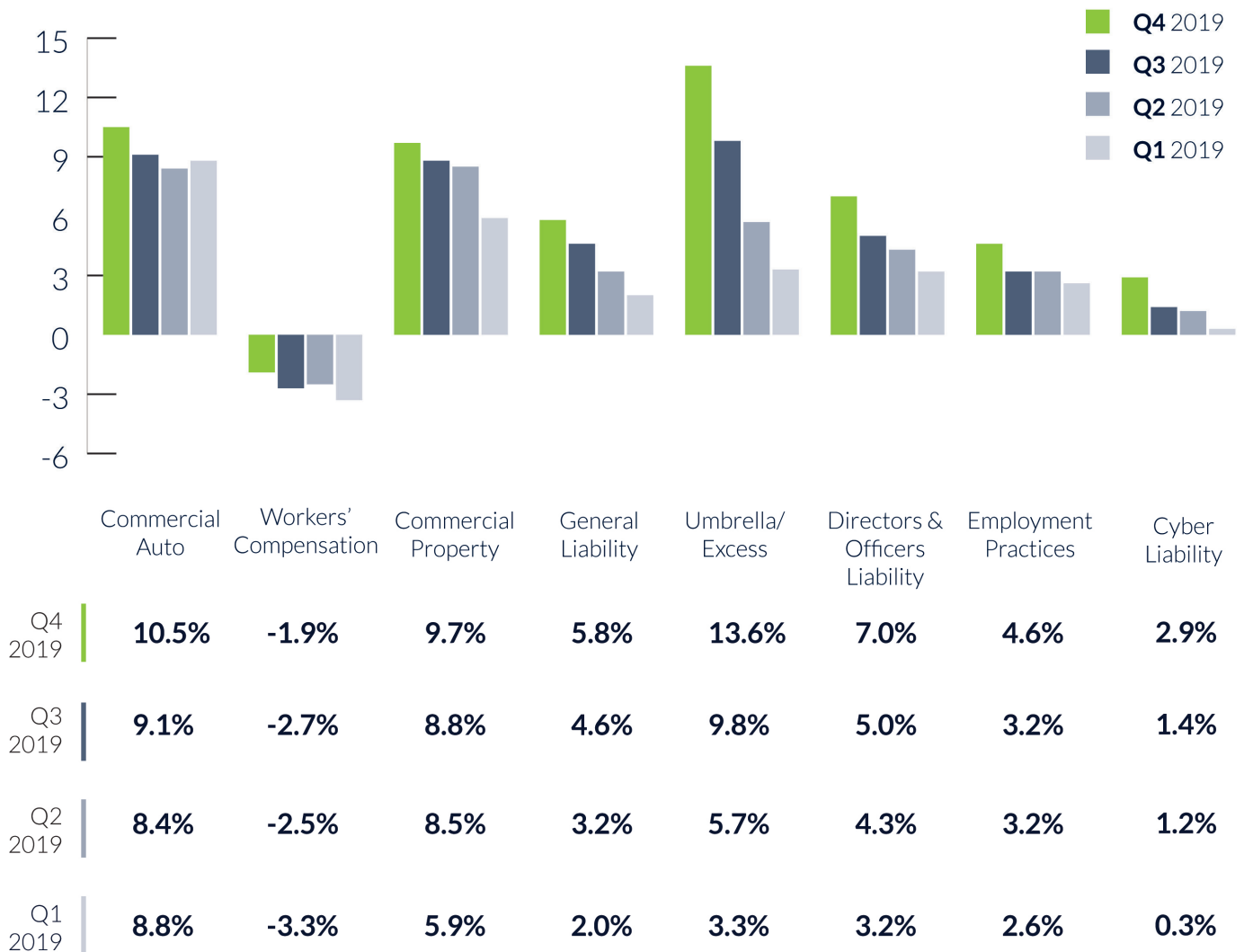


2019 Q4

Commercial Insurance Pricing Trends



Source: Council of Insurance Agents & Brokers (CIAB)

Market Observations

- » The 2019 Q4 Market Survey saw respondents report stricter underwriting and rising premiums. Across all account sizes, premiums experienced a reported 7.5% increase as compared to 6.2% in Q3 and 5.2% in Q2.
- » Pricing in smaller accounts was less influenced by these market conditions with an average increase of 5.2%.
- » Amongst specific lines, Commercial Auto and Umbrella saw the most dramatic increases in premiums.
- » Commercial Auto's average premium hit double digits for the first time since 2003 at 10.5%, mostly attributed to complications from distracted driving due to cell phones/electronic devices.
- » Umbrella recorded an average premium increase of 13.6%, the highest commercial lines increase. This has led some to say that Umbrella is in "crisis."
- » D&O and Construction Risks also saw big increases in Q4 with 7.0% and 6.3% increases respectively.
- » Cyber Liability also set a record increase at 2.9%, the highest increase since monitoring began in 2016. This can be attributed to losses from a record number of Ransomware attacks.
- » Business Interruption will be a line to keep an eye on for Q1 2020 as the Coronavirus continues to make headlines. There is much ambiguity as what if any situations could trigger a Business Interruption coverage in this emerging situation.

Source: CIAB Market Survey

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