Midyear 2026

Midyear 2026 Rate Report

A Steadier, More Complex Market Where Embedded Guidance Matters More Than Ever

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Halfway through 2026, the personal insurance market is steadier than it has been in years. Auto rates are calming across most of the country and homeowners pricing is leveling off as carriers catch up to claims costs and as reinsurance becomes more affordable. After a stretch of sharp increases, the market is finally finding its footing.

But the story doesn't end at steadier rates because steadier does not mean simple: The market remains genuinely challenging and complex for consumers to navigate, and that complexity is exactly where the right partner proves its value.

Severe-weather regions are still seeing real movement. In the hardest-hit areas, price is not the main factor, but rather whether coverage can be found at all. And the most important financial changes are increasingly buried in deductibles and policy terms rather than the premium. Buyers are shopping more actively to compare policies, often taking on more risk than they realize in the process, which is exactly where the right guidance closes the gap.

A stabilizing market is also an opportunity window. When rates settle, people shop and switch far more freely than they do in a hard market, and the partner who meets them with real guidance in that moment is the one who earns the relationship. The differentiator goes beyond price; it's who helps customers understand what they're buying. That's where embedded broker expertise changes the outcome, and where VIU by HUB pairs modern technology with a top-tier broker to turn a confusing market into a moment of genuine value.

A steadier market, line by line

Several forces are converging to produce market steadiness. Years of rate increases have finally caught up with claims costs, inflation has cooled, and reinsurance has softened at each 2026 renewal — most notably a 20% to 25% pullback in property-catastrophe pricing at the July 1 midyear renewal[1] — easing the pressure on carriers to keep raising premiums. That relief is showing up fastest in auto: after rising roughly 46% from 2022 to 2024, rates fell about 6% in 2025, and most companies now expect flat to modest increases this year. Homeowners is tracking a similar but lagged curve — a cumulative 47% rise from 2020 to 2025 that peaked at 13% growth in 2024 eased to a 6% increase last year, and carriers expect low-single-digit to modest increases in 2026 as record reinsurance capacity, $790 billion at midyear, works its way through to primary pricing. That relief isn't landing evenly, though: hurricane-exposed coastal markets are stabilizing fastest, while wildfire-and severe-convective-storm states — California, Nebraska, Colorado and the broader Great Plains — continue to see double-digit increases.

Where you live increasingly decides what you pay

In disaster-prone areas, availability can be as much of a challenge as price for insurance buyers. And the map is changing quickly.

Florida's insurance market is recovering fast. Legal reforms in the state in 2022 and 2023 cut lawsuit costs so sharply that the toughest market in the country has become one of the steadiest. Since 2022, roughly 17 new carriers have entered Florida, and several have filed rate cuts.

[1] Reinsurance News, "Reinsurers more flexible on structures and price at July 1 renewals, says Gallagher Re," July 1, 2026.

California is the clearest counterweight to that optimism. Its Sustainable Insurance Strategy, in effect since January 2025, now lets carriers price with forward-looking catastrophe models and pass through reinsurance costs in exchange for writing more policies in wildfire-distressed areas — and it's beginning to work. But the turnaround is early and uneven. The Fair Access to Insurance Requirements (FAIR) Plan, California's insurer of last resort, has swelled past 600,000 policies and won a 29.1% average rate increase, which takes effect in October 2026. Meanwhile, approved private-market increases run from low single digits to a 17% emergency hike for the state's largest home insurer. The direction is encouraging, but in California more than almost anywhere, what a household pays — and whether it can leave the FAIR Plan at all — depends on its carrier and ZIP code.

At the same time, the nature of catastrophe risk is shifting. Severe convective storms — hail, wind and tornadoes — now drive more insured losses than hurricanes, accounting for roughly $51 billion in 2025, marking the third consecutive year these losses have topped $50 billion. That shift is changing how and where carriers deploy capacity, and it means the local picture, not the national average, increasingly determines what a household pays and how easily it can find coverage at all.

For consumers, that makes the trade-offs harder to see and the value of clear guidance higher than it has been in years.

What to watch in the second half of 2026

A few developments could shape what households pay and whether they stay covered. Tariffs on imported auto parts are a slow-moving cost still working through the supply chain, with delays compounded by ongoing global conflicts. Claims severity, the cost of each claim rather than how often claims happen, remains the underlying pressure on rates. And the National Flood Insurance Program faces a September 30, 2026, reauthorization deadline; a lapse would halt new policies and renewals and could affect fall real estate closings.

Forecasters also expect a quieter-than-usual Atlantic hurricane season. But a calmer Atlantic does little to ease the severe-storm and wildfire exposure that now drives most catastrophe losses, and it takes only one landfall to define a season for a coastal household. Each is a reason to review coverage now rather than waiting for renewal.

What this means for partners

When someone buys a home or a car, they are navigating a major life event, and insurance guidance is rarely top of mind. That gap is exactly where an embedded partner earns trust — meeting the customer inside a brand relationship they already have, backed by transparent options, live advisors and frictionless fulfillment.

Embedded directly into your customer journey, VIU by HUB delivers multi-carrier choice and the objectivity of a trusted broker through an omnichannel model that meets customers online, on the phone or anywhere in between. And the relationship doesn't end at bind: VIU by HUB keeps working on your customers' behalf, revisiting coverage as their lives and the market change and bringing proactive advice at renewal and beyond. That's how customers reach the best long-term outcome and how partners earn lasting loyalty rather than a one-time sale.

VIU by HUB is already powering embedded programs for more than 200 partners across financial institutions, residential real estate — mortgage, realtor and property management — and automotive OEMs, backed by the scale and stability of HUB International. Learn more about how VIU by HUB can be embedded into your experience, contact strategicpartnerships@hubinternational.com.

Midyear 2026 Personal Insurance Marketplace Rate Report

HUB International's rate report comprises an analysis of proprietary national data and interviews with HUB personal insurance brokers and advisors across the United States. The information contained in this report is intended as a general market guide. Actual rate outcomes vary by household based on individual merits, including loss history, geography and overall exposure profile.

As we move through 2026, personal insurance rates are stabilizing across most lines, though outcomes continue to vary by geography, coverage and risk profile. The figures below represent expected average rate movement for 2026 by line at the national level. They are directional benchmarks, and an individual household's outcome will differ with the factors noted above.

Coverage	Midyear U.S. Rate Outcomes	Market Observations
Auto	Flat to 5%	After surging roughly 46% from 2022 to 2024, auto rates are decelerating. Premiums fell about 6% in 2025 to a national average near $2,144, with 39 states seeing decreases. Most insurance companies project flat to 4% increases this year, with five of the 10 largest auto carriers planning rate cuts. Some regional carriers are still rising sharply. The underlying pressure is rising cost per claim rather than how often accidents happen. Injury and property-damage severity is up about 35% since 2019, and a record 23% of 2025 auto claims were total losses.[2] The growing share of electric vehicles (EVs) and advanced-EVs compounds that severity: EVs cost roughly 20% to 50% more to insure than comparable gas models — driven by battery and sensor repair costs rather than crash frequency — and damage near the battery pack can total an otherwise repairable car. Tariffs on imported auto parts are a slow-moving factor. With roughly 60% of replacement parts sourced abroad, the 25% tariff could add as much as 4% to rates and is still working through the supply chain.[3]

[2] LexisNexis "Auto Claim Severity Up 35% over Pre-Pandemic Rates," May 12, 2023

[3] Insure Mojo "Record 23.1% of Auto Claims Are Now Total Losses as Repair Costs Hit $4,818," April 20, 2026

Coverage	Midyear U.S. Rate Outcomes	Market Observations
		Outcomes vary widely by state; the largest increases are in Oregon, Maryland and Utah, while Wyoming, Iowa and Arkansas each cut rates more than 20% in 2025. For most drivers, getting covered is not the challenge; getting the best price is. Carriers are competing hard for clean-record drivers, rewarding those who shop with a clear view of their options.
Homeowners	5% to 10%	Homeowners insurance is stabilizing after years of underwriting losses, turning profitable in 2024 and holding near breakeven in 2025 despite absorbing January's Los Angeles wildfires.[4] Reinsurance costs fell 20% to 25% at the July 2026 renewal, easing the pressure on carriers to raise premiums further.[5] Rate increases are slowing broadly, though significant regional gaps remain. California projects increases of about 16% in 2026, while Florida is cutting rates as 17 new carriers have entered since 2022, and its insurer of last resort shrank from 1.4 million policies to fewer than 400,000.[6] The nature of catastrophe risk is shifting. Severe convective storms — hail, wind and tornadoes — now cause more insured loss than hurricanes, accounting for about $51 billion in 2025, the third straight year above $50 billion, and are reshaping deductibles across the Midwest. Separate wind and hail deductibles of 1% to 5% of home value are now standard in storm-prone states, where average wind and hail deductibles in Texas, Massachusetts and New Jersey exceed $7,700. More policies now pay only depreciated value on older roofs, so a premium may look stable while the amount paid at claim time is lower. In the hardest-hit markets, whether coverage is available, what the deductible is and what the policy pays have become the biggest questions. Homeowners who review those terms closely and who work with an advisor to understand their options, are best positioned to protect the value of their home.

[4] Insurance Journal, "US P/C Industry Books Best Result in a Decade, but Not All Lines Enjoy Success," July 27, 2026

[5] AM Best, "Market Segment Outlook: Global Reinsurance," January 20, 2026

[6] Citizens, "Citizens Recommends Rate Cuts for Most Policyholders," December 10, 2025.

Coverage	Midyear U.S. Rate Outcomes	Market Observations
Personal Umbrella	5% to 10%	Personal umbrella pricing continues to rise even as auto and home rates calm, driven by social inflation that includes larger jury awards and increased litigation. Increases have moderated recent highs and are stabilizing, but they are not expected to reverse given ongoing liability severity trends. As premiums rise, some consumers are reducing limits to save, creating protection gaps that a quick coverage check can close. Carriers are also scrutinizing the adequacy of underlying auto and home coverage before issuing or renewing umbrella policies, and gaps in primary coverage can affect eligibility. Bundling umbrella with auto and home is one of the simplest ways for households to raise their liability protection cost-effectively.
Flood: NFIP	10% to 20%	Rate movement in the National Flood Insurance Program (NFIP) reflects its statutory glide toward actuarially sound pricing under Risk Rating 2.0 — the 18% figure represents mandatory annual adjustments rather than market hardening. As federal flood rates climb toward true cost, private flood coverage continues to grow as an alternative. The program faces a September 30, 2026, reauthorization deadline. A lapse would halt new policies and renewals, a meaningful consideration for fall real estate closings, so it is worth beginning client conversations now. Because flood maps are continuously updated, many properties in nominally low-risk zones carry exposure that owners do not realize, and these gaps are often invisible to consumers. Raising flood proactively with clients in any watershed, coastal or storm-prone area — not only federally designated flood zones — is increasingly valuable advice.

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Coverage	Midyear U.S. Rate Outcomes	Market Observations
Flood: Private	Flat to 5%	Private flood remains the most stable segment in personal lines, with modest rate movement and growing carrier appetite. Increasingly, private offerings compete on the breadth of coverage rather than price alone — replacement cost value, shorter waiting periods and contents coverage that often exceed NFIP limits. Carriers' use of proprietary flood models allows more precise risk assessment than Federal Emergency Management Agency (FEMA) maps, creating pricing advantages in some areas. Consumers with higher-value homes or properties near NFIP coverage limits are the strongest candidates for private placement. With growing carrier appetite and broader terms, private flood is increasingly worth considering for homeowners who want more protection than a standard policy provides.
Specialty: Motorcycle, RVs, Watercraft	5% to 10%	Specialty personal lines are following the broader auto trend, with severity-driven cost increases — not greater frequency — as the primary pricing pressure. Repair costs for higher-tech recreational vehicles, including GPS systems, cameras and advanced electronics, mirror the dynamics affecting auto severity. Seasonal usage patterns and storage-related claims, such as theft and weather damage, remain key underwriting considerations across all three lines. Owners of motorcycles, RVs and watercraft are often underinsured relative to what these assets are worth, making a coverage review worthwhile. Carrier appetite for preferred-risk specialty customers — experienced operators with secure storage and bundled accounts — remains competitive, rewarding well-managed risks with favorable terms.

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

Personal Insurance Marketplace

Partnering with VIU by HUB unlocks new revenue opportunities, enhances engagement, and delivers added value to insurance shoppers through customizable solutions. To learn more about embedding personal lines insurance into your business, connect with our Strategic Partnerships team or visit viubyhub.com/partnerships.

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