



QUARTER 3 | 2025

Market Trends

Commercial Insurance &
Risk Management



Growth Has No Finish Line

As a successful business, you plan for the future and adapt as circumstances change your course. At Brown & Brown, we help you navigate the path forward by taking a different approach to how you view, analyze and purchase insurance.

That's why, no matter where you are on your growth journey, we can help you find solutions to meet your ever-evolving insurance and risk management needs. If you are a highly complex multinational company, an individual or anything in between, our experienced teams can help every step of the way.

Founded in 1939 as a two-partner firm, Brown & Brown has risen to become one of the largest insurance brokerages in the world. As we've grown, we have maintained a focus on being as connected locally as we are nationally. We strive to provide the personalized, dedicated service you want from a boutique agency while delivering the peace of mind that you expect from a top brokerage.

Find your solution and explore Brown & Brown's additional capabilities and reports.



MARKET SEGMENT

This report covers the trends in the middle to upper middle market with revenues ranging from \$50M-\$1B.



Employee Benefits

Brown & Brown has a robust National Employee Benefits practice. Explore our latest report that dives into employee benefits trends and provides a comprehensive analysis of how employers are adapting benefit offerings to attract and retain top talent.

[READ OUR MOST RECENT REPORT](#)



Personal Insurance

Whether you already have significant financial assets or are on the road to high net worth, Brown & Brown's Personal Insurance team offers comprehensive insurance for your lifestyle. Read the most recent report covering updates and innovations in personal insurance to help stay informed on the latest market shifts and how they may impact individual policyholders.

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Our Goal

Brown & Brown's Market Trends allows you to connect quickly to key topics and notable updates in the insurance marketplace. Dive deeper on any topic with our Brown & Brown team to better understand how these trends may impact your business. We welcome the conversation.

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Property

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Overview

- There is increased competition in the marketplace for new business, forcing underwriters to consider risks that were previously outside their appetite.
- For builders' risk, carrier capacity is increasing.
- Rates are falling in regions prone to natural disasters.

Market Conditions

After several challenging years in the property insurance market, conditions have become more favorable. Capacity has improved significantly; rates are trending downward, and many carriers are expanding their appetite for new business. This shift can be attributed to the stabilization of supply chains following the pandemic and carriers reaching actuarial rate adequacy.

Higher reported property values are contributing to increased premiums and greater exposure stability, while new entrants in the retail and wholesale sectors are creating more competition. Many underwriters are pursuing ambitious growth goals, further intensifying the race for new business.

Impacts

Through the end of 2025, insureds can anticipate improved pricing, broader terms and enhanced coverage options. Those who faced limitations in capacity or coverage may now find expanded options and more favorable terms.

Carriers remain vigilant regarding valuation accuracy, emphasizing the importance of maintaining up-to-date building values. To help optimize renewal outcomes, valuations can be updated annually and shared with underwriters to improve transparency. Reviewing statements of values and risk management processes may further strengthen underwriting positions.

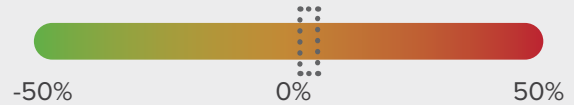
Catastrophe-prone accounts may see accelerated rate decreases due to the reversal of past increases, while accounts in other areas may experience a slight rate increase. Rates are reflective of risk characteristics, loss history, risk management procedures and geographical locations.

Rate Outlook:

Middle Market / Package Carrier Placements

SOFT – STABILIZING

2 – 5% INCREASE

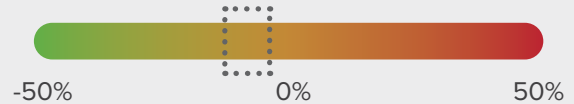


Rate Outlook:

Wind-Exposed Monoline /
Multiple Carrier Placements

SOFT – STABILIZING

5 – 10% DECREASE



Casualty

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Overview

- Nuclear verdicts drive costs and reduce capacity for **general/excess** liability coverage, creating a renewed focus on tort reform to help mitigate negative impacts.
- **Workers' compensation** rates continue to be shaped by low-loss activity and carrier competition.
- The **umbrella/excess** market is challenging, with fewer carriers, reduced limits and increased pricing.

General Liability

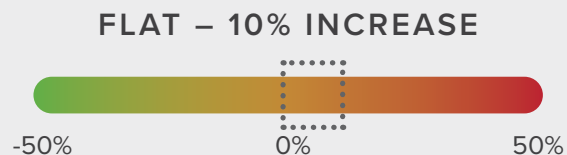
Market Conditions

For most risks, capacity remains strong, consistent with conditions for the past year. Carriers are seeking new business, thereby creating competition that moderates rate increases. Some areas still face challenges, such as construction, residential/habitational and large retail strip centers. Additionally, there is limited access to coverage for assault and battery risks associated with real estate or large retail and restaurant exposures.

Impacts

Small and middle market accounts can anticipate rates ranging from flat to +10%. Accounts experiencing loss activity may face limited market availability, with new restrictive exclusions. To adapt to the market, organizations can consider focusing on risk management. Real estate accounts should implement strong controls over the properties they own or manage to help mitigate hazards. A strong security posture is also preferred.

Rate Outlook:
STABLE



Workers' Compensation

Market Conditions

The workers' compensation space remains a soft and stable market. Depending on loss activity and experience modifications, renewal rates range from flat to 5%. For low-loss accounts, rates could decrease by 5-15%, not including experience modification changes.

Impacts

Carriers are focused on pre-quote loss control to qualify accounts. Insureds can adapt by focusing on risk management practices and loss control. When considering best practices for risk management, a great place to start is talent acquisition and safety programs.

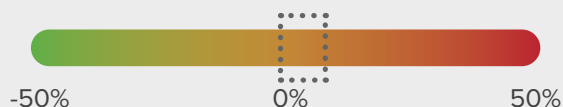
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Workers' Compensation Best Practices | Culture of Caring and Cost Savings: The life of a claim directly results from the practices, policies and procedures that an organization has in place.

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Rate Outlook: SOFT – STABLE

FLAT – 5% INCREASE



Umbrella/Excess

Market Conditions

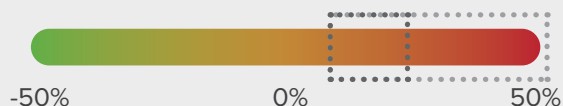
Umbrella/excess renewals face a challenging marketplace. The space seeks rate adequacy as it faces nuclear verdicts, which impact their reserve adequacy. Supported umbrellas, where the same carrier writes the underlying and lead umbrella, face reduced capacity. For higher-risk industries, limits may be halved and paired with higher premiums. Unsupported umbrellas/excess are more challenging, with a shrinking number of markets providing capacity, while remaining markets can deploy their capacity based on restrictive underwriting and price escalations. All renewals will likely be impacted by unilateral underwriter decision-making across portfolios. MGAs are reintroducing shared risk purchasing groups to provide limits and pricing options on a limited basis.

Impacts

Accounts with a supported umbrella coverage are expected to experience a hard to stable market. An unsupported umbrella remains hard and is becoming more challenging.

Rate Outlook: HARD

10 – 25% INCREASE



Unsupported primary could see as high as +50%

Executive Liability

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Overview

- **Directors & Officers (D&O) Liability:** Rate decreases for post-IPO renewals are outpacing the rest of the public and private D&O market renewal rates.
- **Employment Practices Liability (EPL):** Pressure exists for EPL rates due to higher claims frequency, litigation costs and claim payouts.
- **Fiduciary Liability:** Excessive fee litigation remains a cause of concern; however, claims frequency has slightly decreased.
- **Commercial Crime:** Social engineering fraud remains a leading cause of loss, with the highest claims frequency, as AI advances the sophistication of fraudulent attacks. Coverage terms for cryptocurrency and cannabis remain limited in both appetite and capacity.

Market Conditions

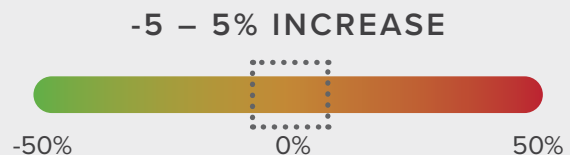
The executive liability market is characterized by stable conditions, creating a favorable environment for insureds. In response to the competitive landscape, carriers are offering broader terms, lower premiums and reduced retentions.

In some cases, enhanced offerings include multi-year policies and renewal guarantee endorsements. Depending on exposure changes and loss history, rates are expected to remain modest, ranging from -5 – 5%.

Impacts

Carriers and underwriters continue to emphasize the quality of internal security controls within an organization. Enhanced security practices help mitigate the company's overall exposure and may support insureds when negotiating social engineering fraud limits.

Rate Outlook: STABLE



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AI Washing | The New Frontier of Corporate Scrutiny

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Balancing Act | The Benefits and Challenges of DEI in the Workplace

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The Ins and Outs of Social Engineering Coverage

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Artificial Intelligence, Hiring Practices & EPLI

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Cyber Risk

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Overview

- Competition and profitability are shaping this soft cyber market.
- Current market conditions favor insureds, with competitive renewal rates and terms.
- Critical cyber and privacy controls are key underwriting requirements to prevent and mitigate loss exposures.

Market Conditions

Due to increased premium volume and decreased losses, competition characterizes the cyber arena. Decreased claims severity, combined with improved underwriting and security controls, helps to drive down premiums.

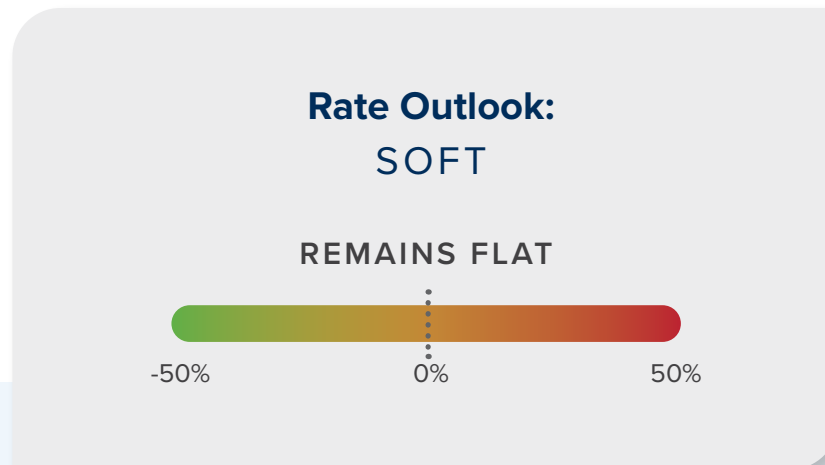
Underwriters remain concerned about privacy regulation claims, with some carriers opting to limit coverage for unlawful collection. Additionally, underwriters continue to evaluate critical cyber and privacy controls, including those listed below. Other controls may be considered for more favorable offerings.

- Multi-factor authentication (MFA)
- Endpoint detection response (EDR)
- Backup procedures
- Employee training
- Incident response
- Business continuity plans
- Annual testing

Recent events carried out by the highly disruptive cybercrime group Scattered Spider highlight the importance of strengthening defenses at the human level. The group's industry-focused campaign tactics rely heavily on social engineering. The market is aware of multiple intrusions in the insurance industry that bear the hallmarks of Scattered Spider activity. Focusing on employee training, strict identity verification and access monitoring to protect against this evolving threat is strongly encouraged.

Impacts

Current market conditions are favorable for insureds, with renewal rates remaining flat and the potential for decreased rates for excess layers. After several years of carriers hesitating to broaden their products to compete, they have become more willing to offer broader terms. Carriers more frequently deploy increased capacity with competitive retentions, particularly for buyers with good controls. Many buyers are taking advantage of this market cycle, buying more limits and expanding coverage.



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Cyber and D&O Risk |

The Dual Boardroom Threat:

A cyber event can often expose vulnerabilities in a firm's governance and risk management capabilities, making them an essential test of leadership for directors and officers.

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Emerging Cyber Risks in 2025:

The cybersecurity landscape continues to evolve rapidly, presenting organizations with new and increasingly sophisticated challenges.

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Multinational

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Overview

- Regulatory scrutiny intensifies on non-admitted insurance placements.
- Claims transparency has become a strategic focus across the globe.
- Recent global conflicts have significantly intensified geopolitical risk profiles.

Market Conditions

There is an increased demand for robust and locally admitted solutions in the multinational space. Regulatory scrutiny has increased, particularly for tax, licensing and compliance-related reporting. A key driver in this change is BEPS Pillar II.* This event has prompted customers to explore alternative solutions. This could include parametric, captives and structured programs designed to help address volatility and supplement limited traditional capacity. Technology continues to play a role in advancing claims transparency and operational efficiency. Enhanced digital processes enable more streamlined and consistent global claims handling and reporting.

Impacts

To help minimize regulatory and legal exposure, insureds should consider working closely with brokers and carriers with multinational experience to assist them in remaining compliant. Ensuring local compliance through accurate valuations and jurisdiction-specific data can strengthen negotiations and coverage structure. Collaboration between risk, legal and service teams can help determine the best options.

Global Conflict Update

Recent global conflicts, including escalating tensions involving Iran, have significantly intensified geopolitical risk profiles. For risk managers, this has prompted a critical reassessment of coverage for political violence, war and supply chain disruptions. The Iran conflict has highlighted vulnerabilities in key transit corridors and energy markets, prompting carriers to tighten terms, raise premiums in high-risk regions and apply greater scrutiny to exclusions. This evolving landscape requires proactive risk assessments and the implementation of globally coordinated, flexible insurance programs to maintain operational continuity and ensure regulatory compliance.

Business travel accident (BTA) insurance has also taken on renewed urgency. As geopolitical instability raises the threat level for traveling employees, risk managers must ensure that policies include comprehensive war and terrorism clauses, emergency evacuation and crisis response services. These elements are often limited or excluded from standard policies. Close coordination with carriers is essential to align coverage developments and reinforce duty-of-care strategies that protect personnel and support business resilience.

*BEPS Pillar II, part of the European Bank for Reconstruction and Development's Business Environment and Enterprise Performance Survey, evaluates the quality and reliability of a country's infrastructure, including electricity, water, transport and digital connectivity.

Surety

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Overview

- The demand for surety bonds is growing, driven by large-scale, federally funded infrastructure projects.
- Economic uncertainty and rising interest rates are leading to cautious underwriting practices.
- A strong focus remains on adapting to global trade and geopolitical risks for improved risk management.

Market Conditions

The surety market remains stable, with strong capacity and flat rates across most sectors. However, rising interest rates and ongoing economic uncertainty are prompting surety providers to tighten underwriting standards. Increased scrutiny is applied to the contractors' financial strength, project-specific risks and overall market exposure. Some carriers are expanding into surety to capitalize on infrastructure demand, while smaller or underperforming surety providers are exiting or merging due to tighter margins and increased regulatory scrutiny.

Higher costs of capital and materials are increasing project risk and impacting contractor financials, while skilled labor shortages are affecting project timelines and contractor performance. Surety providers are focusing on digital transformation and adapting to global trade and geopolitical risks to enhance underwriting and risk management. Automation and digital underwriting platforms continue to improve efficiency and reduce costs.

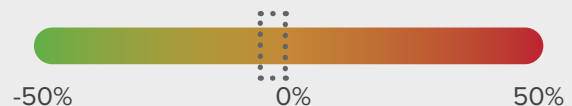
Impacts

Cost remains generally stable due to strong market capacity and competition. However, there is a potential for higher costs in higher-risk sectors or financially weaker principals. Bonds are widely available, especially for well-qualified principals. Some smaller carriers are exiting or merging, which could reduce options in niche markets.

Rate Outlook:

STABLE

0 to -3% DECREASE



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Tariff Uncertainty & Global Trade: Helping Protect Customers' Balance Sheets

While tariffs can provide some protection for domestic industries, they also pose challenges for companies in virtually every sector of the economy.

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Transportation

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Overview

- When deploying capacity, carriers are focused on driver experience, CSA scores and loss ratios.
- Primary auto and excess liability remain the most challenging coverages, with reduced markets and steady price increases.
- Social inflation and third-party litigation funding (TPLF) continue to impact claims outcomes.

Market Conditions

Ongoing skilled labor shortages are yielding a driver pool with less than two years of experience and lower CSA scores. When deploying capacity, carriers focus on driver experience, CSA scores and loss ratios. These factors create a vicious cycle, resulting in higher rates and reduced market availability. Dedicated trucking insurance carriers are unlikely to consider a submission if the CSA scores and experience requirements are unmet.

Third-party litigation funding (TPLF) provides plaintiff attorneys with the funds necessary to litigate cases on behalf of claimants. TPLF is a driving factor in heightened claims costs and increased insurance rates. Currently, the states with the most TPLF cases are Florida, Illinois, Texas and Louisiana.

Impacts

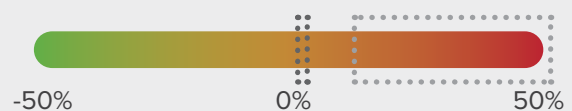
Historically, the alternative market gains constituents when the traditional insurance marketplace struggles to make a profit, restricting underwriting and leading to rate increases. Trucking companies may consider alternative solutions, such as participating in a captive, large deductible or becoming a qualified self-insurer.

The alternative marketplace enables insureds to assume more risk in exchange for lower rates. Brown & Brown can help our customers evaluate marketplace options to manage total costs and seek stability through the renewal cycle.

Rate Outlook:

Well-Performing Risks
5% INCREASES

Challenging Risks
15%+ INCREASES



Aviation

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Market Conditions

While capacity remains strong, changing market dynamics suggest potential challenges as the year progresses. Competition among carriers is intensifying, with both new entrants and existing aviation carriers working to retain market share. The recent airline losses have not impacted the general aviation industry sector, which continues to see favorable market conditions. Mergers and acquisitions in aviation markets are reshaping the competitive landscape, as organizations enhance their service offerings and pursue aggressive growth targets.

The industry is navigating increased operational risks associated with geopolitical uncertainties, labor shortages and limited pilot training resources. AI has revolutionized aviation, and integrating it is crucial to the industry's evolution. Data privacy and safety standards remain a top concern as increased cyber threats weigh heavily among aviation leaders. Legal expenses to defend or settle a lawsuit are increasing, and nuclear verdicts have become commonplace in the aviation industry.

The long-term outlook for the aviation market remains positive, driven by demographic trends and economic growth, particularly in emerging markets. However, industry losses could quickly alter market conditions, leading to a reduced appetite for risk.

Overview

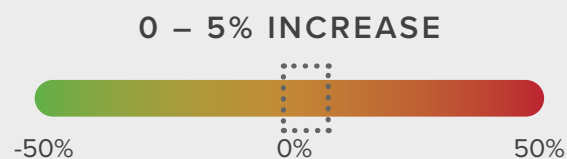
- Increased capacity creates a competitive environment.
- Claim costs are rising due to changes in aircraft complexity, making repairs more difficult and expensive, combined with limited part availability and a shortage of qualified mechanics.
- Regulatory changes, technological advances, geopolitical environment, increased demand for air travel and major loss activity may impact future market conditions.

Impacts

Stable pricing is likely to continue through the end of the year, and many will benefit from the current market environment, which offers broader terms and enhanced coverage. Aviation carriers will continue to negotiate with those who have a favorable loss history and strong risk management practices.

A proactive approach is recommended for managing insurance needs as aviation risks continue to evolve with increased complexity and operational risks. We encourage taking a long-term perspective when selecting an aviation carrier and cultivating a relationship with the underwriter.

Rate Outlook:
STABLE





How Brown & Brown Can Help

Connect with our Brown & Brown team to learn about our knowledge in your industry, how we build our risk mitigation strategies and how we can aid your business in building a cost-saving program.



Find Your Solution at [BBrown.com](https://www.BBrown.com)

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