Midyear 2026

Midyear 2026 Rate Report

A Market Moving in Two Directions Signals New Opportunities for Well-Managed Risks

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At the midpoint of 2026, the commercial insurance market is moving in two directions at once, and the organizations that recognize the split are entering renewals in a far stronger position than those treating it as a single story.

Property continues to soften, powered by excess capacity, sustained carrier profitability and an outlook for another quiet Atlantic hurricane season in 2026. Casualty is on a different track, where social inflation and litigation pressure are holding rates firm regardless of available capacity. For well-managed risks, the property window is a genuine opportunity, but it is one to use deliberately and not assume it will last.

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What's shaping market conditions?

Property softening, with room to recapture coverage.

Surplus capacity and a third consecutive profitable year are sustaining property rate reductions and, just as importantly, improving terms. Carriers are competing on coverage breadth, not only price — restoring previously reduced limits and bringing all other perils (AOP) and catastrophe deductibles back down. Large, layered programs are seeing the deepest cuts — 10% to 30% or more in some cases — as they draw the broadest competition, while middle-market placements are seeing more measured but meaningful relief. For organizations that held steady through the hard market, this is where the payoff shows up.

Casualty stays under structural pressure.

Casualty is a more challenging story. Social inflation is not abating; it is a structural condition that the market does not yet feel it has fully priced, with underwriters now assuming annual loss-cost trends of 12% to 15%.[1] U.S. insurers added $18.1 billion to prior-year liability reserves in 2025,[2] and AM Best holds a negative outlook on both commercial auto and general liability. Capacity exists, but deployment is measured, and outcomes are increasingly stratified by class, loss history and program structure. Accounts that come to market early with a differentiated story and flexibility on structure consistently fare better than those relying on competition alone. Workers' compensation remains an exception, where active competition is still driving modest decreases.

Professional and financial lines stay competitive, as social inflation reaches further.

Private and public directors and officers (D&O) remain stable and competitive, with carriers offering multi-year programs to retain preferred accounts, while cyber has nudged back into modest firming as select carriers push renewal increases. Two themes cut across these lines: Social inflation now extends well beyond casualty, lifting defense costs across executive, professional, employment and fiduciary lines through litigation funding and more aggressive plaintiff strategies; and the use of artificial intelligence (AI) is becoming a standard part of underwriting conversations in cyber, D&O and errors and omissions (E&O), even before exposures are broadly repriced.

[1] Insurance Journal, "Global Commercial Insurance Rates Drop 4% but Casualty Rates Are Rising," July 24, 2025.

[2] Reinsurance News, "US P&C industry achieved higher underwriting profit in 2025: AM Best," March 24, 2026.

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Turning market shifts into strategic advantage

The organizations getting the most from this market are not treating the soft property cycle as simply a premium story. The lasting value is in coverage restoration — rebuilding programs stripped during the hard market: restoring blanket limits, lowering CAT and AOP deductibles and improving sub-limit structures for perils like flood and equipment breakdown. Many are using property savings to offset continued increases in commercial auto and umbrella.

Pricing trends continue to differentiate by segment, and so does the playbook. Middle-market outcomes track a company's own loss experience and risk management more than the macro environment, so the biggest lever is a clean, well-documented risk — current valuations, tested business continuity and disaster recovery plans — that gives underwriters a reason to compete. Large and complex programs absorb market swings more sharply, so the emphasis shifts toward actively canvassing the market and structuring alternatives to manage the volatility. The fundamentals are shared, but where the leverage sits changes by segment.

The excess and surplus (E&S) market reinforces the same lesson. With 12% of total U.S. commercial premium, E&S has continued to grow even as admitted conditions improve, and for complex or hard-to-categorize risks, early E&S engagement has become a deliberate strategy rather than a last resort.[3] There too, capacity flows to risks that are well-presented and thoughtfully structured.

Connect with your HUB advisor to discuss how today's market conditions apply to your commercial insurance program.

Looking ahead

Soft markets don't last indefinitely, and predicting exactly when a cycle will turn is challenging. Property and casualty are now on different clocks. Property softening could reverse quickly on a single major catastrophe or a shift in reinsurance, while casualty hardening is structural and unlikely to ease until industry reserves stabilize.

The practical takeaway: Use the property window while it's open, but don't build a multi-year budget around casualty relief. A proactive, data-driven and well-documented approach to renewal remains the surest path to favorable coverage and controlled costs.

[3] S&P Global,"US E&S industry growth rate dips into single digits in 2025," April 9, 2026

Midyear 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	Midyear U.S. Rate Outcomes	Market Observations
Commercial Automobile	+5% to 15%	More details are required with renewal submissions to understand fleet composition, driver information and driver/safety controls in place, as well as specifics on insureds' hired/non-owned exposure. Most renewals are being made near the midpoint of the rate range. Insureds with superior risk management may receive rate increases at the low end of the rate range. Primary limit requirements are increasing, which requires greater reliance on facultative reinsurance and, in some cases, can make pricing more volatile on larger risks. Larger limit requests often add more scrutiny on the capacity deployed and increased focus on auto exposures being underwritten.
General Liability	Flat to +10%	Rates are very dependent on industry classification. Clients with retentions are less impacted by industry trends, and rate outcomes are driven by their own experience/exposure. Tougher industry classes are absorbing the higher single-digit rate increases. There is substantial capacity in the marketplace; however, its deployment is determined by the quality of the risk and the exposure profile. Well-managed risks with sound risk management practices may earn flat-to-low-digit rates at renewal. The market is volatile, and engaging with underwriters throughout the process often results in more favorable outcomes.

Coverage	Midyear U.S. Rate Outcomes	Market Observations
Workers' Compensation	-5% to +5%	Rate changes are highly dependent on loss experience. Carriers are still chasing more market share. Incumbent underwriters are trying to hold the line around flat, but competition is driving rates down. Frequency is being better managed by client behaviors (automation, etc.), but severity is increasing. Rate decreases are slightly more tempered for guaranteed cost accounts, with slightly larger decreases available for loss-sensitive accounts. Underwriters are weighing the pressure of disciplined underwriting against the pressure of competition.
Package	Flat to +15%	Rate changes have been influenced by the insured's specific profile. Those with a greater auto exposure have been in the higher part of the range while those with higher property values may enjoy lower rate change as a balance to their auto and GL exposures.
Umbrella & Excess Liability	+5% to +20%	Several converging forces continue to drive pricing discipline across umbrella and excess casualty lines. The environment is not uniform — favorable accounts with clean loss histories and strong risk management are finding pockets of competition, while challenged classes continue to face the most pressure — both on pricing and on terms. Social inflation, litigation trends, capacity constraints and structure management all continue to be key drivers putting pressure on rates. Excess and umbrella rates are likely to remain elevated, although they are highly stratified by class of business, loss experience, exposure and program structure. Buyers who differentiate through quality submissions, demonstrate strong risk management controls and engage markets early are best positioned to secure competitive outcomes in this environment.

Coverage	Midyear U.S. Rate Outcomes	Market Observations
Commercial Property	-20% to -5%	The property market carries forward its momentum of rate decreases as seen in the previous quarter. Oversupply of capacity, combined with continued profitability reported by property insurers, is allowing sustained rate reductions despite this being the third consecutive renewal for some insureds at these levels. Rates previously deemed adequate have eroded, and there is a substantial focus on the 2026 wind season, which is forecast to be below average. In addition to rate reductions, many insureds are seeing improved terms and conditions, including restoration of previously reduced limits, along with reductions in all other perils (AOP) and CAT deductibles, both of which were byproducts of the previous prolonged hard market. Values adequacy, along with formal tested business continuity and disaster recovery plans, remain important and serve as a form of differentiation in the marketplace.
Residential/ Habitational Property	-10% to -25%	The habitational property market is benefiting from abundant capacity and aggressive carrier competition, but rate relief is sharply tiered by risk quality. Well-managed portfolios with current valuations, newer construction and clean loss histories are securing meaningful reductions. Accounts with loss severity/frequency, deferred maintenance or aging wood-frame construction are seeing flat renewals to modest increases/decreases. The E&S shift continues from the remaining standard players. Water-damage frequency in the aging apartment stock and admitted-carrier appetite contraction are pushing more habitational risks into surplus lines. Convective storms remain the dominant attritional driver in the central U.S. and is increasingly the trigger for accounts moving out of admitted markets. Tariffs and immigration-related labor shortages are pushing up construction and replacement costs, and carriers are scrutinizing insurance-to-value more closely as a result. Emerging exposures around EV charging, e-bikes and rooftop solar in multifamily settings are drawing additional underwriting attention. Capacity, terms and pricing are expected to remain favorable through the remainder of 2026, but one massive U.S. CAT event could change things quickly.

Coverage	Midyear U.S. Rate Outcomes	Market Observations
Catastrophic Perils	-15% to -5%	Property catastrophe capacity remains plentiful; however, there is a continued focus on these exposures, with particular scrutiny on the perils of flood, severe convective storm and wildfire, largely due to their continued activity throughout the U.S.. Reinsurance remains favorable for this sector, and alternative capital is providing further options for insureds, thus putting additional pressure on rates. Further rate patterns may be influenced by the 2026 Atlantic hurricane season, which is forecast to be below average.
Environmental	-5% to +5%	Softening rates continue to bring pollution pricing down, along with new entrants in the environmental space. Rates holding flat to +5 on the GL/ XS but showing signs of further downward trends.
Directors & Officers: Private	-5% to +5%	The private D&O market is still stable for insureds as we enter midyear 2026. Pricing, retentions and coverage remain favorable for insureds. With increased competition, underwriters are lessening restricted classes and, in some cases, offering auto-renewals and multi-year programs. Capacity in the marketplace remains plentiful, and we expect a stable market to continue.
Directors & Officers: Public	-5% to +5%	The public D&O market remains favorable for insureds as we enter midyear 2026. While early signs of carrier pushback on pricing, retentions and terms are emerging, overall conditions continue to benefit buyers. Carrier appetite remains strong, and competition is healthy. However, we are seeing more replacement quoting activity, particularly on accounts with elevated risk profiles or where incumbent pricing has compressed to levels carriers are no longer willing to sustain.
Cyber Liability	Flat to +5%	Small rate increases on renewals are currently being pushed by several prominent cyber carriers, with certain carriers taking more aggressive renewal increases on select accounts. Flat renewals are still achievable when client exposures have not increased significantly and on accounts without claims activity. Competition remains abundant in the cyber market, although new business pricing has stabilized or slightly increased after a couple of years of very strong pricing.

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Professional Liability: Architects & Engineers	Flat to +5%	We are seeing some upward pressure on rates, due to rising claims expenses with increased labor and material costs. This is mitigated by the current capacity in the marketplace. Carrier interest is acting as a balance for any rate increase. If markets exit this space, the tide could turn, and we could see higher rates.
Professional Liability: Medical Malpractice	Flat to +15%	Carrier appetite has not changed materially over the past 3 to 6 months as they continue to have a conservative and calculated approach to their underwriting. We are seeing reduced capacity being deployed, pressure to increase insureds' retentions and coverages being either sub-limited or excluded, such as sexual abuse and molestation. Frequency and severity of claims and nuclear verdicts continue to be large factors on rate. The current claims environment across all geographies is worsening due to changes in jury pool demographics, pressure from the plaintiff bar and legislature, which allows for venue shopping in certain states. Historically challenging geographies are worsening, and those once considered safe are now in jeopardy. While AI is a growing facet, to date we have not seen any material change or impact on rates resulting from it.
Professional Liability: Misc. Errors & Omissions	Flat to +5%	The MPL market remains strong and competitive. Many carriers offer MPL and are interested in expanding their books of business. Loss ratios across this class of business remain favorable as well. The breadth of markets and loss ratios make this a competitive field. We are seeing vastly different appetites across carriers, and wholesale markets remain important when insuring unique risks.

Note: *Rate is typically defined as the amount of money necessary to cover losses and expenses, as well as provide an insurance company with a profit for a unit of exposure. Exposure refers to a business' or an individual's susceptibility to various risks encountered daily. Carriers evaluate the level of risk an insured faces in calculating insurance premiums.*

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