



2026 Healthcare Property and Casualty Insurance Market Rate Forecast

This letter is not written using AI yet. Each year, I read several sources to come up with my best guess of what rates will do in the coming year. Does that mean I'm "doing my own research"? Yikes! My goal with this forecast is to help you plan for the coming year and highlight ways you can better position yourself to achieve the best pricing and coverage.

In my 2025 healthcare property and casualty marketplace forecast letter, I started with a question: had the challenging market peaked, and would we finally see rates decrease? Overall, many organizations saw "flat" renewals in 2025, which was a welcome relief. Entering 2026, we are seeing a mixed bag that could result in a net flat year ahead from a rate perspective. But... several coverage lines could deteriorate in the second half of the year.

Before getting started with the analysis, an important distinction is rate vs. premium, which will be used throughout this memorandum. Rate – is the amount of money necessary to cover losses, expenses, and profit for an insurance company and is applied against the exposures (revenue, payroll, or property value). Premium – is the amount you, the policyholder, pay for the coverage, as a multiple of the ratable exposure.

HOW CAN YOU GET THE BEST PRICING AND COVERAGE?

Partnering with an insurance broker who specializes in serving the healthcare industry and possesses a clear marketing and risk management strategy is more critical than ever. Today, simply completing an application doesn't cut it. The best way to position your organization, whether placing new business or renewing business, is to provide high-quality, detailed submissions with thoroughly completed

applications, hold face-to-face (or virtual) meetings with underwriters, and develop/practice sound safety and risk management strategies. Additionally, identifying the right balance of risk retention and risk transfer is key to optimizing your insurance program, reducing costs, and enhancing financial stability.

2026 HEALTHCARE MARKET OVERVIEW SUMMARY

In 2026, insurers will continue to reward policyholders with good loss experience, strong risk management, and patient safety cultures with the best possible pricing, terms, and conditions. Those who don't invest in this area of their business will see the higher end of this rate forecast (i.e., higher premiums). Professional liability and casualty lines are still firm and will likely see some increases. All other lines, including property, management liability, cyber, and so on, are seeing further softening in rates, with some decreases, which will, overall, help offset the increases on the professional liability and casualty side. Insurance companies are placing greater emphasis on underwriting, which is taking longer than in the past. Insurers utilize a mix of AI underwriting tools, human review, and potential meetings and loss control. Prioritizing your renewal will give your brokerage time to market your policies better and secure the best pricing and coverage.

The following is a 2026 rate forecast per line of coverage:

- **MEDICAL PROFESSIONAL LIABILITY: +5 TO +15% RATE INCREASE**
I hope I'm wrong, but evidence suggests the MPL marketplace needs additional rate increases before stabilizing. We can see the forecast is low for some specialties and for those who purchase limits above \$1M per claim and \$3M aggregate.



We do not yet have 2025 data, but in 2024, we saw another increase in nuclear verdicts. Of the top 50 malpractice verdicts, the average award was \$56 million, an increase of 14% from 2023 and a 75% increase from 2022. Organizations must focus on patient safety initiatives to reduce the frequency and severity of loss. A strong relationship with your broker and MPL carrier is essential to best position your practice. Additionally, retaining risk through a deductible or self-insured retention can help reduce costs.

- **SENIOR LIVING PROFESSIONAL LIABILITY/GENERAL LIABILITY: 0 TO +15% RATE INCREASE**

We continue to see large claims resulting from falls, elopement, pressure ulcers, and accusations of abuse and wrongful death. We are seeing some softening in pricing, and senior living organizations with a healthy patient safety culture are experiencing decreases for this line of coverage. New carriers are entering this space, and insurers who paused writing this line of coverage are starting to reopen capacity, which is helping drive downward pricing. Look closely for restrictive coverage for sexual abuse and molestation.

- **PROPERTY: -20 TO +5% HEAVILY DEPENDENT PER LOCATION AND OCCUPANCY**

This is good news and a continuation of the trend from 2025. Insurers are focusing on quality underwriting, submissions, loss control, and retention of profitable accounts. All good news for non-challenged risks. Catastrophic coverage for earthquakes, floods, and named storms has adequate capacity, which will help to drive pricing down. Insurers are looking to perform loss control before providing quotes on some buildings; early underwriting engagement is paramount to allow adequate time for the full underwriting process.

- **CASUALTY: FLAT TO +10% RATE INCREASE FOR FAVORABLE LOSS EXPERIENCE FACILITIES**

Insureds with favorable loss experience will continue to have competition for their business. Facilities with claims will see fewer companies offering quotes, compulsory deductibles, retention increases, and less favorable coverage.

The frequency of nuclear verdicts driven by social inflation and third-party litigation funding continues to rise. Look for exclusions and policy language that restricts additions.

- **EXCESS LIABILITY/UMBRELLA: FLAT TO +15% RATE INCREASE**

The increase of significant awards, often referred to as “nuclear verdicts,” will continue to challenge the excess marketplace. However, we are seeing capacity for the right risks. Low-hazard insureds may see a slight rate decrease in 2026, while high-hazard policyholders will continue to face limited capacity and competition for their business. Keep a close eye on exclusions with respect to sexual abuse and molestation.

- **COMMERCIAL AUTO: +5% TO +15% RATE INCREASE**

The auto market remains unprofitable, with a combined ratio of 104%. Therefore, we are predicting that rate increases will continue in 2026. On a national level, motor vehicle deaths continue to set year-over-year records, with distracted driving being the number one cause. Organizations with strong fleet safety and risk management practices typically experience lower losses and pay lower pricing.

- **MANAGEMENT OR EXECUTIVE LIABILITY: SOME GOOD NEWS**

We continue to see a stable management liability market going into 2026. New entrants and increased competition will help keep rates flat or possibly decrease. This is good news for policyholders, but changes will vary by coverage line, loss experience, and policyholder financial condition.

- » **Directors & Officers' Coverage** is seeing -5% to +10%, Increased capacity and reduced retentions for both private and public D&O buyers are forecasted. A greater focus on financial performance means that industries like healthcare and life sciences will remain challenging
- » **Employment Practices Liability** is seeing -5% to +10% loss history, significant changes in employee count, and risk management continue to be the major factors affecting rate change.



- » **Fiduciary Liability**, -5% to +10%, this segment has largely stabilized. Unfortunately, excessive fee class-action claims continue to pose challenges. Elevated underwriting scrutiny continues with pressure to increase retentions, restrict coverage, and limit capacity.
- » **Crime/Fidelity**, -2% to +5%, primarily driven by hacking and social engineering or false pretense claims.
- **CYBER LIABILITY: -5% TO +10%**
Rates stabilized after 2023 and remain competitive heading into 2026. Continued focus on cybersecurity practices is essential, as the cost of claims remains high and the number of reported ransomware attacks reached new heights in 2025. Risk Management is key for underwriters; multi-factor authentication, next-gen endpoint detection and response, and backup strategies are the key areas organizations can focus on to reduce the chance of loss in the first place.
- **WORKERS' COMPENSATION (STATES OTHER THAN WASHINGTON): GENERALLY FLAT, POSSIBLE DECREASES**
Rates will be -5% to +5% depending on the state(s) of operation. Workers' Compensation is one line of business where rates should remain relatively favorable in 2026, depending on the state where employees are located. For many healthcare clients, a careful review of class codes will ensure proper rating, and a focus on the experience modification factor can yield significant savings.

I hope the above information is helpful to you and your organization. Our goal is to support your plans for the coming year and better educate you about developments in the property and casualty insurance industry.

The Partners Group has been providing insurance and risk management services to the healthcare community in the Pacific Northwest for 40 years. We would love the opportunity to have a conversation with you to discuss further the market conditions and the possible impact on your business.

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