

The stats: Commercial rates continue to fall in Q4 2025



By Ida Axling

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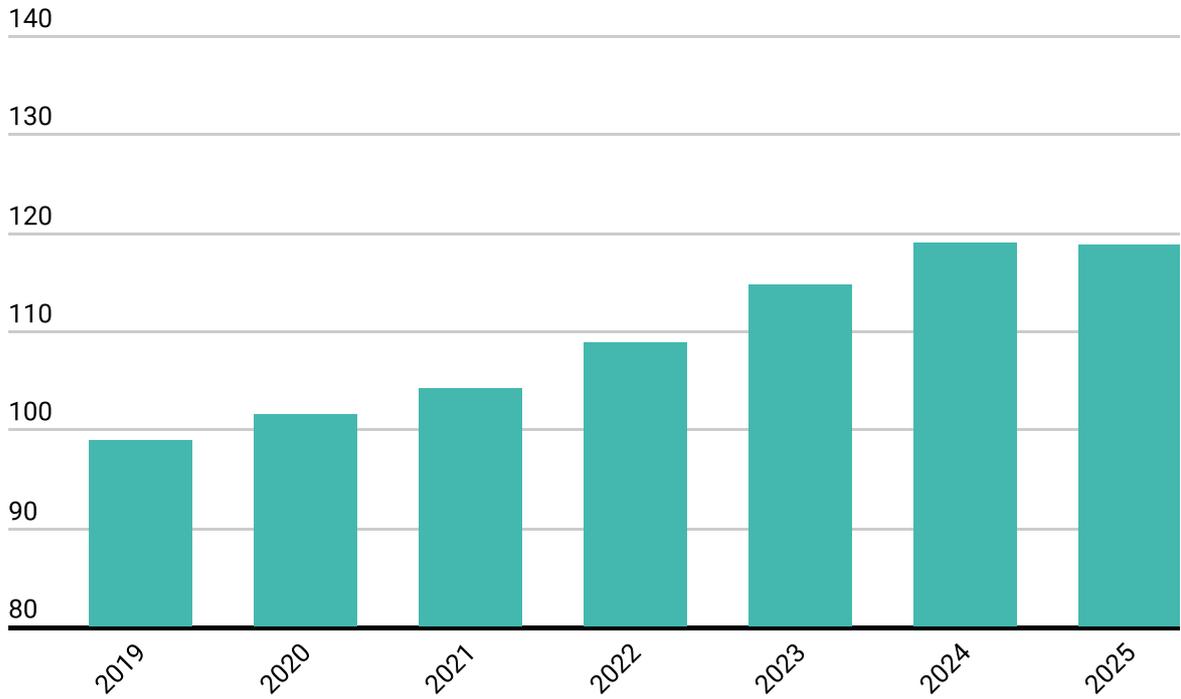
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Indicative reading time: **9 minutes**

The latest Acturis Commercial Broking Index confirms softer market conditions, as negative movements in Q4 led to rate stabilisation for the full year and put a stop to a six-year growth period. Ida Axling reports.

The cost of commercial insurance did not rise in 2025, marking the end of six consecutive years of premium growth. The value of the Acturis Commercial Broking Index, using weighted figures (see explanation box at end) to represent a typical broker's book of commercial business, was nearly the same as in 2024. Only two classes of business – fleet and packages – reported premium increases.

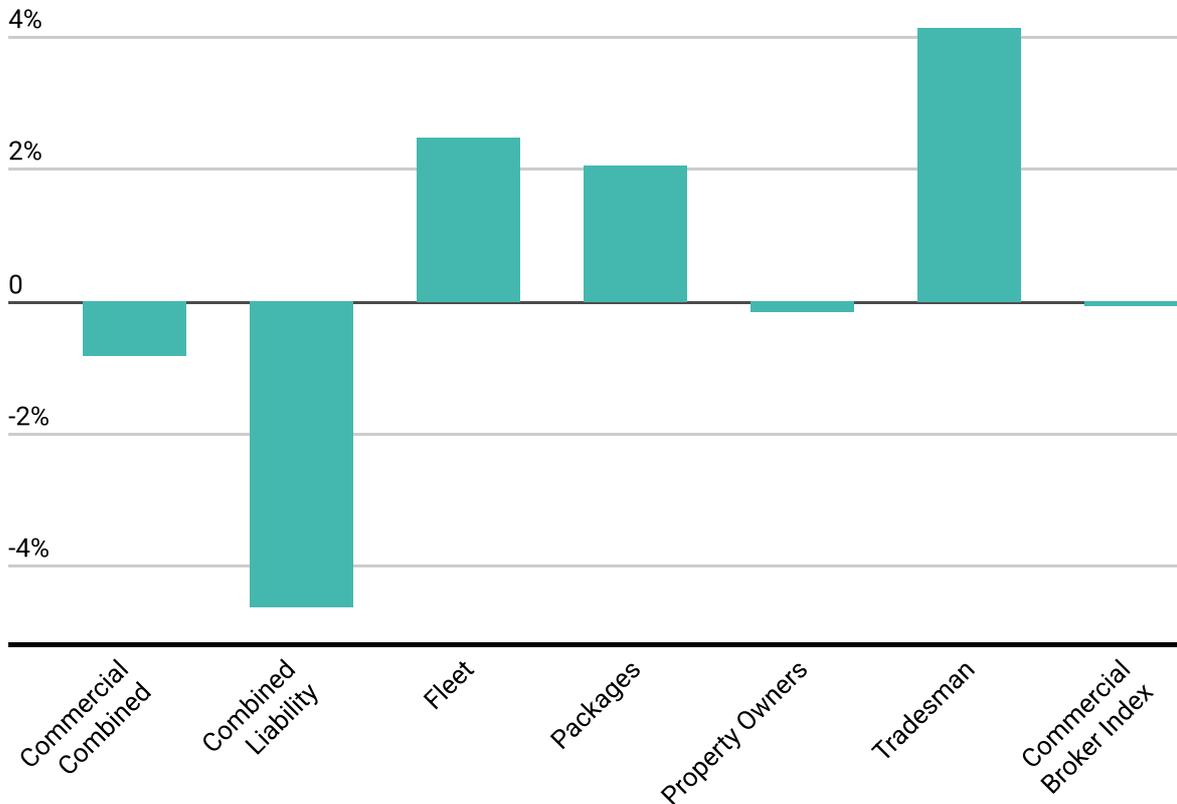
Acturis Commercial Broking Index: year-on-year comparatives for average premium



Source: Act
© Insurance Age graph

As the graph below shows, tradesman measured separately, also rose in the year.

Acturis Commercial Broking Indices: percentage growth in average premium 2024 – 2025



Source: Act
© Insurance Age graph

These increases were offset by reductions in commercial combined and combined liability premiums, while the value of property owners premiums remained flat.

Quarterly comparisons showed a similar trend for all business lines, starting with a modest increase in Q1 2025, followed by premium movements becoming progressively less positive throughout the rest of the year. The value of the index was down by 2.2% in Q4 compared to the same three months of 2024.

Acturis Commercial Broking Index: year-on-year comparatives by quarter



Source: Acturis
© Insurance Age graph

In its analysis, Acturis highlighted that if these trends continue, commercial premiums will fall across most classes of business in 2026.

Jamie Lewis, managing director at Jensten Underwriting, said the changes reflected in the index supported what he was seeing in the market.

“More importantly, it shows a move away from one single ‘market direction’ and towards micro-markets: soft for well-performing SME risks where competition is intense, and firmer where claims inflation, exposure and performance still bite,” he added.

Ryan Legge, commercial director at Hayes Parsons Insurance Brokers, also agreed with the general picture painted by the index.

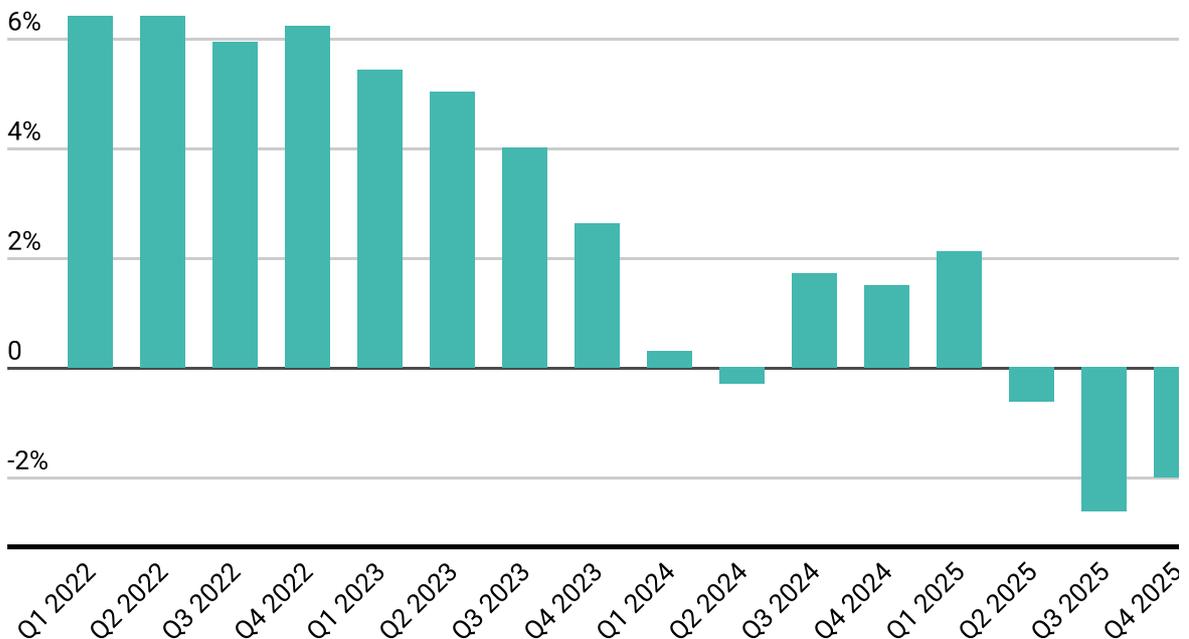
Asked about Q4, he commented: “There was significant competition amongst insurer markets, a desire to maximise end of year results and businesses seeking rate reductions given the economic challenges. All these factors contributed to the continued market conditions.”

Fighting for SME business

Delving into each class of business individually and starting with commercial combined, premiums in this line enjoyed a positive streak from 2020 to 2023, increasing by at least 2.5% each year. In 2024, it recorded modest growth of 0.8%, which was reversed in 2025 when it fell by 0.8%.

Following one positive movement in Q1, quarterly commercial combined premium movements have trended downwards across the year, ending on a decline of 2% in Q4, compared to Q4 2024.

Acturis Commercial Combined Index: year-on-year comparatives by quarter



Source: Acturis
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Craig Morgan, sales director at SJL Insurance Services, said he was indeed seeing a softening of commercial combined premiums, albeit not as severe as in other classes of business.

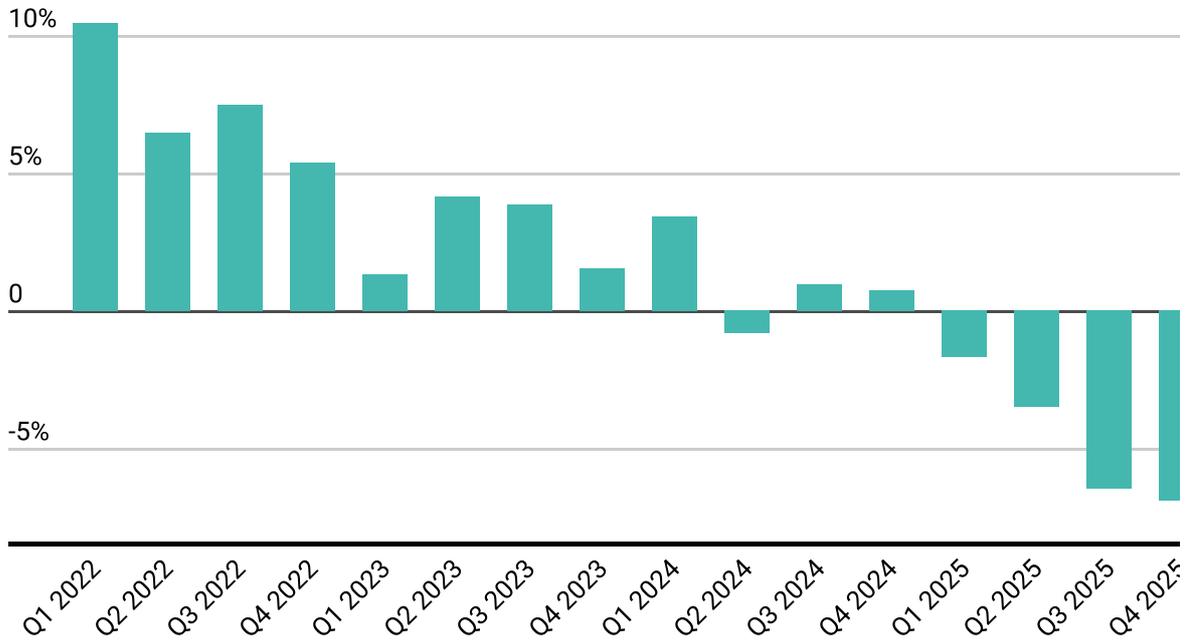
“It’s making it less likely for people in those industries to come out to market,” he continued. “For us as an insurance broker, new business becomes harder, and existing markets are certainly hungrier to hold on to business at the moment and willing to take much more of a cut than what they have been doing historically.”

Lewis added that commercial combined being in negative territory was less about a collapse in technical rating and more about competition plus mix.

“Insurers are fighting hard for clean SME risks,” he noted. “Digital trading also makes it easier to re-price quickly. It’s also worth remembering the index reflects average premium movement, which can be influenced by changes in risk size and mix as well as rate.”

Combined liability was responsible for the biggest fall in premium value of 2025, following negative movements in every quarter of the year.

Acturis Combined Liability Index: year-on-year comparatives by quarter



Source: Acturis
© Insurance Age graph

A dip of 6.9% in the final quarter contributed to an overall reduction of 4.6% for the whole of 2025. Premiums in this class of business grew significantly from 2019 to 2023 before stabilising in 2024.

Morgan agreed with the downward trend, stating: “The rates that we’re getting across the market have dropped significantly, and insurers are getting much more happy to take the scissors to terms and and reduce them down. There’s definitely a softening in that area, which is the most extreme by far compared to what we’ve seen elsewhere.”

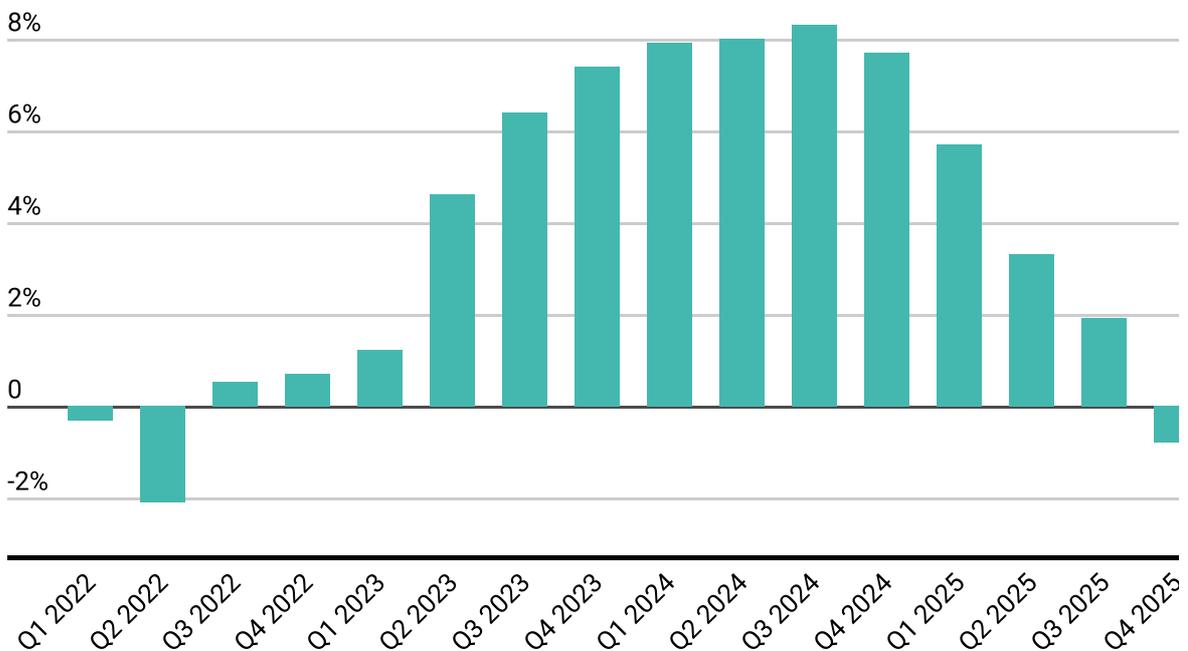
Legge added that in addition to insurer competition, premiums were impacted by “challenging business growth owing to the economic conditions, whilst the Ogden rate slightly increased again at the start 2025”.

Fleet turns negative

Moving on to look at fleet, premiums increased by 2.5% compared to 2024. This follows larger premium hikes from 2022 to 2024, with the rate of the increase notably slowing down in 2025.

Moreover, in Q4 2025, fleet premiums fell by 0.8% in the first negative movement since Q2 2022. Combined with the downward trend seen throughout the year, Acturis predicted that fleet premiums are likely to reduce in 2026.

Acturis Fleet Index: year-on-year comparatives by quarter



Source: Act
© Insurance Age graph

“Fleet nudging negative is a meaningful marker after prior strength,” Lewis noted. “But underlying cost pressure hasn’t disappeared — repair costs, parts and labour constraints, and vehicle complexity remain real claims-cost drivers.”

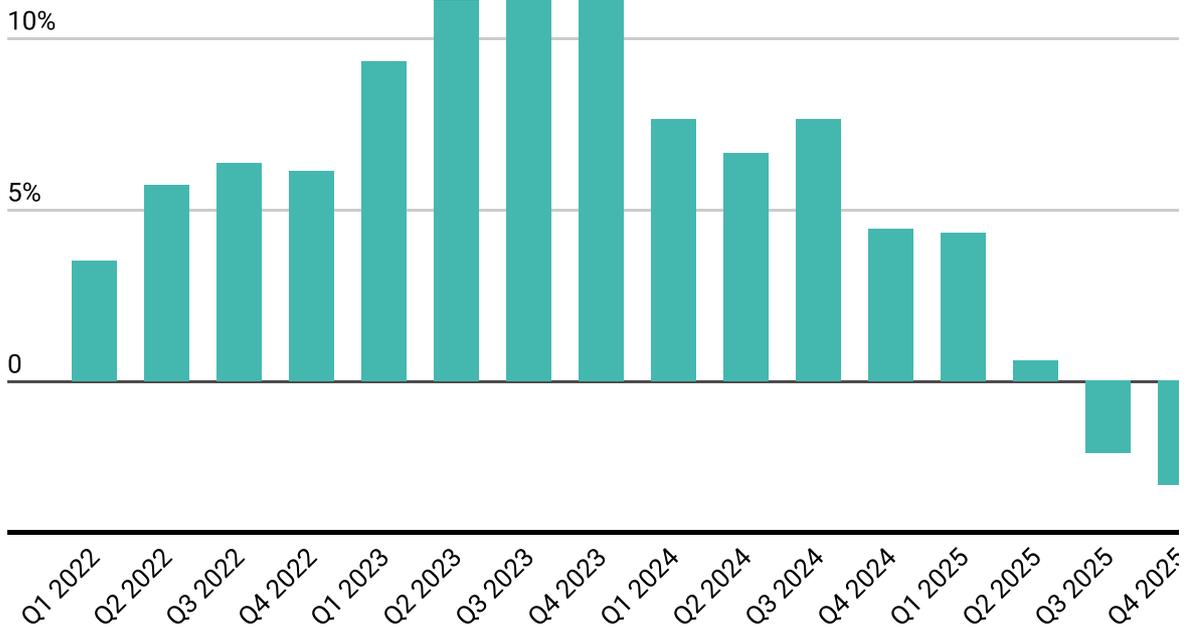
According to Morgan, the claims-driven nature of fleet risk makes it an area where providers are typically less competitive.

“Insurers are much less likely to take a punt on a fleet risk than on a combined liability risk, because accumulation of claims plays a much bigger part,” he detailed. “With fleet you’re always going to have claims, and that’s why we don’t always see it impacted by the softening quite so much as other trades.”

Next comes property owners, which has seen the largest increases in premiums in recent years, however this trend came to an abrupt halt in 2025 when premium value was almost identical to 2024.

Starting the year with positive movements, the two final quarters saw premiums dip, ending with a decrease of 3% in Q4.

Acturis Property Owners Index: year-on-year comparatives by quarter



Source: Acturis
© Insurance Age graph

Legge noted that property was experiencing similar market conditions to combined liability. Commenting on the downward trend, he added:

“The market has seen fewer catastrophic events, with building inflation also not of the levels of a few years back.”

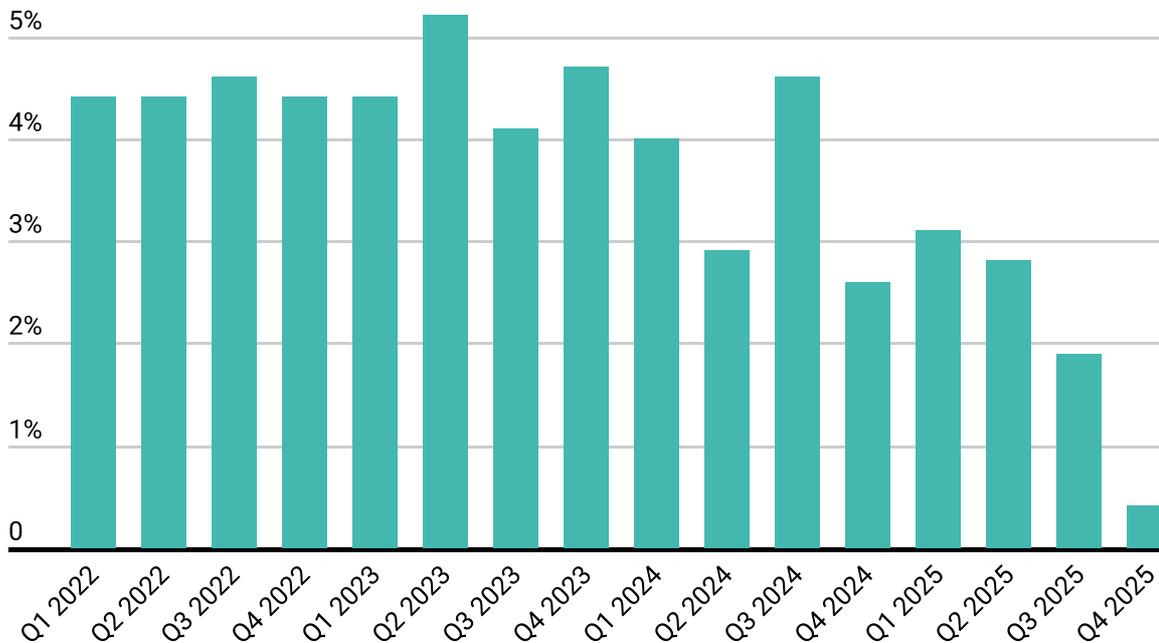
“Property owners being negative fits a more competitive property environment overall,” Lewis remarked. “But it’s not uniform; risk quality, location and exposure still matter hugely.”

Morgan, meanwhile, predicted that rate decreases in property owners would continue. “We’re seeing a continued softening and a more competitive marketplace, and we’ll continue to see that for a few more months, maybe another quarter to come.”

Positive packages

On to packages, which has enjoyed six consecutive years of premium increases, and is one of only two classes of business that have remained on the positive side in the final quarter of 2025, albeit barely.

Acturis Packages Index: year-on-year comparatives by quarter



Source: Acturis
© Insurance Age graph

Similar to fleet, the rate of increase has slowed down across the year, with premium value growing by 2.1% compared to 2024. This is its lowest increase since 2019.

In Q4, premiums rose by a modest 0.4% compared to the same quarter in 2024, and Acturis predicted that movements were likely to turn negative in the near future.

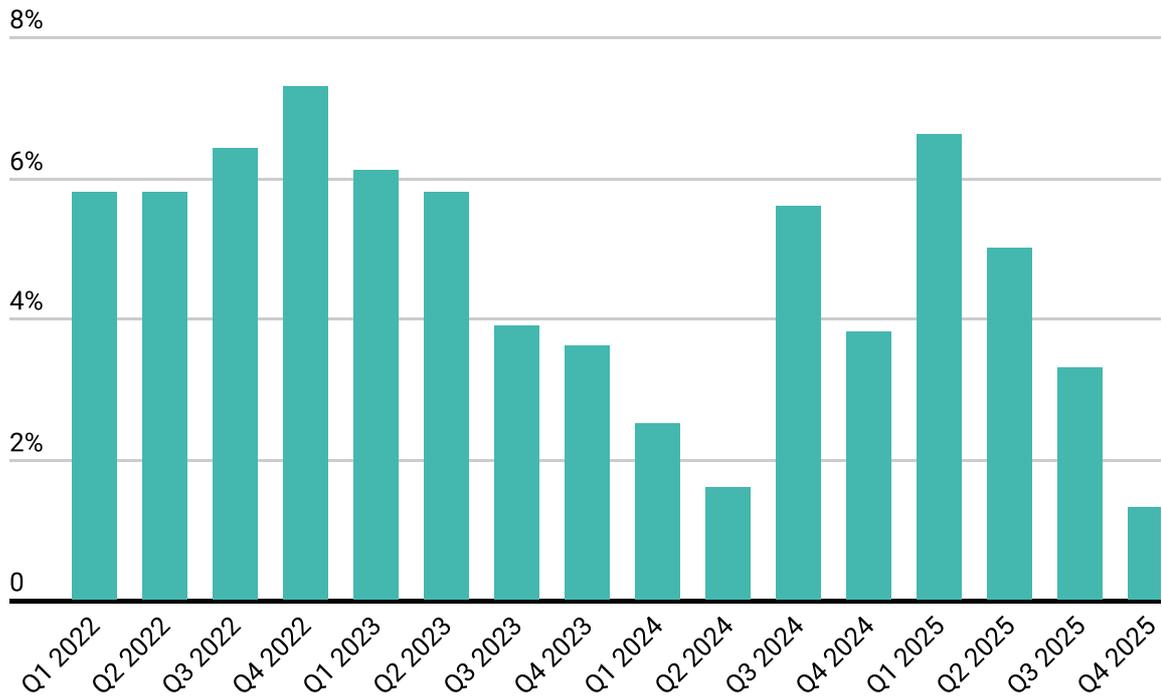
“Packages looks closer to a steady-state market: highly digitised, operationally efficient, and typically less volatile quarter-to-quarter,” Lewis noted.

According to Morgan, packages differs a little from other business lines because it includes the likes of hospitality venues, bars and restaurants, as well as shops and offices. In short, businesses that have been impacted by remote working and people going out less.

He said: “There’s only so far you can drive those sorts of risks before insurers are relatively sensible on what they’re going to do with it. We don’t see loads of new players coming out offering packages insurance. Insurers and MGAs tend to be more reticent to set up new schemes in that area because of the exposures and higher risks.”

Finally, tradesman has continued to see positive rate movements across all of 2025, and reported an increase of 1.3% in Q4.

Acturis Tradesman Index: year-on-year comparatives by quarter



Source: Acturis
© Insurance Age graph

“Tradesman staying positive reinforces that some classes have a pricing floor even in a softening market, where underlying costs and attritional dynamics remain stubborn,” Lewis said.

2026 and beyond

Making their predictions for the future, experts agreed that softer market conditions were likely to continue.

However, Lewis highlighted that things can change rapidly depending on loss trends, adding: “Even with softer pricing, persistent claims-cost pressures, especially in motor, and volatility from major loss events can quickly change behaviour if underwriting results deteriorate. My expectation is continued tactical softening for well-performing risks, but it’s fragile if loss trends worsen.”

Meanwhile, Legge noted that insurer profitability and desire to aggressively compete for business would continue to drive the

downward trajectory.

“Coupled with a highly competitive broking market and the uncertain economic outlook where business growth may remain conservative, I anticipate the trend to continue in 2026,” he continued.

Echoing Lewis’s comments, he added that a collection of or one significant event could trigger a reversal in 2026, pointing to the current geopolitical tensions or extreme weather impacting insurer profitability.

“It remains vital as trusted advisors that we continue to explain the market shifts to our clients,” Legge added.

Morgan predicted that premiums would continue to fall before eventually stabilising, and concluded: “All the evidence that we’re seeing from the market seems to be indicating that it’s a continuing trend, and not something that’s slowing down from our side.”

Explaining the figures

The Acturis commercial broking index consists of quarterly figures calculated on a base line of the first quarter of 2010. It has been designed to represent premium movements in a typical broker’s book of commercial business.

This index uses weighted figures from commercial combined (35%), fleet (25%), property owners (18%), packages (12%) and combined liability (10%) indexes based on the portion of GWP each class of business represents in a typical commercial book.

The further indexes in the Acturis Premium Index covered in the text show year-on-year comparisons measured across £18bn of premium.

The movements in premium can be driven by changes in the size of the risk and the level of the insurance rate.

By comparing each quarter with the same period the year before, it is most likely to set the pricing of similar risks against each other.

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