



April 2026

Q1 2026 Rate Report

Increased capacity and selective softening signal new opportunities for well-managed risks



As industry capital reaches historic highs and reinsurance markets continue to ease, organizations with strong risk profiles are finding new room to recapture coverage and optimize their programs.

The P&C market is in a period of meaningful transition. With the industry's financial reserves reaching \$1.2 trillion as of late 2025, a 24% increase over three years,¹ carriers entered 2026 with strong fundamentals and a genuine appetite for growth. After years of sustained rate increases, that capital strength — combined with favorable reinsurance conditions and growing competition — is creating real opportunities, like saving on premium or strengthening existing programs, for organizations with strong risk management programs and clean loss histories.

¹Carrier Management, "[What to Expect in 2026: U.S. P/C Results More Like 2024](#)," December 11, 2025.

What's shaping market conditions?

Reinsurance and property softening.

A quiet 2025 hurricane season, combined with perceived rate adequacy, is fueling continued softening in property catastrophe reinsurance. Carriers are gaining underwriting flexibility, and well-positioned risks are finding more favorable terms and conditions.

Casualty markets remain complex.

Escalating legal costs and nuclear jury verdicts continue to drive volatility in commercial auto and umbrella. And yet, the pace of increases in the middle market is moderating, with carriers pricing more precisely to individual risk profiles, rewarding organizations with strong controls and favorable loss histories.

Financial lines stabilizing.

After years of disruption, financial lines markets are finding their footing. Ample capacity and competitive conditions are benefiting well-managed risks, with pricing driven by risk quality rather than broad market dislocation.

Turning market shifts into strategic advantage

Organizations that experienced coverage erosion during the prolonged hard market are finding this an opportune moment to recapture what was lost, from restoring reduced sub-limits and bolstering business interruption valuations to reducing retentions. Others are using property savings to offset continued increases in lines like commercial auto and umbrella.

The excess and surplus (E&S) market is also evolving. While selective movement back toward standard markets is underway, E&S capacity is holding firm in this cycle versus previous softening periods, driven in part by the growing prominence of managing general agents (MGAs).

Across all lines, middle-market pricing remains stable and less volatile than large-account pricing, creating a favorable environment for organizations in that segment to strengthen their programs.

Looking ahead

While broader softening is expected to continue, market conditions remain dynamic and vary significantly by line of business, industry and risk profile. Organizations that take a proactive, data-driven approach to risk management are best positioned to secure favorable coverage, control costs and build long-term resiliency.

Q1 2026 U.S. Rate Report

HUB International’s rate report comprises an analysis of proprietary national data and interviews with HUB commercial insurance brokers and risk services consultants across industries and lines of business.

The information contained in this report is intended as a general market guide. Actual rate outcomes vary by account based on individual merits, including loss history, geography, industry class and overall exposure profile. No two renewals are alike, and results within any given line of business reflect a wide range of outcomes depending on these factors.

Coverage	Q1 U.S. Rate Outcomes	Market Observations
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Commercial Automobile

+5% to 15%

Commercial auto rates continued their upward climb, with most of the market experiencing double-digit increases. States with high litigation activity — Texas and Florida in particular — saw the most pressure.

Loss severity remains the dominant driver, as average claim values rose across all fleet sizes. Higher litigation rates, escalating legal defense and settlement costs, and a growing wave of outsized jury verdicts all fed that trend.

Carriers tightened their underwriting appetite, paying closer attention to fleet composition. Vehicle classes such as hotel transport vans, food trucks and catering vehicles drew heightened scrutiny, as did contingent and hired and non-owned auto (HNOA) exposures — especially delivery drivers using personal vehicles for business. Insureds who came to renewal with comprehensive fleet data and a clean loss history were best positioned to achieve favorable outcomes.

**General
Liability**

Flat to +10%

General liability pricing varied significantly by risk type this past quarter, with outcomes ranging from flat renewals to low double-digit increases. Underwriters took a more individualized approach, making account-specific factors — industry class, loss history and operations — increasingly influential at renewal.

Beyond rate, insureds felt broader cost pressure as coverages once bundled within a standard GL policy faced growing restrictions or outright exclusions. Assault and battery (A&B) and sexual misconduct liability (SML) were among the most frequently carved out, often requiring separate specialty placements to maintain adequate protection. That's a particularly critical consideration for hospitality, healthcare and social services operations.

Legislative developments continued to reshape the liability landscape. Expanded federal statutes opened new avenues for civil litigation, broadening insured exposures in ways a standard GL policy may not contemplate.

**Workers'
Compensation**

-5% to +5%

Workers' compensation remained one of the more stable and predictable lines this past quarter. Pricing moved in both directions, with select accounts absorbing modest increases while others saw continued relief at renewal.

The underlying loss picture reflected a familiar tension: frequency declined, but severity climbed. An aging workforce with increasingly complex, co-morbid health conditions continued to drive higher costs per claim across industries.

On the legal front, dual remedy protections drew scrutiny — particularly in the context of workplace violence claims. Emerging case law tested the boundaries of these protections, introducing new considerations for employers and carriers alike and making this one of the more closely watched developments in the workers' compensation space.

Coverage

Q1 U.S. Rate Outcomes

Market Observations

Package

Flat to +15%

Package policy outcomes told a patchwork story this past quarter, with pricing ranging from flat to mid-teen increases driven largely by the mix of coverages within each account’s program. A notable bright spot was the softening in property rates, which provided a meaningful counterbalance to upward pressure in auto and general liability — producing more favorable blended outcomes than either line would have suggested on a standalone basis.

The middle-market segment continued to benefit from strong carrier appetite, with ample capacity available for accounts with standard exposures and clean loss histories. Beyond competitive pricing, the package structure proved a strategic advantage — bundling limits that would otherwise require individual monoline placements and delivering cost efficiency and broader coverage under a single policy framework.

Umbrella & Excess Liability

+5% to 15%

Sustained severity across underlying lines defined the umbrella and excess liability market this past quarter, with auto and general liability losses keeping rate pressure elevated throughout the period. Carriers showed little appetite for relief.

Limits management remained a standard market practice, with underwriters offering reduced capacity per layer rather than broad single-placement limits. For insureds, the result was a more complex tower structure requiring multiple excess carriers to reach target limits, driving up total program costs and extending placement timelines. Lead layer capacity remained the most constrained and competitive, with pricing sensitive to where a carrier sat in the overall tower structure.

**Commercial
Property**

-15% to -5%

The property market continued to soften this past quarter, building on a trend that gained momentum throughout 2025. Insurers reported profitable results, with combined ratios well below 100, driven largely by a benign wind season. That profitability attracted additional capacity from both traditional and alternative capital sources, creating a supply surplus that pushed rates further downward. That said, most carriers continue to view rates as adequate even at these reduced levels.

While the broader market softened, individual account outcomes still varied. Loss experience, catastrophe exposure and asset protection and business continuity considerations all shaped renewal results. Favorable reinsurance conditions added further momentum to the overall trend.

The builders risk insurance market followed a similar trajectory, with rate reductions of comparable magnitude across the segment. Frame construction saw the steepest decreases, with reductions in the 10% to 20% range. Data center development emerged as a major growth area, generating significant demand for capacity in both construction and completed operations.

**Residential/
Habitational
Property**

-20% to Flat

The residential and habitational property market shifted from correction to stabilization this past quarter. After several years of significant rate increases aimed at restoring profitability, many carriers achieved their target margins — drawing increased competition for well-performing multifamily assets.

Properties in favorable geographies with strong construction quality, documented updates and clean loss histories benefited most, as insurers competed to retain and grow their books of business. Conversely, older properties and those with poor loss experience saw results closer to flat, as underwriters remained selective where profitability had not yet been fully restored.

Expanded capacity and heightened competition drove improved pricing outcomes across the segment, though results continued to vary based on asset quality and location.

Catastrophic Perils

-15% to -10%

Property catastrophe rates continued to decline this past quarter, with coastal exposures seeing some of the most notable reductions — a direct response to the significant rate run-up during the prolonged hard market. Carriers that had pushed pricing to historic highs faced growing competitive pressure as capacity returned, and insureds sought relief on what had become outsized premiums.

Rate adequacy remained a closely watched consideration, even as broader market sentiment pointed toward room for further reductions. Any meaningful uptick in catastrophe loss activity would likely temper the current softening trajectory and prompt carriers to reassess their pricing positions.

Secondary peril concentrations — including severe convective storm and wildfire — continued to draw underwriter scrutiny, remaining a distinguishing factor in how individual accounts were priced and structured. This was particularly true for insureds with geographic concentrations in affected regions.

Environmental

Flat to +5%

Rate outcomes across environmental lines varied by product and risk profile. Premises pollution liability held relatively flat, while environmental casualty risks — incorporating general liability, commercial auto and excess liability — saw more pronounced rate pressure. Contracting risks generally experienced higher increases than accounts with predominantly products liability exposure.

Directors & Officers: Private

-5% to +5%

The private D&O market remained favorable this past quarter, with pricing outcomes ranging from mid-single digit decreases to mid-single digit increases depending on the account. Pricing, retentions and coverage terms stayed competitive as carriers continued to prioritize retention and growth in the segment.

Heightened competition led underwriters to ease restrictions on certain classes that had previously faced limited market access. In some cases, carriers went further by offering auto-renewals and two-year programs to secure long-term relationships and reduce the likelihood of accounts going to market at renewal.

Ample capacity throughout the quarter supported a stable, insured-friendly environment across the private D&O space.

Directors & Officers: Public

-5% to +5%

The public D&O market remained favorable through Q1, with conditions continuing to benefit insureds across pricing, retentions and terms. Carrier appetite stayed strong, though more instances of replacement quoting emerged — particularly on accounts with higher risk profiles — signaling early signs of selectivity in the market.

Federal securities class action filings declined in 2025 for the first time in three years, dropping from 226 in 2024 to 207. That development contributed to the continued competitive environment, with ample capacity and strong competition keeping the market tilted in favor of insureds throughout the period.

IPO activity picked up, bringing new entrants into the public D&O space and creating fresh opportunities for carriers and insureds alike — particularly for organizations navigating the market for the first time.

Cyber Liability

-5 to +5%

The cyber market remained competitive this past quarter, with pricing ranging from mid-single digit decreases to mid-single digit increases. Rate pressure was largely confined to accounts where exposures had grown — significant revenue increases, for example — or where a material cyber claim had occurred. Broader market-wide increases did not materialize, and abundant capacity continued to define the space as new carriers actively entered, particularly in the small-to-midsize business segment.

Ransomware activity shifted noticeably toward smaller businesses with less robust cybersecurity controls and limited backup capabilities, making them more susceptible to ransom demands. At the same time, claims teams reported fewer ransom payments overall — a reflection of improved incident response practices taking hold across the market.

Social engineering claims grew in both frequency and severity, driven by bad actors leveraging artificial intelligence (AI) to craft more convincing phishing and impersonation schemes across email, video and audio channels. Prompt reporting proved a meaningful factor in recovering portions of fraudulently induced payments, underscoring the value of well-rehearsed incident response protocols.

Professional Liability: Architects & Engineers

Flat to +5%

The architects and engineers professional liability market saw modest upward rate pressure this past quarter, with outcomes ranging from flat to low single-digit increases. Rising labor and material costs continued to push claim expenses higher, contributing to pricing pressure on select accounts.

Ample market capacity served as a counterbalance, with strong carrier interest keeping competition active and preventing more widespread increases from taking hold across the segment.

Professional Liability: Medical Professional

Flat to +15%

Medical professional liability (MPL) rates ranged from flat to mid-teen increases this past quarter as carriers took a more conservative, calculated approach to underwriting. Capacity was reduced on select accounts, retentions and attachment points increased, and certain coverages — including sexual abuse and molestation — were sub-limited as carriers worked to manage overall exposure.

Claim severity and nuclear verdicts remained significant drivers of rate pressure throughout the quarter. Venue became an increasingly consequential factor, as shifts in jury pool demographics, an aggressive plaintiff bar and expanded venue shopping in certain states made geographic placement more impactful than ever. Challenging jurisdictions grew more difficult, and previously stable geographies began showing signs of pressure.

The adoption of AI-driven technologies in healthcare emerged as a developing area of underwriter focus, with carriers beginning to assess how these tools introduce new dimensions of liability into the medical malpractice space.

Professional Liability: Misc. Errors & Omissions

Flat to +5%

Capacity in the miscellaneous errors and omissions (E&O) market remained strong this past quarter, though appetite varied considerably by carrier. Standard risks benefited from a competitive environment with multiple markets actively quoting, while more specialized and higher-risk business services faced a narrower — though still sufficient — pool of options, supported by the continued availability of non-standard excess and surplus (E&S) and wholesale market solutions.

Rates came in flat to modestly higher, reflecting healthy competition across the segment. Carrier interest in growing E&O books of business was evident throughout the quarter, with underwriters actively signaling it as a priority line.

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