# The stats: Commercial rates fall across the board in Q1 2026

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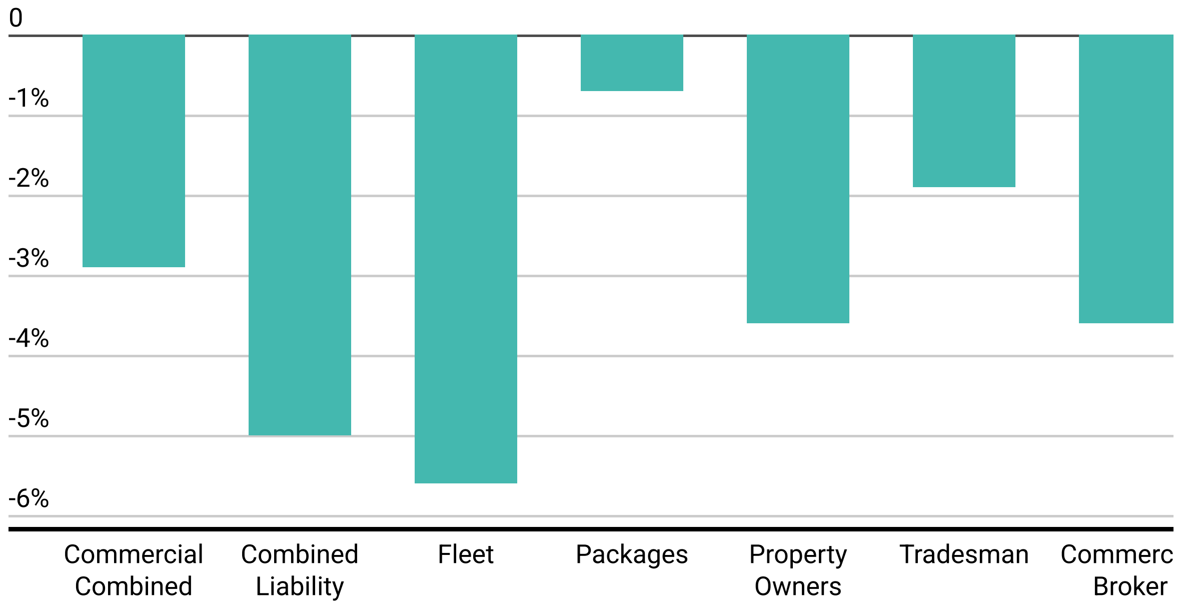
Indicative reading time: **9 minutes**

**Commercial lines premiums have continued to decline in the first quarter of 2026, with the value of the Acturis Commercial Broking Index dropping 3.6% compared to Q1 2025 – the largest negative movement since the inception of the index in 2010. Ida Axling reports.**

Negative movements were recorded in all classes of business represented in the index in Q1 2026, including in packages which has been the most resistant to premium dips, ending a positive streak that lasted for nearly seven years.

Fleet and combined liability saw premiums reduce by 5% or more compared to Q1 2025, making them the biggest contributors to the overall reduction.

## Acturis Indices: year-on-year comparatives by quarter

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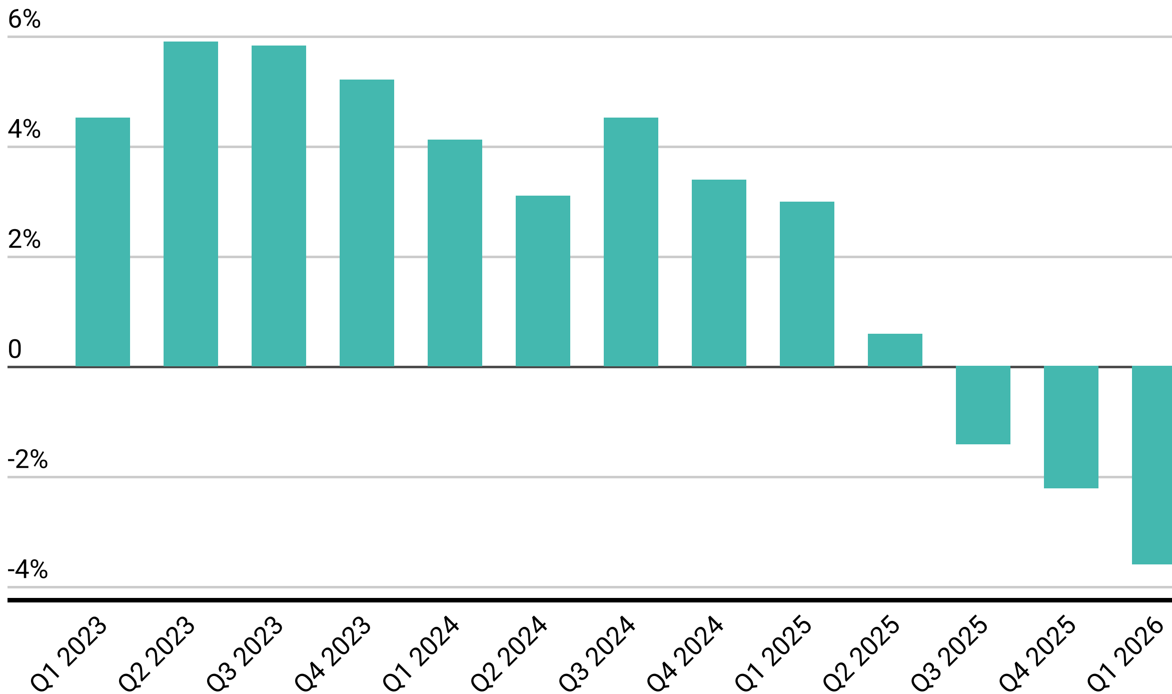
Representing the average premium in a typical commercial broker's book of business, the index has seen continuous value reductions since mid-2025.

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Speaking to *Insurance Age*, experts agreed that the figures accurately reflect what they are seeing in the market.

## One of the softest markets on record

"I've been in this job for 44 years, and this market is probably one of the softest I've ever seen," said Peter Robinson, managing director of Prizm Solutions. "The bounce-back when it comes could be quite scary, but it's going to take something dramatic for the market to harden again."

Gary Williamson, managing director at broker Gazelle Risk Solutions, said market cycles in the 90s and 2000s used to be more "boom or bust", while nowadays they are a "much truer reflection on market conditions".

"I don't think we've seen true hardening and softening of the market in the traditional old-fashioned sense in a long time," he noted.

He added, though, that rates had moved upwards in a manner that seemed "less data-driven and more reactive" post-pandemic, ending up "falsely north of where they should be".

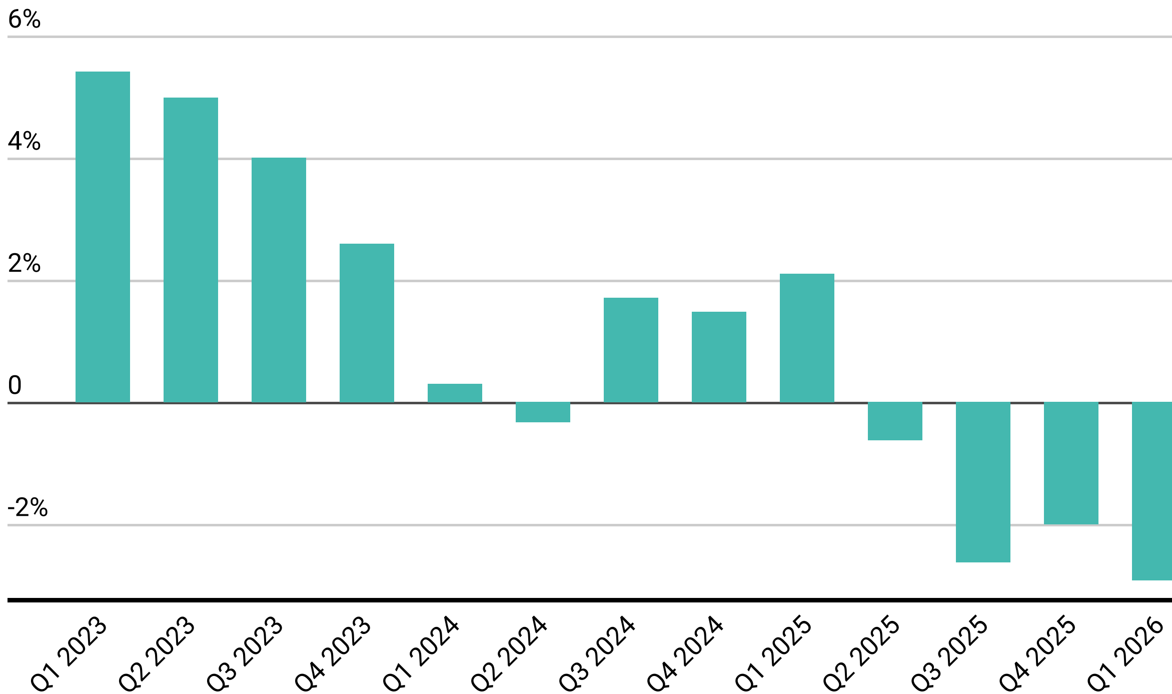
"What we're seeing is a rightening of the market," he said.

## Chasing business down

Sean Carney, chief underwriting officer at MGA Ripe, put declining premiums down to competition, with providers constantly trying to "chase business down".

He said: "I'm not surprised to see combined liability and commercial combined dropping so much. When you operate in mass market channels, there's loads of people with appetite for it."

Looking closer at the individual lines of business, and beginning with commercial combined, premiums have trended downward since Q2 2025, with the average value dipping 2.9% in Q1 2026, compared to the same period last year.




Acturis noted that this marked an early indication that the negative trend will continue in 2026.

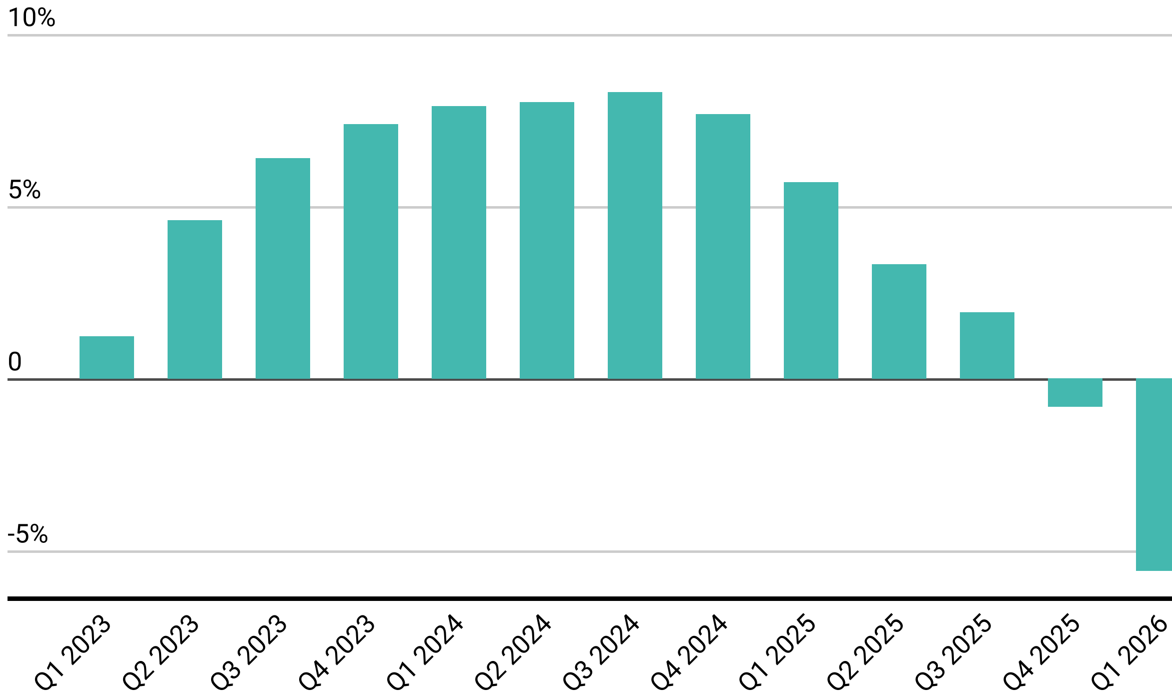
Robinson wasn't surprised to see a reduction in premiums. "As brokers we're probably driving them down, because where the holding insurer is not reducing their rates, there's pressure from the client to go to market, and we can guarantee that there's somebody else out there who will put their rates down," he said.

## Fighting to keep business

Williamson commented that brokers are "fighting hard to keep business", adding: "That's driven by a lot of things, including strong retention. For commercial combined risks, generally speaking you're also going to see the benefit of good quality risk management."

Switching gears to look at fleet, this class of business saw a significant 5.6% drop in premium value year-on-year, following on from a more modest negative movement in the final quarter of 2025.

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

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Fleet premiums had previously been on an upwards trajectory, increasing consistently from 2023 until early 2025 when the rate of growth slowed.

## Motor at bottom end

"Fleet scares me a little bit, because the cost of motor claims isn't going down," Williamson stated.

He continued: "Motor is probably at the bottom end of where it can be now, because anything less than that feels like insurers are going to start making panicky decisions rather than genuine rate-led decisions."

He identified ongoing challenges such as the war in Ukraine, the move towards electric cars, and Brexit leading to a shortage of labour in relation to vehicle repairs all having an impact on the fleet market.

“Insurers are probably being a bit more aggressive in Q1 than perhaps they’ll be in Q3, and we’ll see that market levelling off again, because I can’t think of a single insurer that’s saying ‘give me more fleet’,” Williamson said.

Meanwhile, Robinson questioned where the money to pay claims will come from.

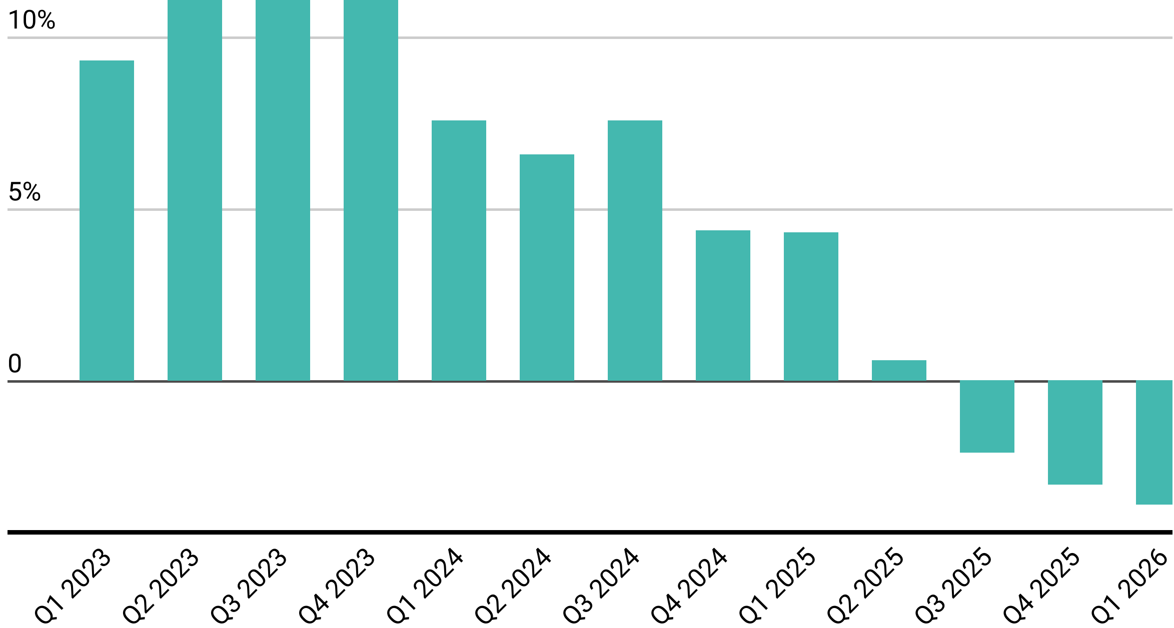
He detailed: “Repair costs aren’t getting any cheaper, claims costs are reducing, third party claims aren’t going away, there’s more and more electric vehicles on the road, which we all know are more expensive to repair.

“My concern is that insurers are going to pull out of products because they’re not making money out of them.”

## Weird market

Next, premiums in property owners fell 3.6% compared to Q1 2025, after first turning negative in Q3 last year following years of consistent positive movements.

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

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Carney commented: “Property owners is a weird commercial market at the moment, there’s landlord changes going through, and what’s going to happen to that market in general is up for debate, but it’s an area where if you can get it right, you can ride that cycle pretty well.”

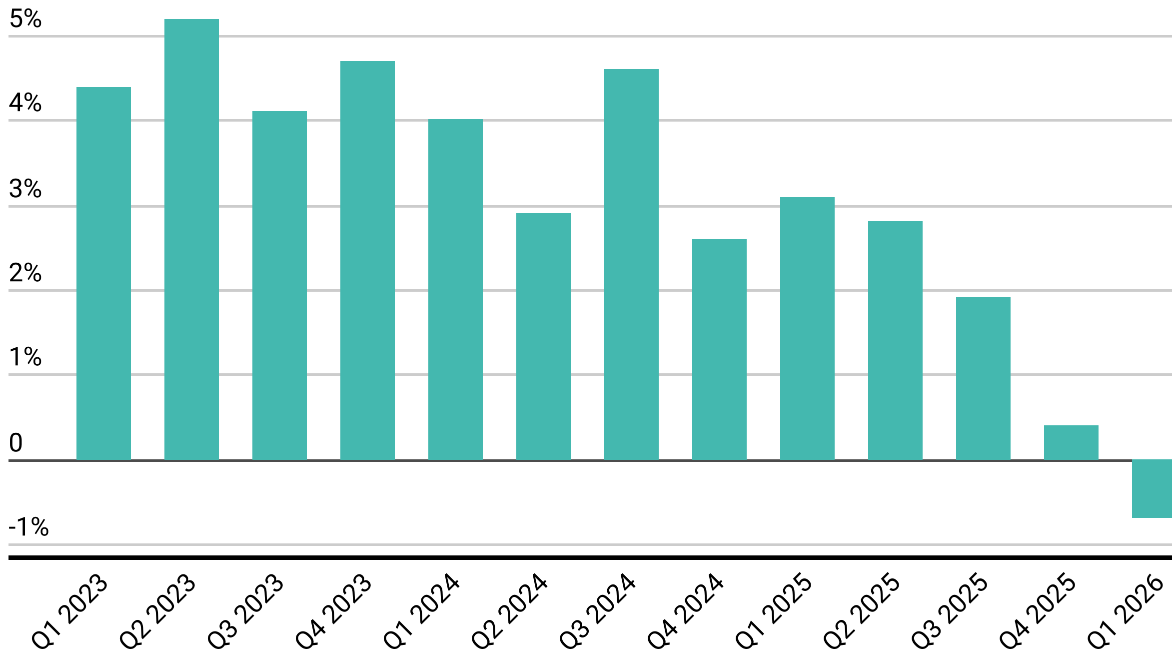
Williamson added that following years of rates increasing, it’s “natural that we’ve hit the peak”.

He continued: “There’s just so much capacity for it, and we haven’t had massive flood or cat losses, or anything that’s had a huge impact on the UK property market in the last twelve months. I’d expect that to carry on reducing over the coming months.”

As mentioned above, packages, which has displayed the most consistent trend of all in recent years with steady increases in premium each quarter, has now also turned negative after the rate of

growth started to reduce in 2025. It reported a relatively small dip of 0.7%.

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

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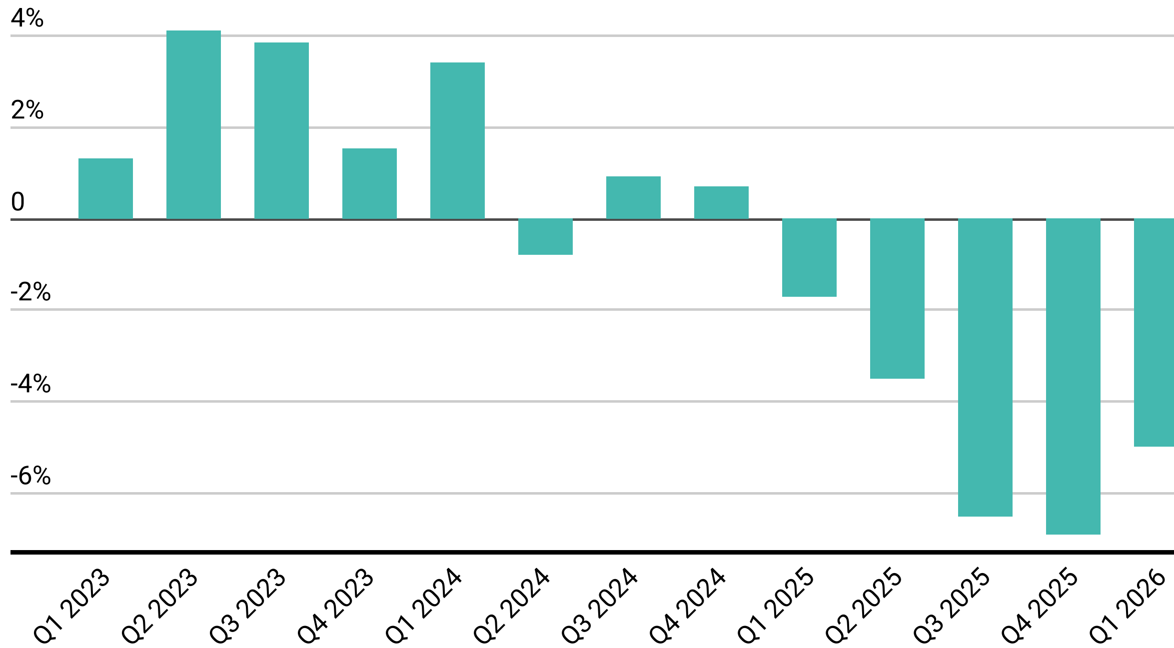
## New entrants

Robinson highlighted that packages premiums were typically low, adding: “The reduction is modest because there’s pretty much nowhere to go. I would suggest that’s been driven by new entrants to the marketplace.”

Combined liability, which saw the largest negative movements in 2025, particularly in the second half of the year, saw premiums go down 5% in the first quarter of 2026.

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Williamson said the size of the reduction was a bit of a surprise, but added: "There's more insurance capacity out there now, and people that are writing the bigger ticket stuff that they were shying away from for a couple of years are back on the front foot again.

"That's probably reflecting risks of size exiting the London Market and coming back into the regions and the more commoditised market space. Composite markets are writing more of that stuff again and there's more capacity so it's natural that we're seeing a rate reduction."

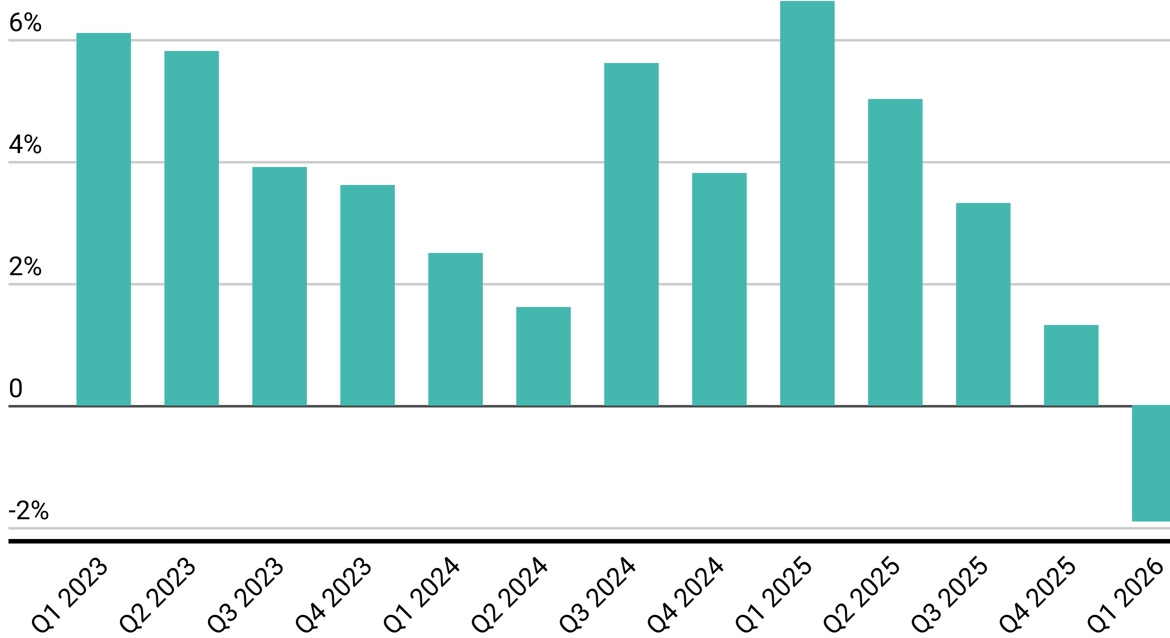
## How are insurers making money?

Robinson noted that liability is where the volume of the business is, adding: "Employers' liability is mandatory, and public liability you have to insure, yet premiums are still reducing. I struggle to

understand how insurers can even be considering making money on that product line when premiums are reducing that much."

The index also covers tradesman, which dipped 1.9%, its first negative movement since Q4 2016.

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

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Carney was surprised by the sudden decline, adding: "With all the others, you can see when it started to slow, but that's quite a turnaround. It's not something I would expect to soften as much as the rest of the market."

Commenting on the market overall, Carney said capital is coming back after insurers previously raised rates to protect themselves from the unusually high levels of inflation in 2024-25, pushing premiums down.

"There was a period where we didn't know when it was going to end, and therefore there were protective actions taken then that are now

filtering through because they weren't actually needed to that extent as inflation came down quicker than people were predicting," he added.

He pointed to the importance of underwriting discipline in a softer market, stating that there is "power in not following that market".

"The prices are going down and there is lots of competition out there, but there are also a lot of underwriters who are applying discipline and not just chasing prices down," he remarked.

## Lot of appetite

Looking ahead, Williamson predicted the negative trend was likely to carry on in most cases, except for in fleet.

"There seems to be a lot of appetite out there from insurers right now," he said.

"We've got the **[mooted] Intact-Hiscox deal**, as an example, with a couple of big insurers potentially coming together who write a lot of this sort of stuff. That has got them on the front foot, which naturally then reignites some of their competitors and gets them on the front foot."

He further pointed to the "Donald Trump factor" and its unpredictable effect on the global economy, as well as rising oil prices as challenges that will impact the industry in the near future.

Similarly, Robinson believed the downward trend would continue throughout 2026 "unless there is a disaster".

"Rates will continue to reduce this year and then I'm hoping the reinsurers at the next renewal in 2027 will start increasing the rates to the primary insurers and primary insurers will start increasing their rates in turn," he concluded.

## 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 £19bn 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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