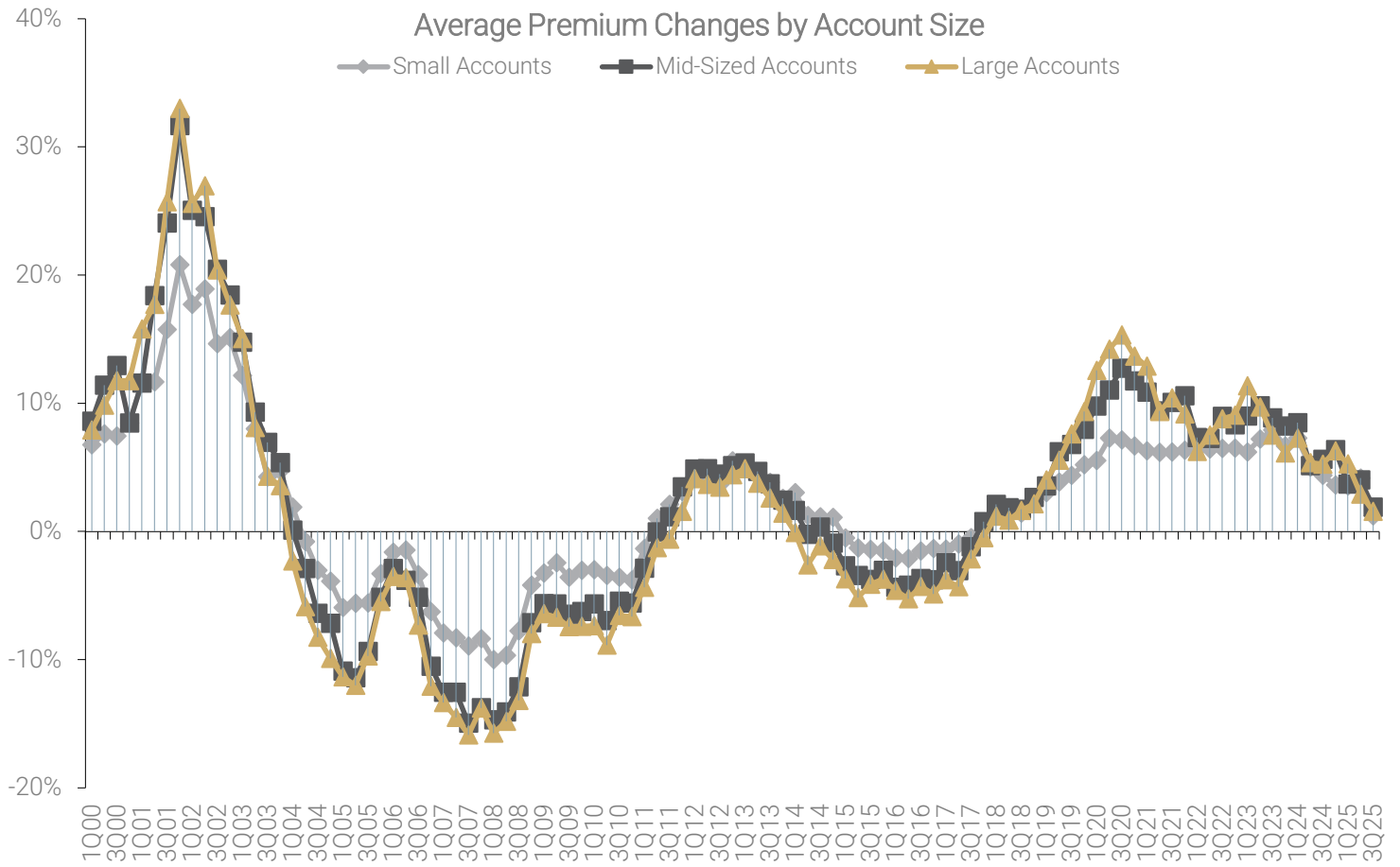
PREMIUM CHANGES IN OTHER LINES

	3Q25	High	Low
Broker E&O	1.0%	15.4%	-4.5%
Business Interruption	-0.2%	28.8%	-10.2%
Construction	1.6%	38.7%	-10.7%
Cyber	-2.6%	34.3%	-2.6%
D&O Liability	-2.1%	32.4%	-8.7%
Employment Practices	-0.7%	21.9%	-8.1%
Flood	1.2%	8.6%	-2.7%
Marine	0.9%	4.5%	-10.6%
Medical Malpractice	0.9%	32.5%	-4.1%
Surety Bonds	0.2%	11.2%	-2.3%
Terrorism	0.2%	10.4%	-3.6%

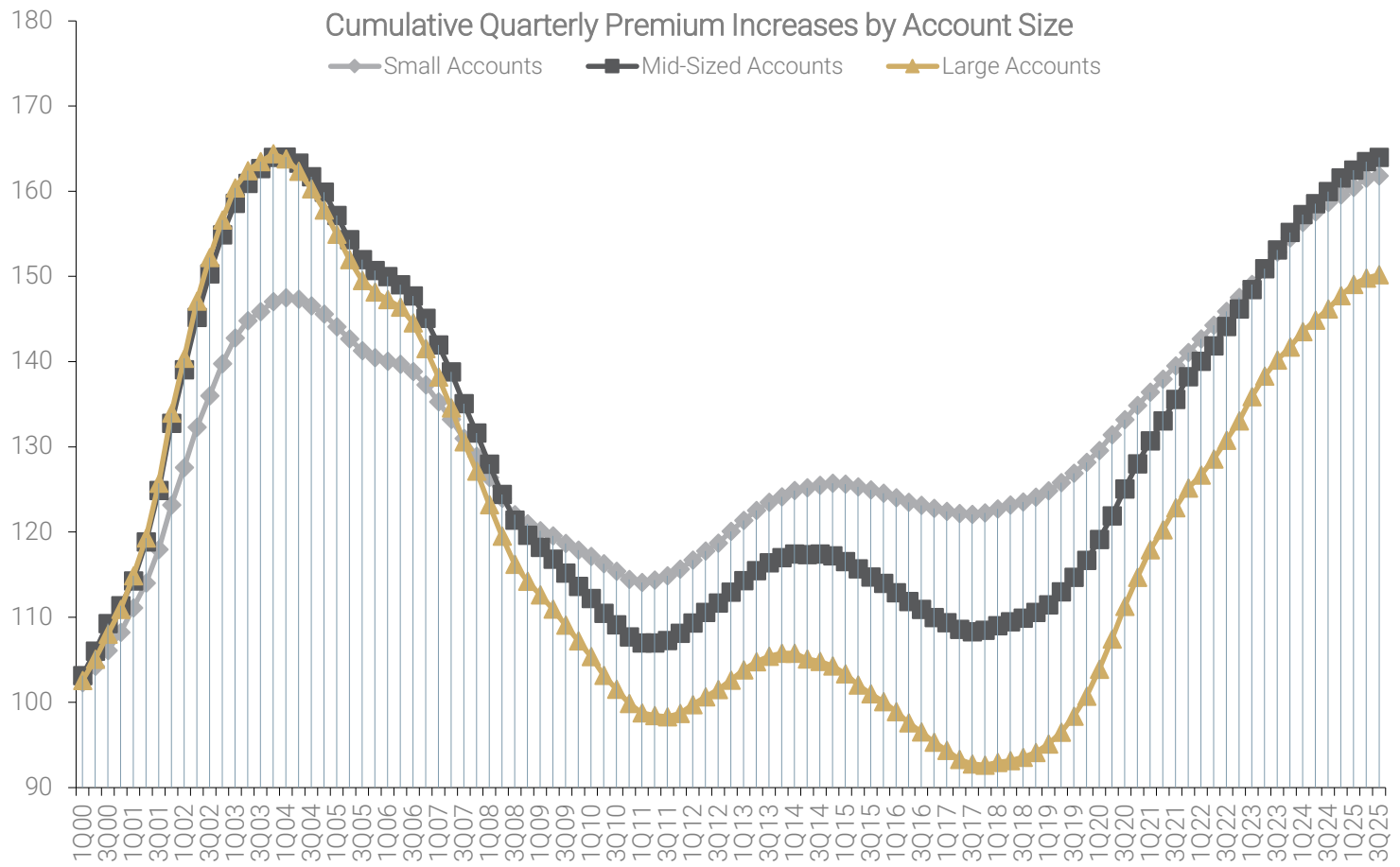
Source:

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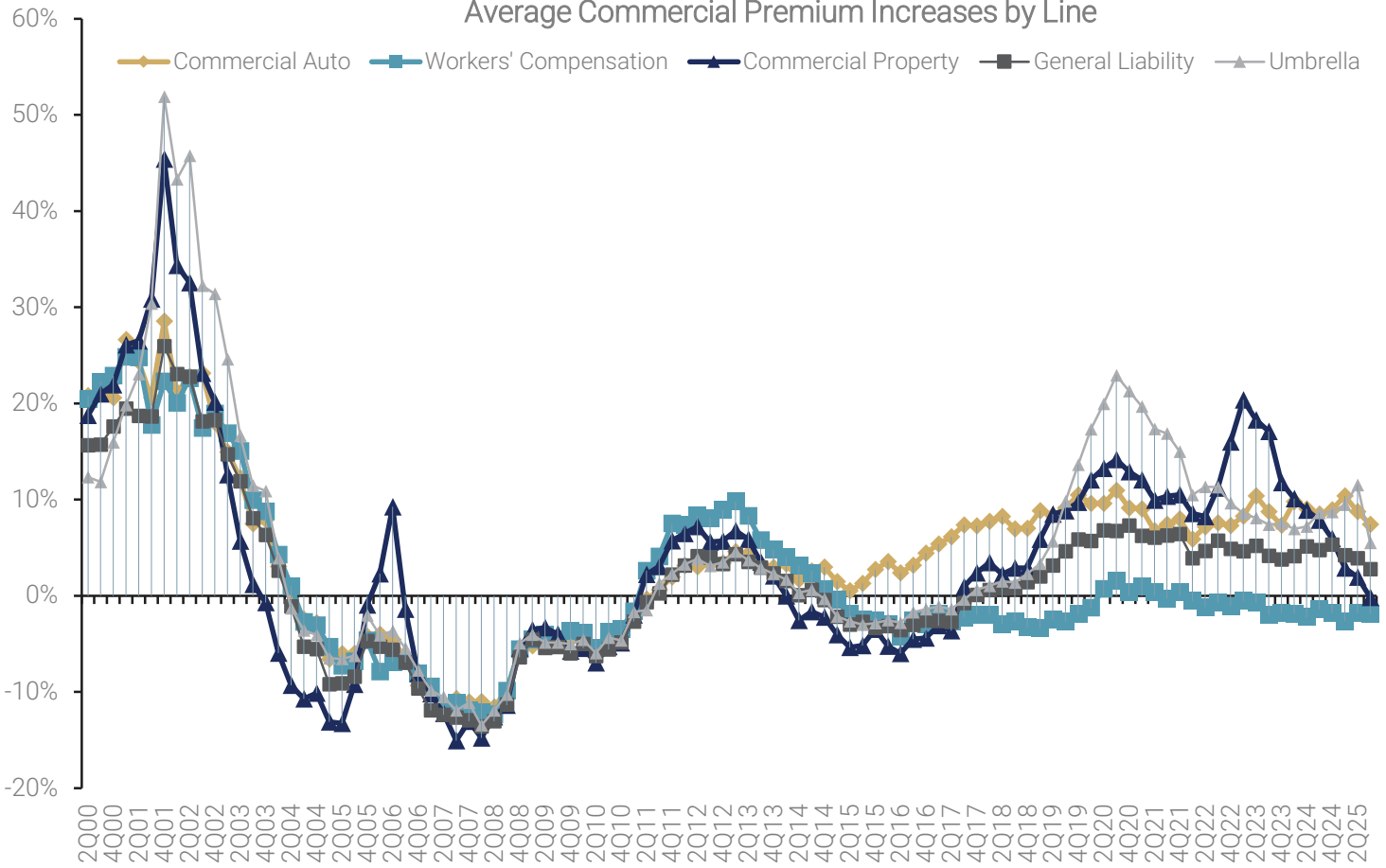
Average Premium Changes by Account Size



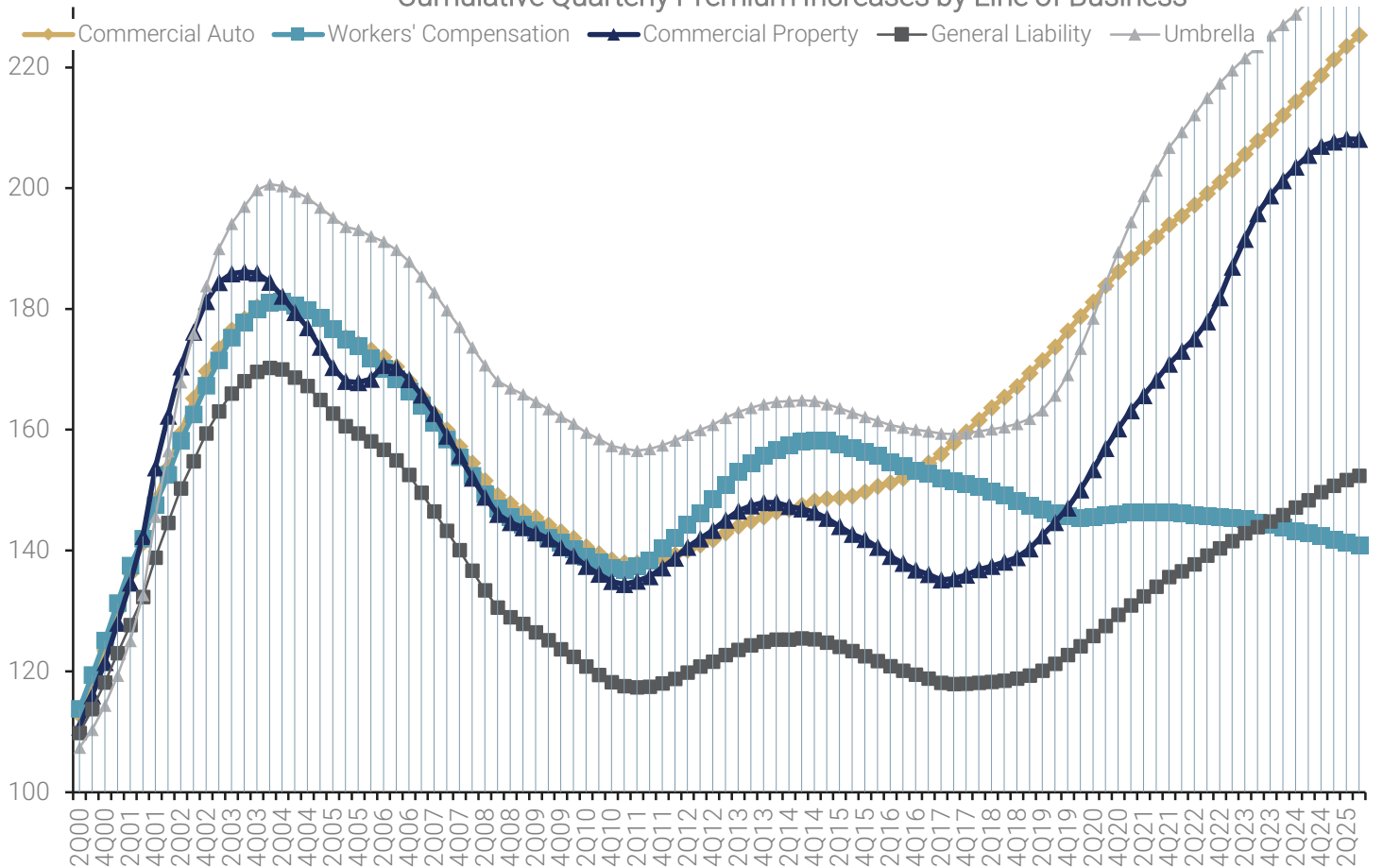
Cumulative Quarterly Premium Increases by Account Size



Average Commercial Premium Increases by Line

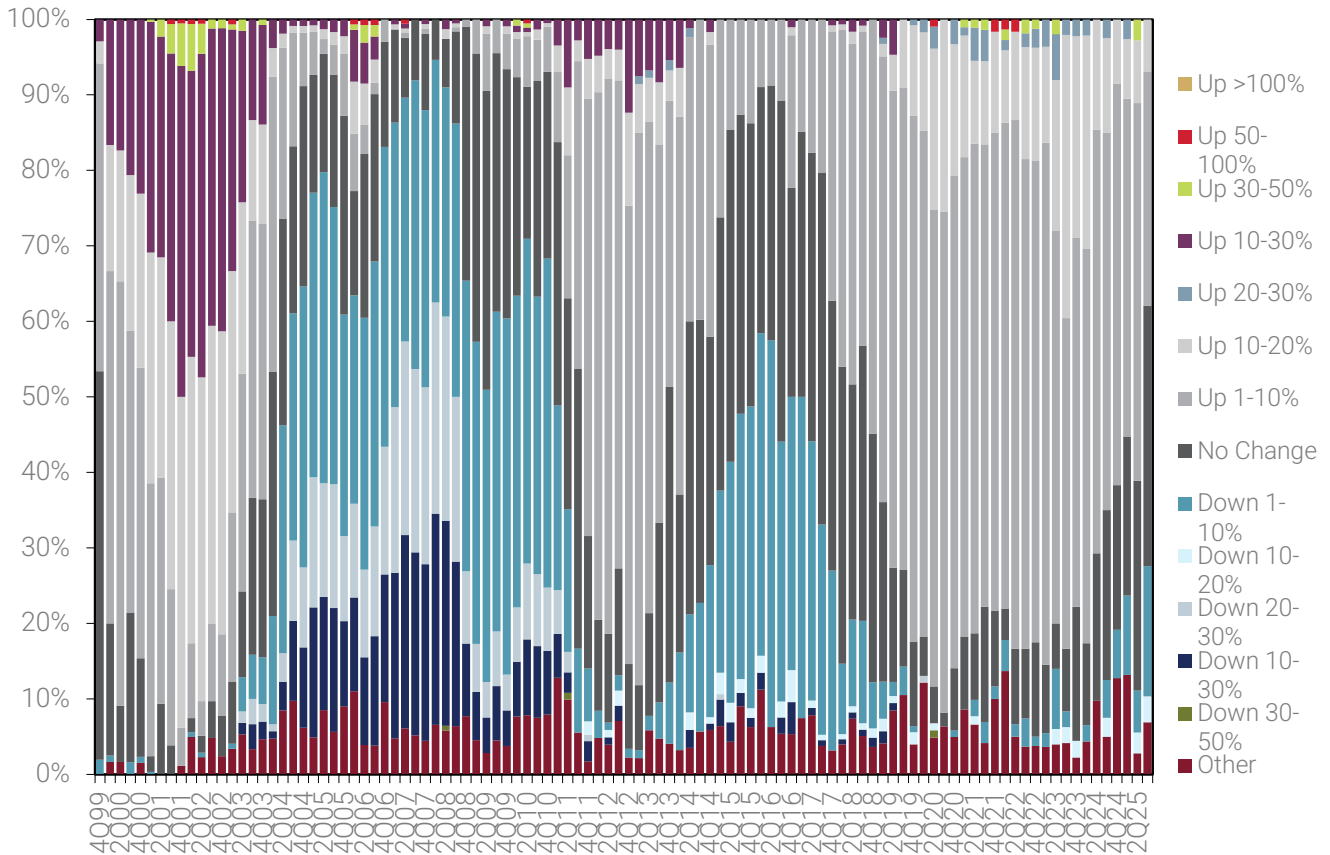


Cumulative Quarterly Premium Increases by Line of Business



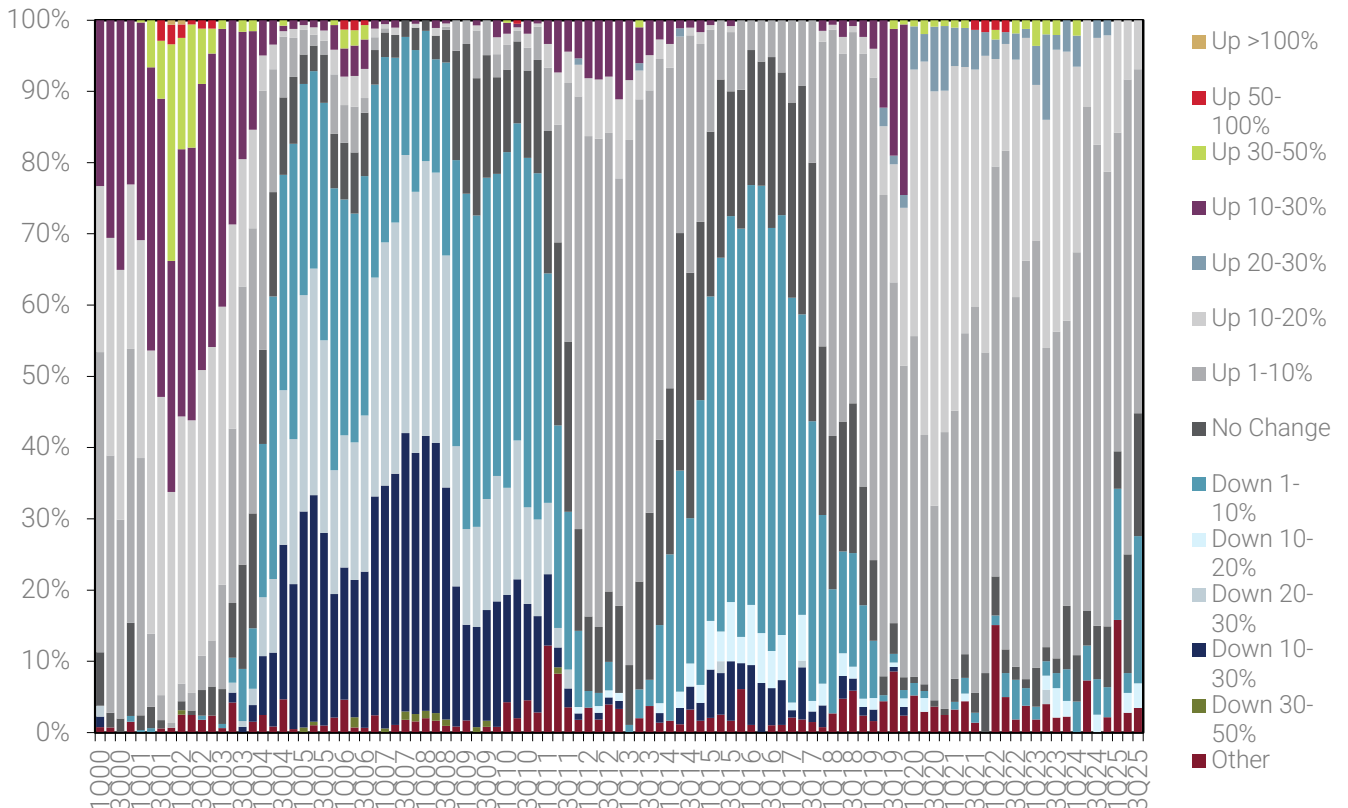
Percentage of Survey Respondents

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



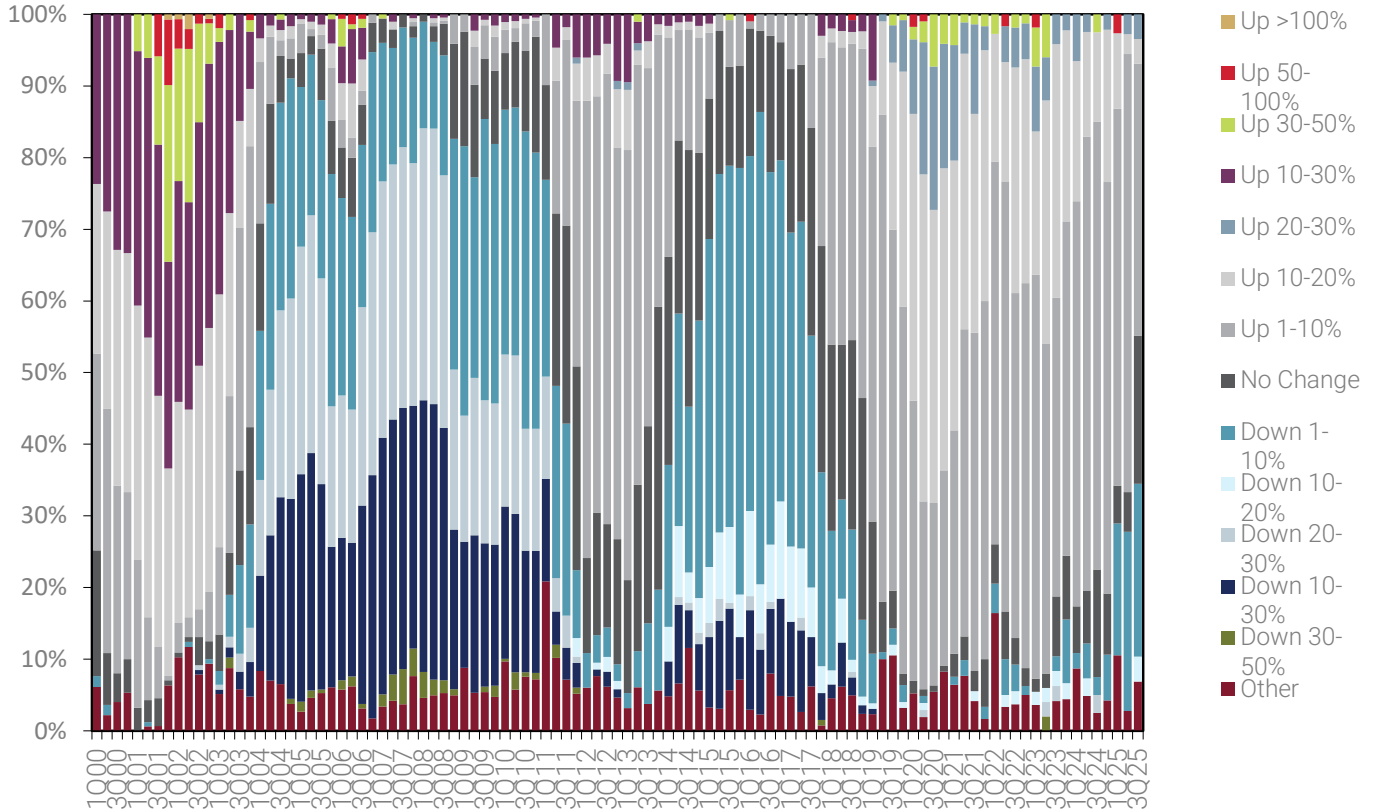
Percentage of Survey Respondents

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



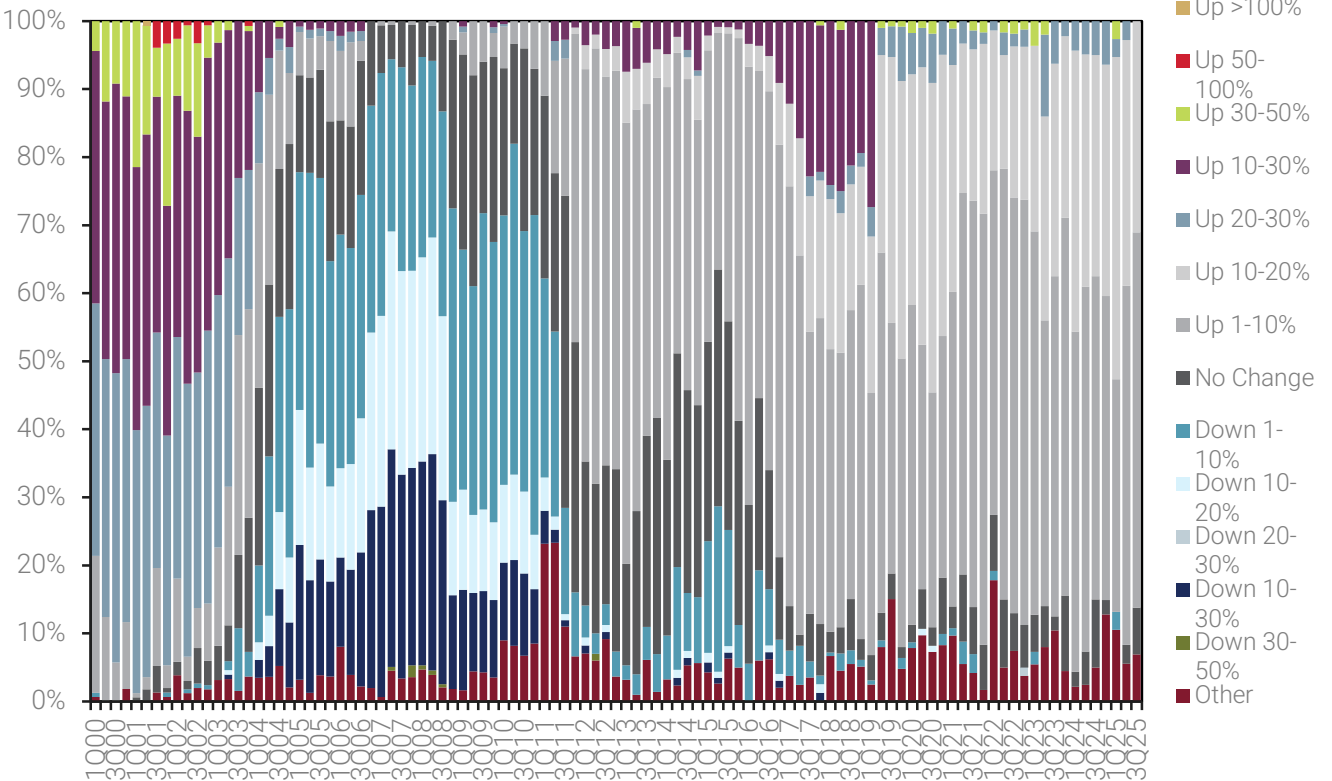
Insurance Premium Changes, Large Commercial Accounts (Accounts generating >\$100,000 in annual commissions & fees)

Percentage of Survey Respondents



Commercial Auto Insurance Premium Changes

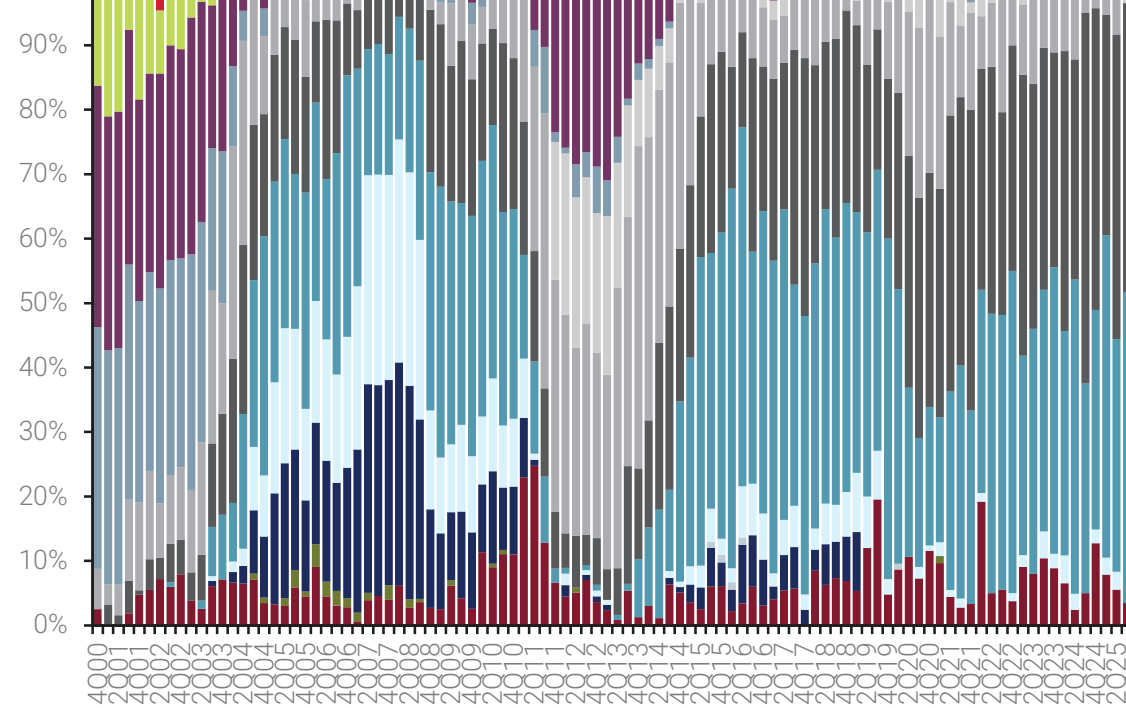
Percentage of Survey Respondents



Workers Compensation Insurance Premium Changes

Percentage of Survey Respondents

100%

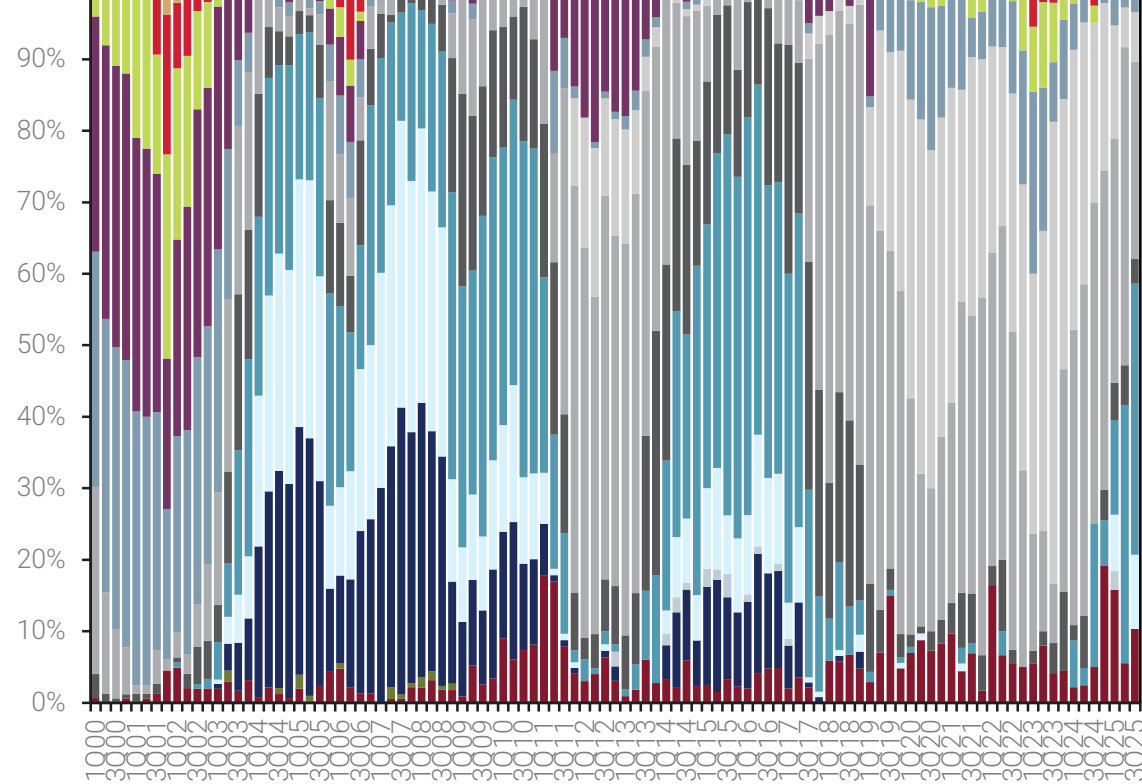


- Up >100%
- Up 50-100%
- Up 30-50%
- Up 10-30%
- Up 20-30%
- Up 10-20%
- Up 1-10%
- No Change
- Down 1-10%
- Down 10-20%
- Down 20-30%
- Down 10-30%
- Down 30-50%
- Other

Commercial Property Insurance Premium Changes

Percentage of Survey Respondents

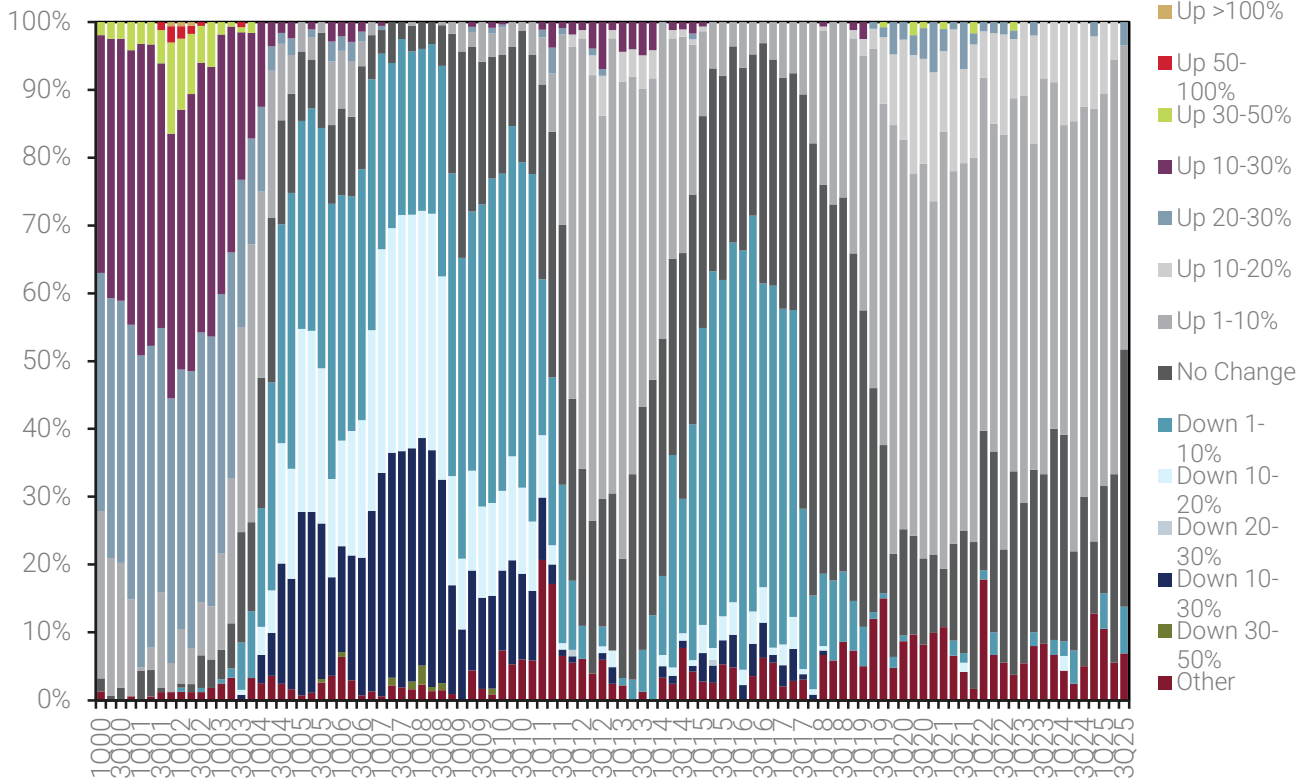
100%



- 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

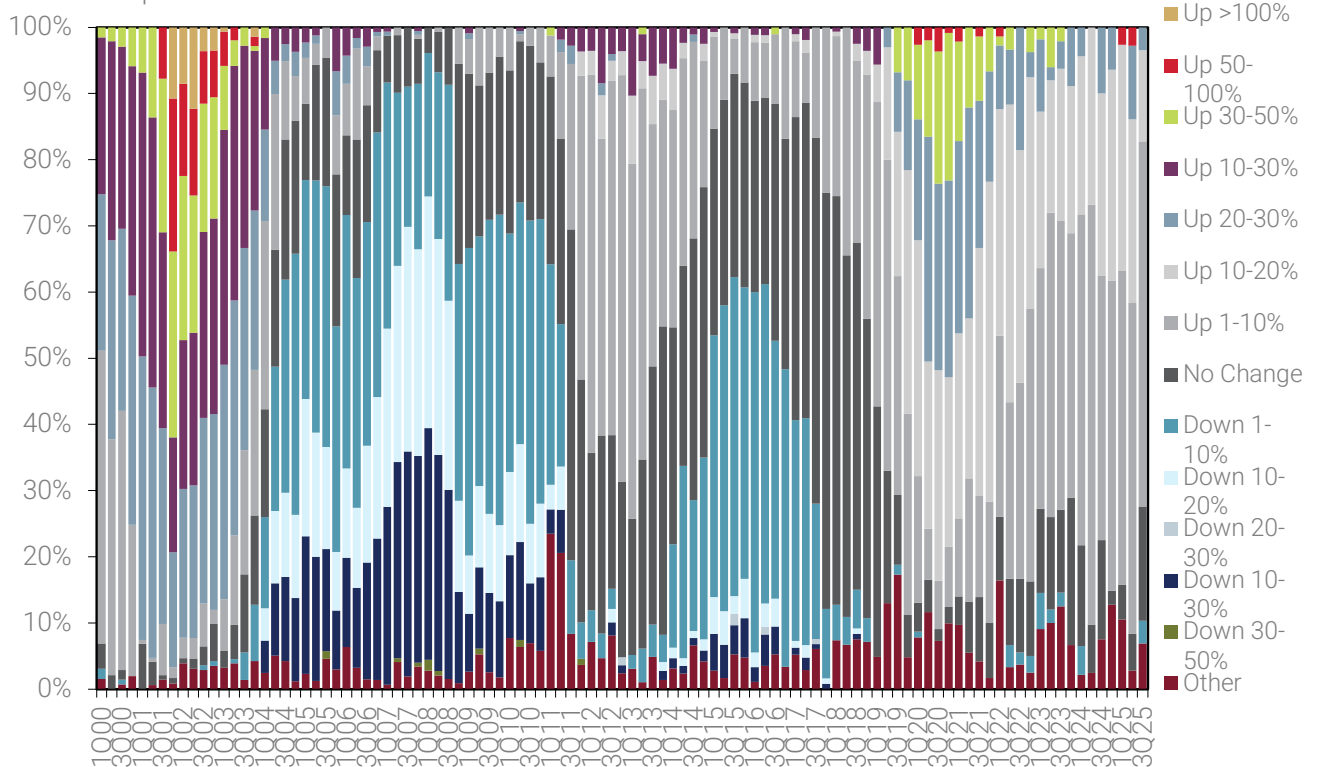
Commercial General Liability Insurance Premium Changes

Percentage of Survey Respondents



Umbrella Insurance Premium Changes

Percentage of Survey Respondents



Business Interruption Insurance Premium Changes

Percentage of Survey Respondents

