



In Partnership with: Assurex Global

Real Estate BENCHMARK REPORT

2026

Cary Evans, JD, MPP, CCIC, AIDA™, STS®

Director of Data Analytics and Risk Management
The Partners Group

Table of Contents

2	Introduction
4	Summary and Insights
5	Results – Aggregate Data
25	Results – Habitational Real Estate
42	Results – Commercial Real Estate
60	Employee Benefits
71	Conclusion
73	About and Contact Information

Introduction

The Assurex Global Partnership comprises more than 100 premier insurance brokers, about half of which are in North America and about half outside North America. The scope of the North American Assurex Global Partner client base allows us to analyze and gain insights into the purchasing decisions of thousands of organizations. This provides our clients with information to help them make better decisions by studying customers' buying habits in varying industry segments.

This report presents an analysis of our **seventh annual study** of customers within our Partners' real estate client base. To provide greater clarity and relevance, we've segmented the data to enable more actionable insights.

Real estate continues to be one of the largest sectors of the U.S. economy, encompassing nearly **970,000 office buildings**, more than **1 million warehouse and storage facilities**, and more than **500,000 mercantile properties**. The risk exposure across these asset classes remains significant. According to the **National Fire Protection Association**, U.S. fire departments responded to approximately **1.39 million fires** in 2024, resulting in an estimated **3,920 civilian deaths**, **11,780 injuries**, and **\$19.1 billion** in direct property damage.

Meanwhile, **Climate Central**, which now maintains NOAA's former disaster database, recorded **23 separate billion-dollar weather and climate disasters** in 2025—the third-highest number on record. These events caused a combined **\$115 billion** in damage and resulted in **276 fatalities** across the U.S.

While real estate firms face a broad array of risk management and insurance challenges, this study focuses primarily on purchasing trends in **property, general liability, and excess liability insurance**. Additional coverage areas are also addressed, though with less emphasis.

Insurance decisions are often made without the benefit of comparative benchmarks. While peer comparisons aren't a substitute for individualized analysis, they provide a valuable framework to evaluate program structure, coverage levels, and market positioning.

We hope the insights in this report help support more informed and confident insurance decisions. For questions or additional information, please contact your **Assurex Global insurance professional**.

Benchmark Scope, Structure, and Limitations

Several members of the Assurex Global Partnership have extensive real estate practices, providing risk management advice and insurance products to real estate companies. We have collected information on the purchasing decisions of more than 1,600 of their individual clients. While individual clients are not identified, this report summarizes client decisions at a high level. ***It is important to recognize that this data represents real estate firms and their portfolios of properties, rather than individual properties.***

There are several ways to think about the segment, and the insurance carrier community has multiple definitions. The most common way to define the segment is by the activities that the participants pursue (i.e., property owners, property managers, property developers, hospitality companies) and own the properties they operate.

For this study, we have divided the real estate market into two segments:

1. **Commercial** real estate can include anything from office buildings, warehouses, and large shopping malls to small, suburban strip malls, and more. Our report included:
 - More than \$177 billion of commercial total insured value
 - More than 250 million square feet
 - Approximately 30,000 properties
 - Average cost of \$699 per square foot
2. **Habitational** real estate, also known as multifamily, largely includes apartments and condominiums and can range from small apartment buildings to large complexes. Our report included:
 - More than \$33 billion of habitational total insured value
 - More than 140 million square feet
 - Approximately 184,000 units
 - Average cost of \$237 per square foot

While most companies are largely in one segment or the other, a few are involved in both, so we focused on the information in their dominant segment.

Our focus was on property, general liability, and excess liability insurance decisions. We obtained limited information on management liability, professional liability, and other lines of insurance coverage. While the nature of their operations and associated risk management exposures goes beyond these areas, they represent some of the most important aspects of risk management for real estate companies. Where possible, we show results by region to provide greater insight into peer-related data in their own area of operation.

Summary and Insights

There are obvious similarities between the risks and exposures of habitational and commercial properties. They both involve buildings (sometimes of substantial value) that are exposed to loss or damage to the property itself, and people living in or using them.

Significant differences exist between the risk management exposures of a commercial versus a habitational program. These differences are reflected in the typical characteristics of their properties. Property insurance rates begin with the **C O P E** information:

- **Construction (C)** type – frame, joisted masonry, light noncombustible, masonry, masonry noncombustible, modified fire-resistive. Often, commercial properties are of a more fire-resistive construction type than habitational buildings.
- **Occupancy (O)** – an office or retail building will usually have a lesser probability of damage than multifamily habitational exposures, reflected in insurance pricing.
- **Protection (P)** – alarms, sprinklers, distance to hydrants, fire stations, and community protection class (1-10) all affect property rates; buildings in communities with excellent fire protection typically cost less to insure than buildings with limited fire protection.
- **Exposure (E)** - risks from surrounding property, including distance and operations, impact acceptability, and rates. An apartment complex with buildings located relatively close together has a greater opportunity for damage than one with greater separation between structures. A warehouse next to a chemical plant has a greater probability of loss than one in a warehouse complex.

How are these differences reflected in the risk management and insurance programs of these various entities?

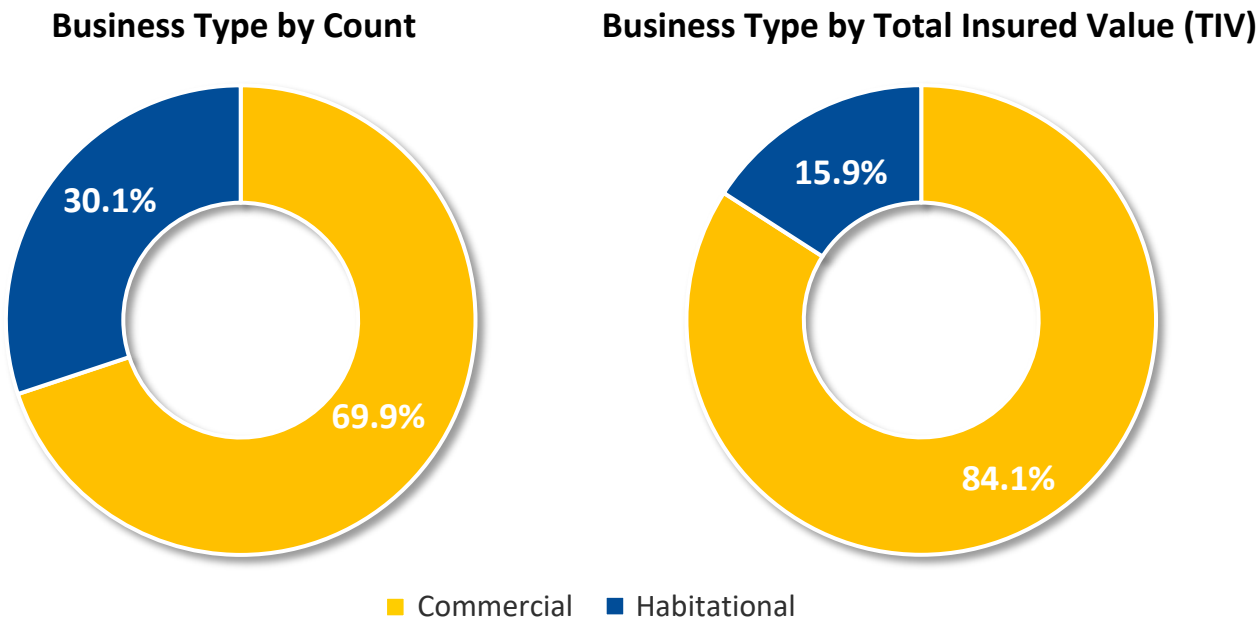
- Using more fire-resistive building techniques in new building construction and building upgrades are serious risk management considerations. Existing structures typically are more difficult to upgrade than incorporating fire-resistive building techniques in constructing new facilities.
- Tenant selection and monitoring, particularly if leasing facilities to manufacturing entities, is critically important. For example, manufacturing tenants that paint their product inside the leased facility may create more significant fire hazards than those that subcontract that activity to another location.
- If you have a choice, the placement of your facilities in higher protection classes can significantly impact the coverage terms and conditions of your property insurance.
- Installation of sprinkler and alarm systems where appropriate will significantly impact on total risk cost.
- Awareness of what surrounds your properties and the separation between buildings on your properties are also important risk management considerations.

RESULTS

Aggregate Data

Type of Business

Data sets were collected from 1,629 businesses: 491 habitational and 1,138 commercial real estate. The businesses represent \$211.2 billion of total insured value (TIV).



The real estate firms represented in this year’s report range from small, single-property owners to large, multi-location firms with national operations. Consistent with broader industry trends, the dataset includes a significant number of single-location owners, reflecting the fragmented nature of the real estate sector.

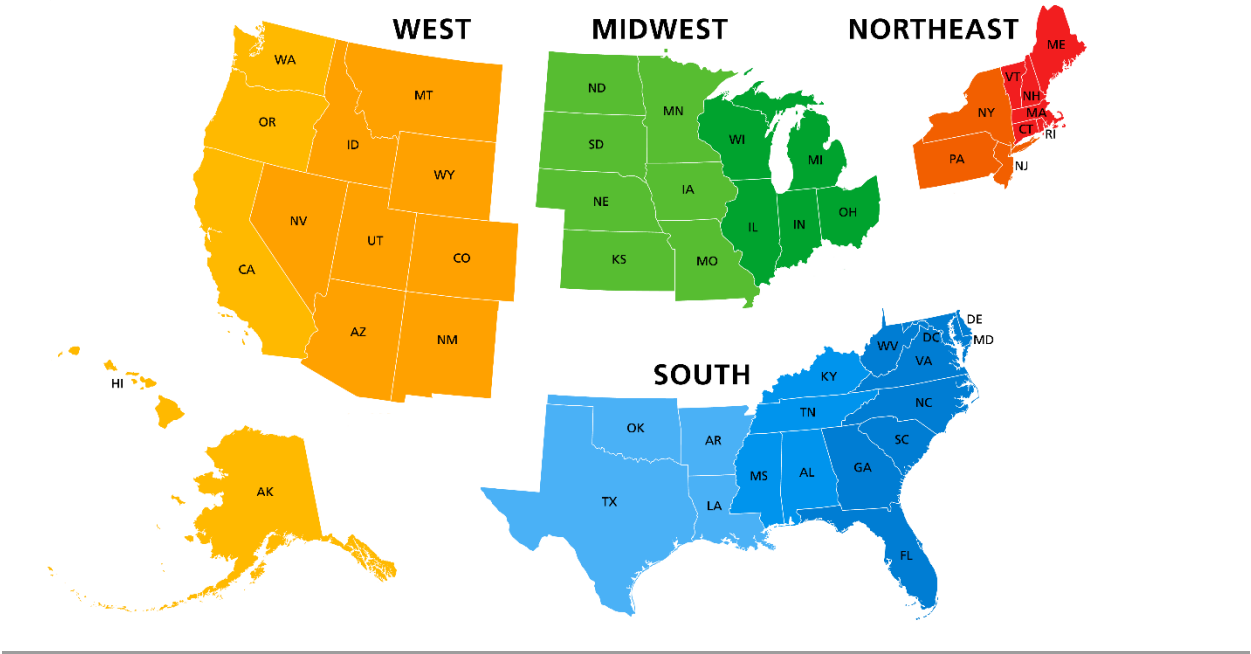
Most firms focus on either commercial or habitational properties, with only a small number operating in both segments. These two sectors face distinct business challenges that require different operational expertise. For example, the needs of tenants in apartment complexes differ significantly from those of tenants in retail, office, industrial, or manufacturing spaces.

Commercial firms represent 70% of the businesses in the report but 84% of total insured value, and their average replacement cost per square foot is well above that of habitational properties. Geography is likely a factor: more than 40% of habitational firms are in the Midwest, where construction costs tend to be lower, while over half of commercial firms—and 90% of commercial TIV—are in the West and South, where costs are typically higher.

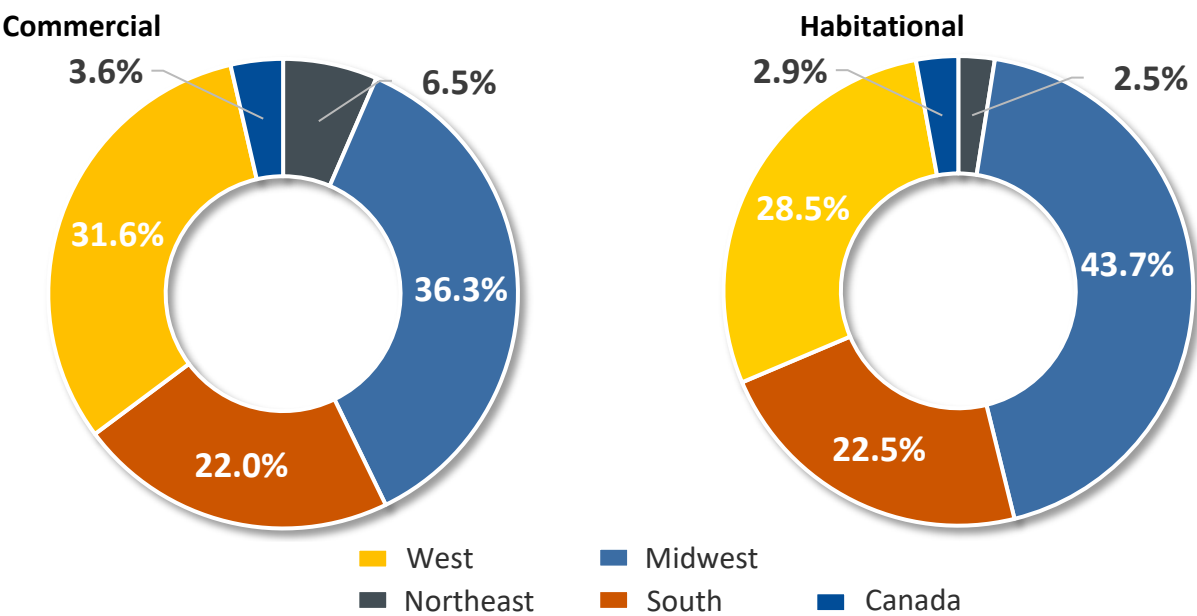
Type of Business by Region

Data sets were collected from 1,629 businesses: 491 habitational and 1,138 commercial real estate. The businesses were then broken down by region.

Regional Breakdown

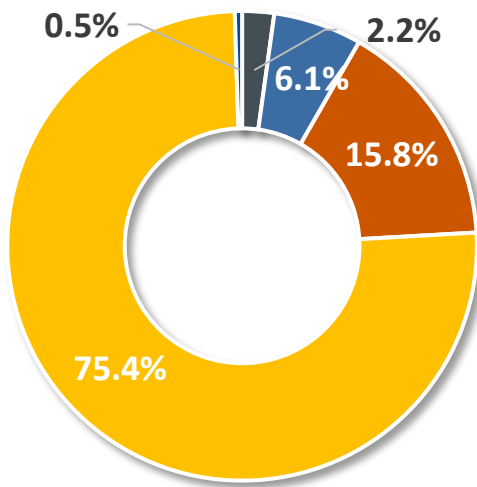


Business Type by Count by Region

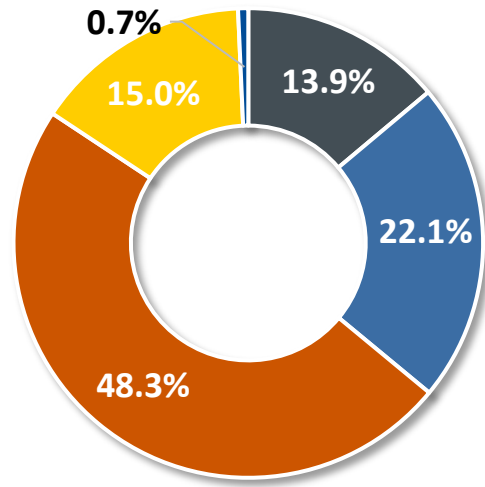


Business Type by TIV by Region

Commercial



Habitational



■ West ■ Midwest
■ Northeast ■ South ■ Canada

The real estate firms in our report range from small, single-property real estate firms to large, multi-location companies with a national scope. A sizeable percentage of the clients represented are single-location owners, and most of the larger firms have a regional focus.

This is the fifth year that our study has looked at the regional breakout of the firms involved, and we found the results interesting.

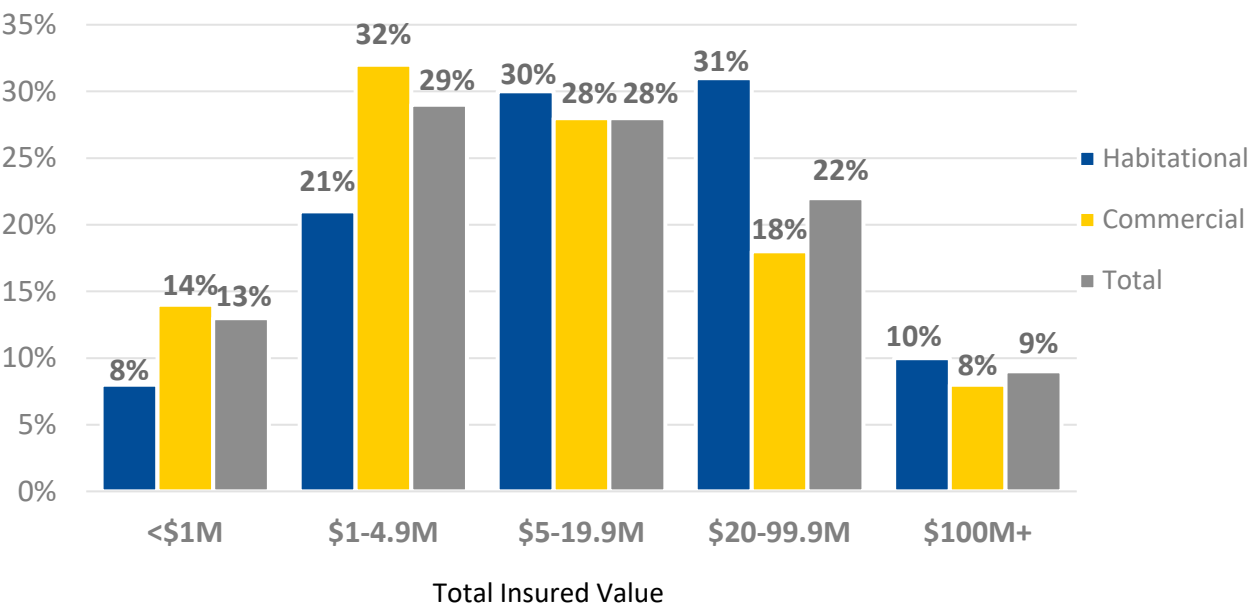
- The largest share of commercial (36%) and habitational (44%) clients in this year's report are in the Midwest.
- Total insured value tells a different story: the West accounts for 75% of commercial TIV, while the South holds nearly half (48%) of habitational TIV.

The impact of these differences on risk management and insurance decision-making are further explored in the body of this report.

Total Insured Value (TIV)

Data sets were collected from 1,629 businesses: 491 habitational and 1,138 commercial real estate.

Total Insured Value Breakdown by Business Count



The real estate firms included in this year’s report range from single-location property owners to large, multi-state organizations with total insured values (TIV) exceeding \$1 billion.

The majority of firms operate on a smaller scale, with 59% of habitational firms and 74% of commercial firms reporting less than \$20 million in total insured value. At the upper end, 9% of firms have TIV greater than \$100 million.

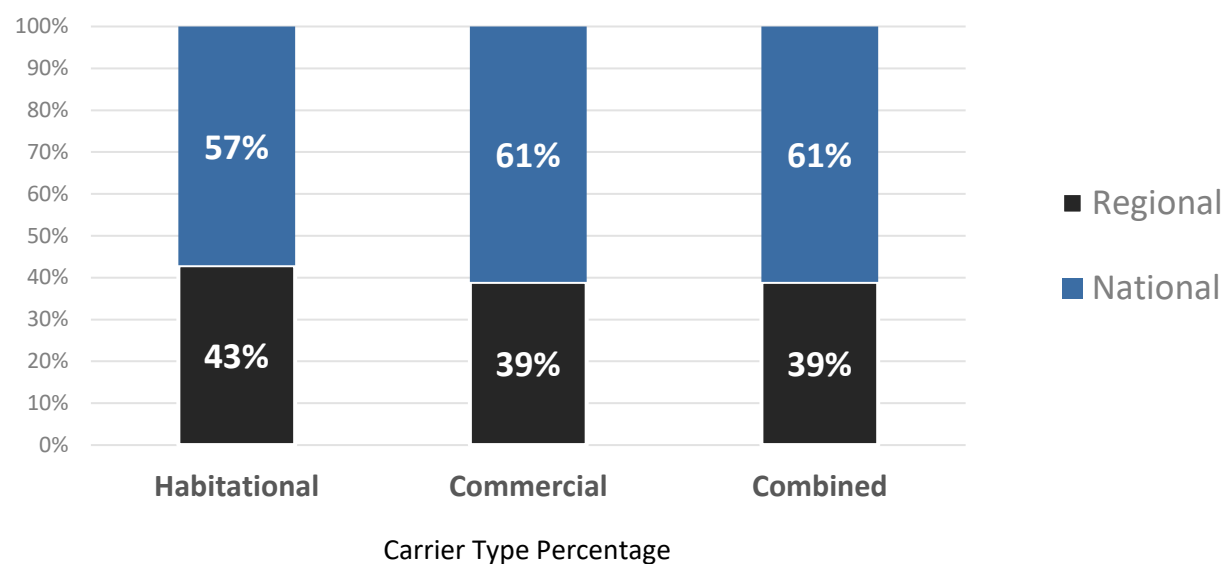
It’s important to note that some ownership structures may obscure the full scope of insured assets. Many properties are held in individual LLCs, creating a corporate veil while allowing a single owner to manage multiple properties. While these owners often make decisions based on their portfolio’s aggregate value, our current dataset captures information at the entity level and does not fully reflect this broader ownership model.

The chart illustrates the distribution of firms by total insured value, segmented by habitational and commercial categories.

Carrier Type

Data sets were collected from 1,629 businesses: 491 habitational and 1,138 commercial real estate.

National vs Regional Carrier



We categorized insurance companies as either regional or national based on the geographic scope of their operations. National carriers—such as Chubb, CNA, Hartford, and Travelers—are defined as those operating in more than 25 states. Regional carriers, including companies like Integrity, Midwest Family Mutual, and State Auto, are those operating in fewer than 25 states. While this classification is somewhat subjective, it provides a useful framework for analyzing market presence and influence.

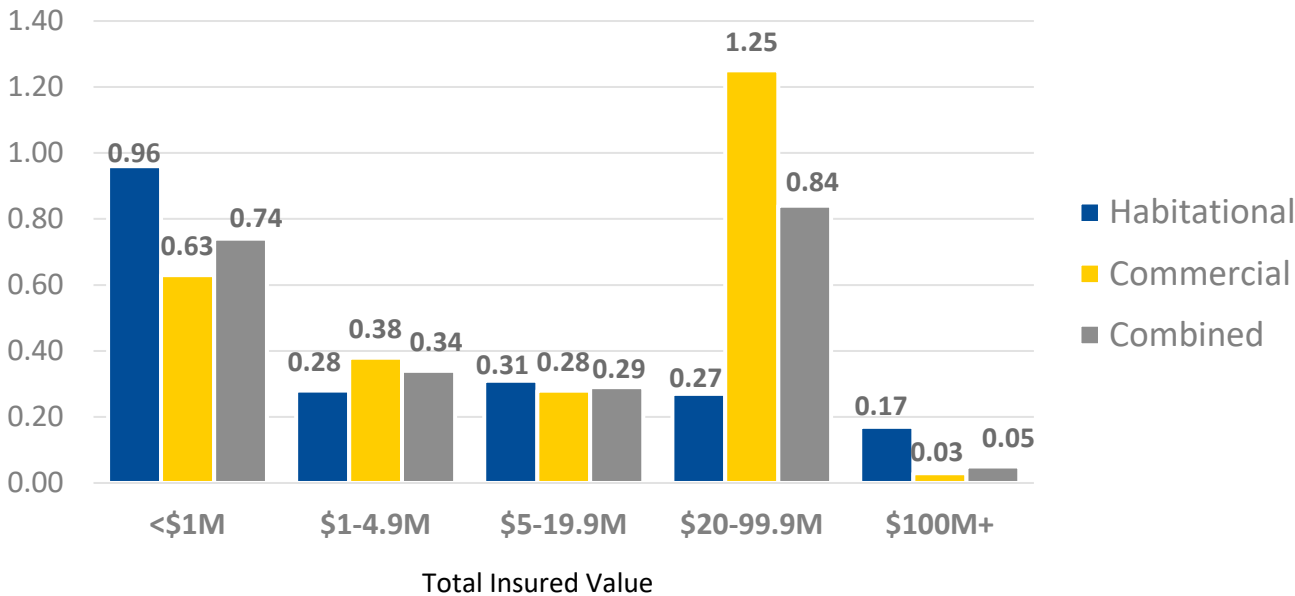
The chart illustrates a modest distinction between how habitational and commercial real estate firms are insured. Habitational risks lean toward national carriers, with 57% insured by national carriers and 43% by regional carriers. Commercial properties are somewhat more likely to be insured by national carriers, with 61% of policies written by national insurers compared to 39% by regional providers.

Overall, 61% of all real estate firms in the report are insured by national carriers, while 39% are covered by regional providers. This suggests that national insurers maintain a clear overall majority, driven in part by their stronger presence in the commercial segment.

Average Rate per \$100 Total Insured Value (TIV) Data

Data sets were collected from 1,629 businesses: 491 habitational and 1,138 commercial real estate.

Average Rate Per \$100 of Total Insured Value



This bar graph compares the rate of property insurance by total insured value (TIV) across habitational and commercial segments. Several clear patterns emerge in this year’s data.

Most notably, the rate per \$100 of insured value is elevated for small properties—especially habitational properties with TIV under \$1 million (\$0.96). This is often attributed to COPE factors: Construction, Occupancy, Protection, and Exposure. Smaller properties tend to have less fire-resistive construction, fewer built-in protections, and greater exposure to localized risks.

In contrast, larger clients benefit from lower rates due to a combination of factors, including:

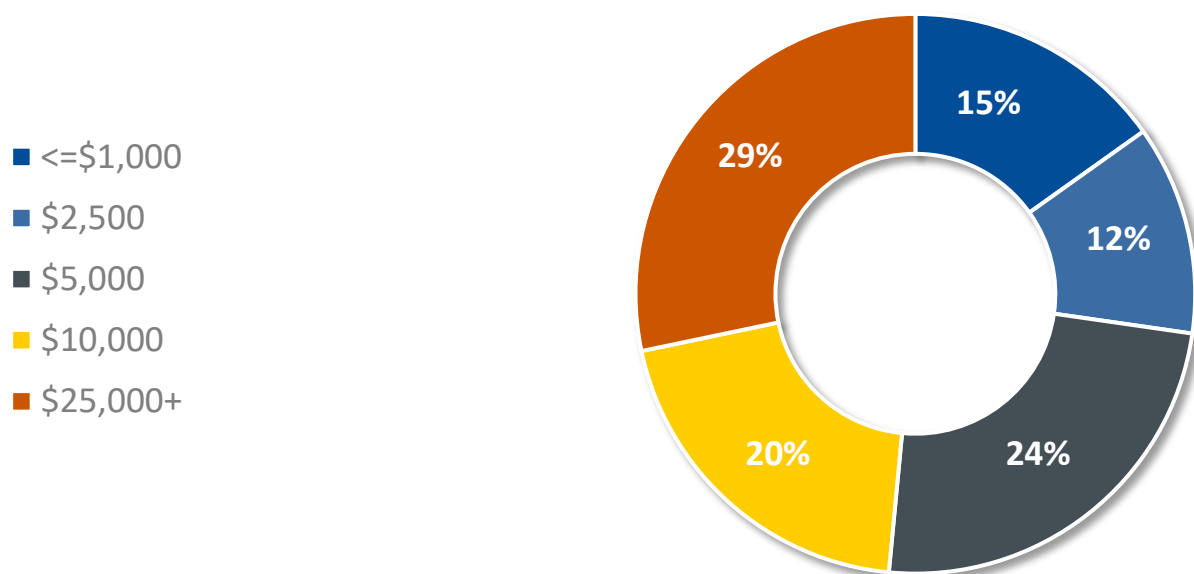
- Economies of scale and increased buying power
- More sophisticated risk management programs
- Greater spread of risk across multiple properties

Rates generally decline as property values increase, with combined rates falling from \$0.74 per \$100 of value for firms under \$1 million to \$0.05 for those over \$100 million. The exception is the commercial \$20 million to \$99.9 million band, where an unusually high South rate drives the \$1.25 average.

Property Deductibles

Data sets were collected from 1,629 businesses: 491 habitational and 1,138 commercial real estate.

Property Deductibles



This chart illustrates the range of property insurance deductibles selected by firms in this year's report. The results indicate a meaningful spread in risk tolerance, with a significant portion of buyers choosing higher deductibles:

- 15% carry deductibles of \$1,000 or less.
- 12% are at \$2,500.
- 24% have selected a \$5,000 deductible.
- 20% carry \$10,000 deductibles.
- 28% report deductibles of \$25,000 or more.

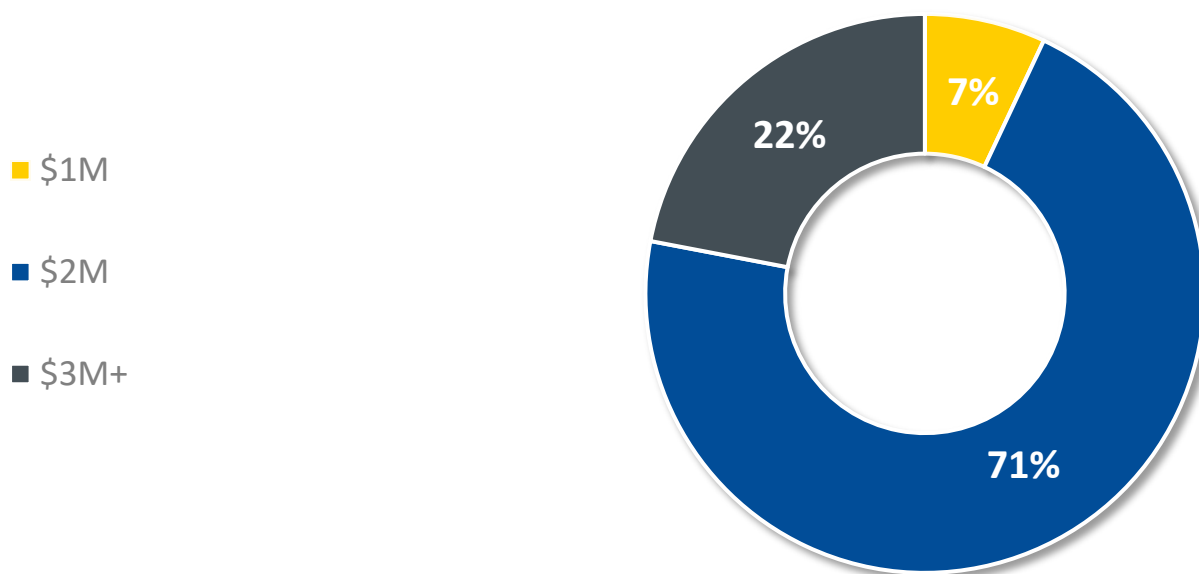
The \$5,000 deductible appears to be a common middle ground, representing the largest single group apart from those at the highest tier.

These results reflect the broader trend of property buyers assuming more risk—a likely response to rising property insurance premiums and tighter market conditions. Higher deductibles and self-insured retentions are increasingly used as tools to manage cost, improve insurability, and maintain access to capacity in a hardening market.

General Liability

Data sets were collected from 1,629 businesses: 491 habitational and 1,138 commercial real estate.

General Liability Aggregate Coverage Limits



General liability insurance protects against bodily injury and property damage to third parties resulting from the insured's negligence. These policies are typically structured with a \$1 million per occurrence / \$2 million aggregate limit.

Collecting consistent data on general liability limits can be challenging. Some respondents report the occurrence limit, while others report the aggregate limit, making comparisons less precise. However, this year's responses show a clear trend:

- 71% of respondents report a \$2 million aggregate limit.
- 7% report a \$1 million aggregate limit.
- 22% carry general liability limits of \$3 million or more.

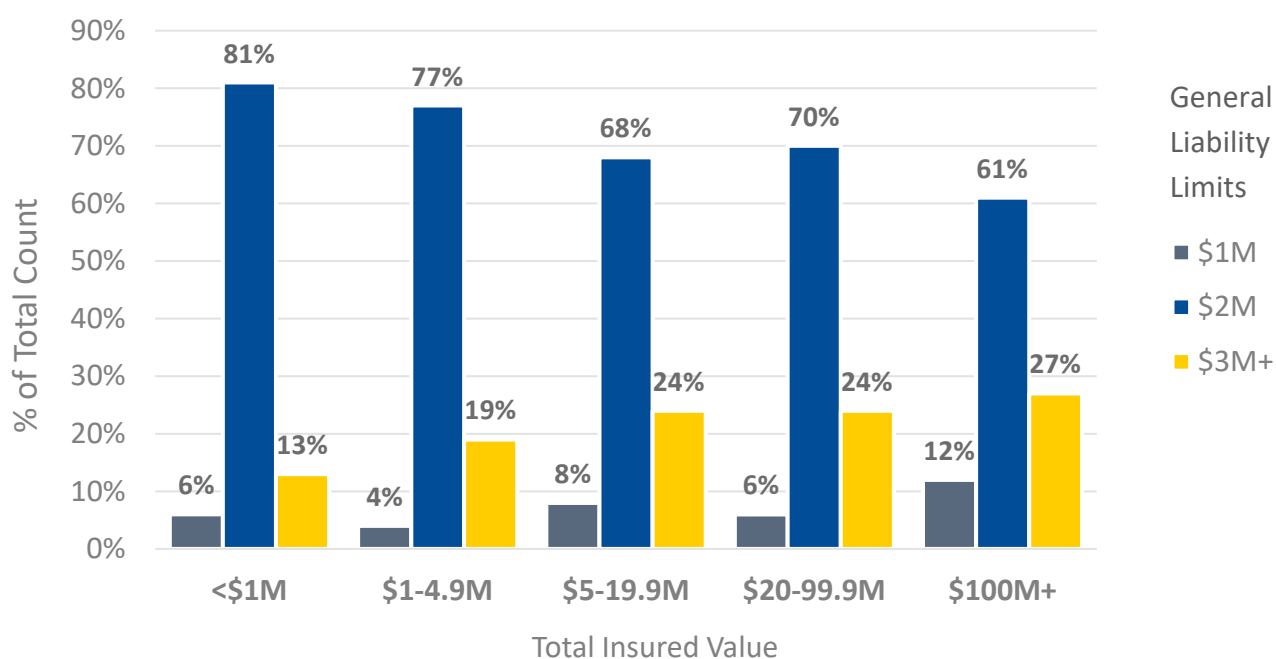
Based on typical market practices, it is reasonable to assume that most respondents are using the \$1M/\$2M per occurrence/aggregate structure as their standard program.

This chart provides a snapshot of current purchasing patterns and may be useful for benchmarking general liability coverage decisions across similarly situated firms.

General Liability by Revenue

Data sets were collected from 1,629 businesses: 491 habitational and 1,138 commercial real estate.

General Liability Coverage Limits by TIV



As noted in the prior section, it is likely that some respondents are reporting their general liability occurrence limit, while others report the aggregate limit. Despite this variation, the data suggest that the standard \$1 million per occurrence / \$2 million aggregate limit remains prevalent across all organization sizes.

This chart illustrates how general liability limits vary by total insured value (TIV). While the \$2 million limit remains the most common across all segments, there is a gradual shift toward higher limits as firm size increases:

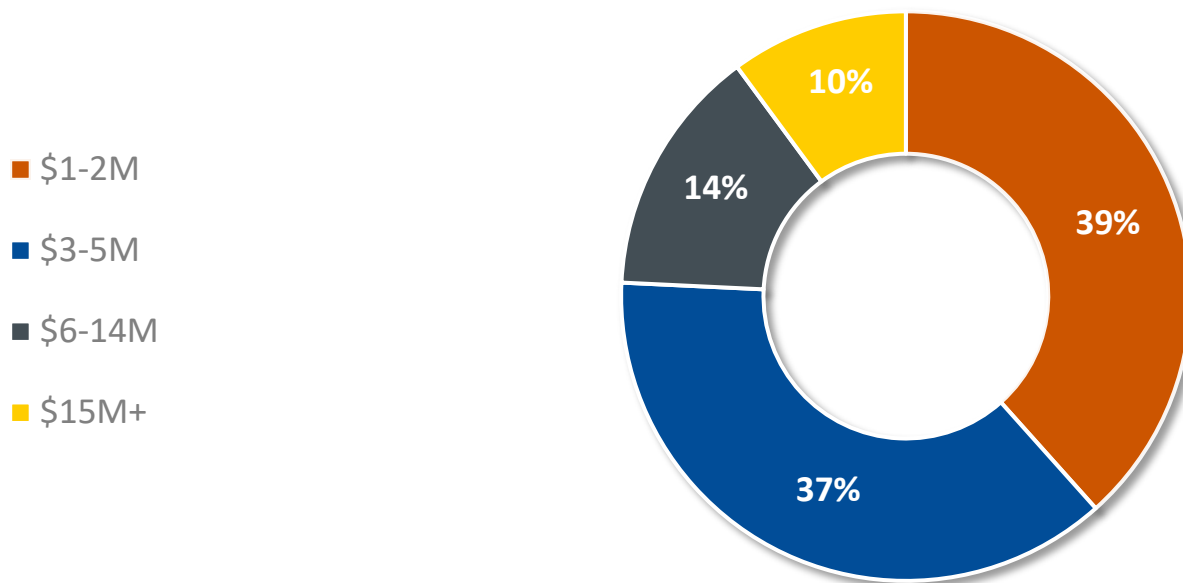
- 87% of organizations with less than \$1 million in TIV report a \$1 million or \$2 million limit.
- Among organizations with more than \$100 million in TIV, 73% still report either \$1 million or \$2 million, though a higher share (27%) report limits of \$3 million or more.

This data indicates that while most organizations maintain standard general liability coverage, larger firms are incrementally more likely to increase their limits—likely due to greater risk exposure and contractual requirements tied to their operations.

Excess Liability

Data sets were collected from 1,629 businesses: 491 habitational and 1,138 commercial real estate.

Excess Liability Aggregate Coverage Limits



Excess liability insurance provides an additional layer of protection above a firm's primary general liability, auto liability, and employers liability policies. It is designed to cover catastrophic losses that could otherwise threaten the financial stability—or even the survival—of an organization. The total available limit typically includes the underlying per-occurrence limit plus the excess layer.

This year's data shows how real estate firms structure their excess liability coverage:

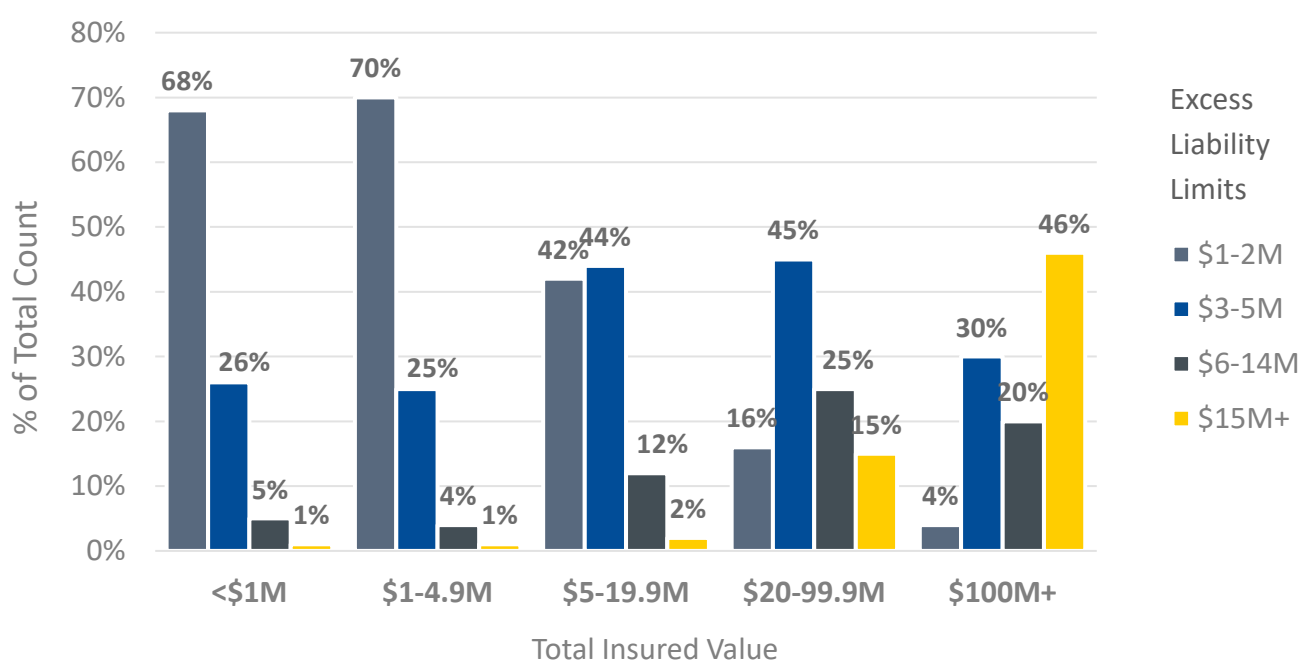
- 38% of respondents carry \$1 million to \$2 million in excess limits.
- 37% fall into the \$3 million to \$5 million range.
- 14% report \$6 million to \$14 million in excess limits.
- 10% have \$15 million or more in coverage.

The distribution suggests that while the \$1 million to \$5 million range remains most common, a notable portion of firms—nearly a quarter of respondents—are securing excess limits above \$5 million, reflecting a recognition of evolving risk profiles and the potential for high-severity claims

Excess Liability by Revenue

Data sets were collected from 1,629 businesses: 491 habitational and 1,138 commercial real estate.

Excess Liability Coverage Limits by TIV



As seen across multiple coverage types, there is a clear relationship between total insured value (TIV) and the size of excess liability limits. Organizations with lower insured values tend to purchase more modest limits, while those with greater exposures are more likely to invest in higher layers of protection.

Among firms with less than \$5 million in TIV, more than 90% carry excess liability limits of \$5 million or less. As TIV increases, there is a gradual shift toward higher limits:

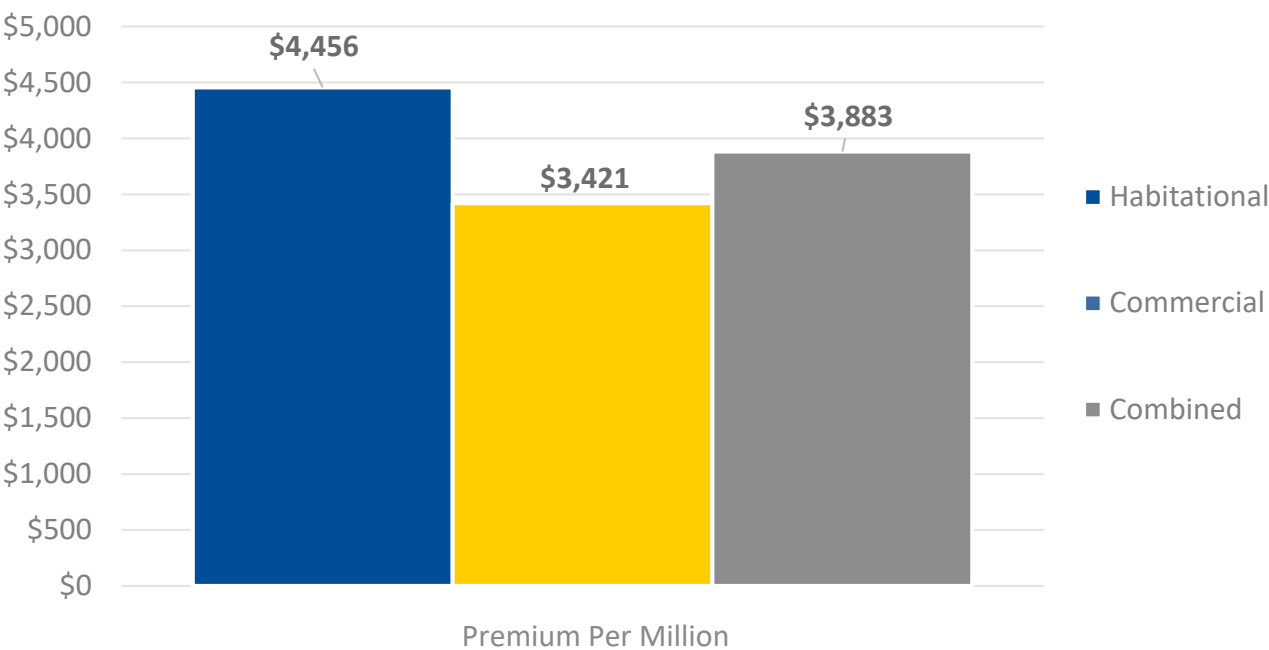
- For firms with \$20 million to \$99.9 million in TIV, 25% carry limits of \$6 million to \$14 million, and 15% carry limits of \$15 million or more.
- Among those with \$100 million+ in TIV, 46% carry \$15 million or more in excess liability coverage.

The chart illustrates this progression clearly, showing that larger firms tend to diversify into higher limit structures, while smaller firms concentrate in the lower ranges. This reinforces the trend that excess liability purchasing scales with exposure—and highlights how organizations align coverage strategy with their risk profile.

Average Excess Liability

Data sets were collected from 1,629 businesses: 491 habitational and 1,138 commercial real estate.

Excess Liability Premium per Million Limit



Cost is a critical factor in insurance purchasing decisions—especially for excess liability coverage. While many variables influence pricing—including the number of units or square footage, loss history, and underlying premiums—underwriters often use a cost-per-\$1 million of limit benchmark to evaluate and price excess programs. This approach is particularly common for larger programs that may involve layered or stacked policies.

Although this metric is not precise at the individual account level, it offers a useful baseline for comparing cost trends across segments of the real estate market.

This year’s data shows:

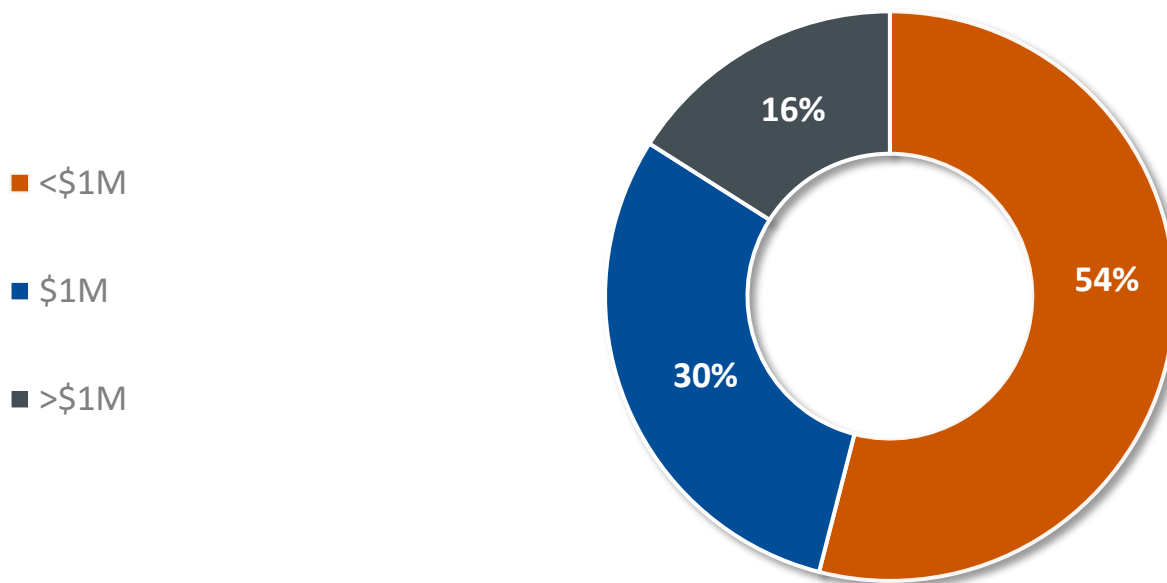
- Habitational firms pay an average of \$4,456 per \$1 million of excess liability limit.
- Commercial firms pay an average of \$3,421 per \$1 million.
- The combined average across all firms is \$3,883 per \$1 million.

The data confirms that habitational properties continue to face higher excess liability costs than their commercial counterparts, with a 30% premium differential. This may reflect underwriting views on tenant density, loss volatility, or jurisdictional exposure commonly associated with habitational risks.

Cyber Liability

Data sets were collected from 1,629 businesses: 491 habitational and 1,138 commercial real estate.

Cyber Liability Aggregate Coverage Limits



Cyber insurance, often referred to as privacy liability coverage, protects businesses from internet-based exposures and broader risks tied to information technology infrastructure and operations. These risks are typically excluded or only partially addressed in standard general liability or property policies. Cyber policies may offer first-party coverage (such as breach response, data restoration, or business interruption) and third-party liability coverage (including legal defense and settlement costs related to data breaches).

Among firms that reported purchasing cyber insurance coverage:

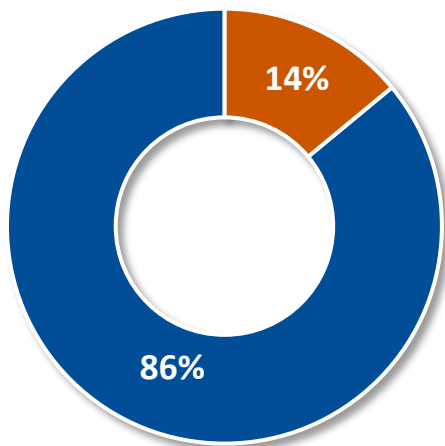
- 54% carry limits of less than \$1 million.
- 30% have a \$1 million policy.
- 16% report coverage greater than \$1 million.

These results indicate that when cyber insurance is purchased, it is most often done with modest coverage limits, suggesting that many firms may be underestimating the financial impact a cyber event can have on real estate operations.

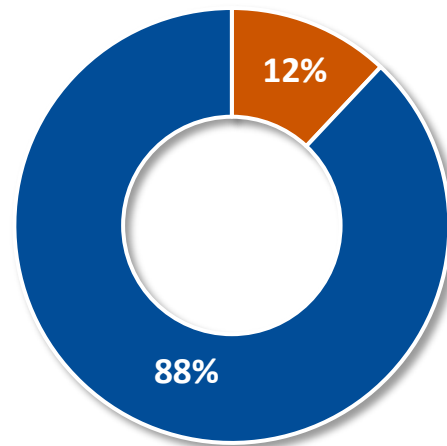
Pollution, Management Liability, Errors & Omissions

Data sets were collected from 1,629 businesses: 491 habitational and 1,138 commercial real estate.

Pollution

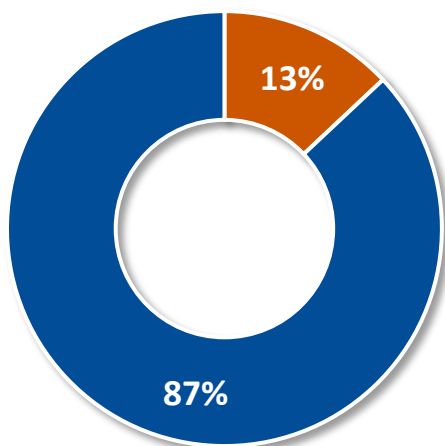


Management Liability



■ Yes ■ No

E&O



■ Yes ■ No

Pollution, Errors & Omissions

Several insurance coverages are available to real estate businesses that are not widely purchased. It may be that insurance purchasers have evaluated the risk and determined that it is more cost-effective to retain it and pay any losses that occur out of operating funds; essentially making a conscious choice to self-insure the exposure. Others may be unaware of the exposure and are inadvertently retaining risk that could be transferred. Our report on these coverages focuses on respondents that indicate whether they purchase the coverage.

Environmental Impairment Liability (Pollution)

Environmental impairment liability insurance is a specialized insurance policy that can cover a wide variety of exposures or situations. The primary exposures are:

- Chemicals escaping into the groundwater or air
- Contaminating the site for the insured
- Creating liability to third parties located nearby

These policies are available on a first-party basis (cleanup), third-party basis (liability to others for environmental damage), or combined. Many policies are written in a modular or portfolio policy form, allowing buyers to customize their coverage with their agent's help.

Professional Liability

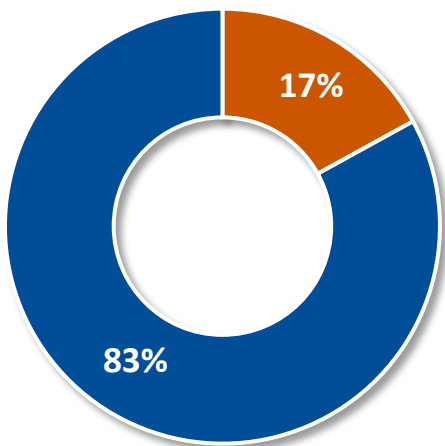
Professional liability insurance protects professionals providing advice or services from allegations that their error or omission caused a client's financial loss. Professional liability insurance policies do not cover bodily injury or property damage, which are covered by a general liability policy.

The wide variety of the activities and responsibilities of real estate firms creates a variety of errors and omissions exposures. Real estate developers and companies that self-manage their properties can face errors and omissions claims from various activities.

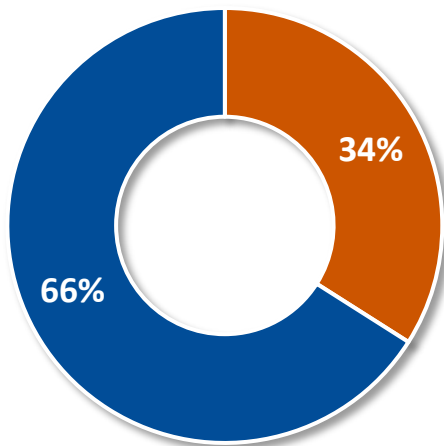
Directors & Officers, Employment Practices Liability, Fiduciary Liability

Data sets were collected from 1,629 businesses: 491 habitational and 1,138 commercial real estate.

Directors & Officers

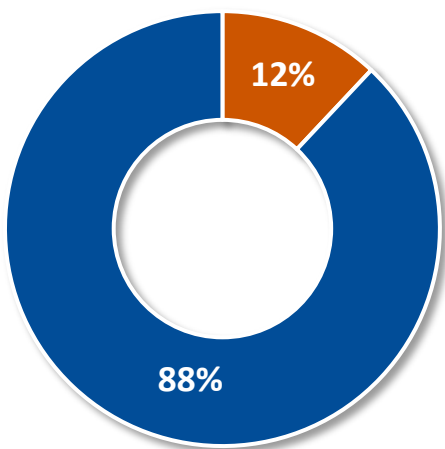


Employment Practices Liability



Yes No

Fiduciary Liability



Yes No

Management Liability Coverage: D&O, EPLI, and Fiduciary

Management liability insurance refers to a group of coverages designed to protect organizational leaders and decision-makers from personal and professional liability exposures. This typically includes **Directors and Officers (D&O) Liability**, **Employment Practices Liability (EPLI)**, and **Fiduciary Liability**. In some cases, **cyber** and **professional liability** coverages are also grouped under this category.

These policies are essential for protecting both the **personal assets of executives and board members** and the financial well-being of the organization. Despite the importance of these coverages, they are not universally adopted across the real estate sector.

This report includes only those firms that provided a clear indication of whether they carry each coverage.

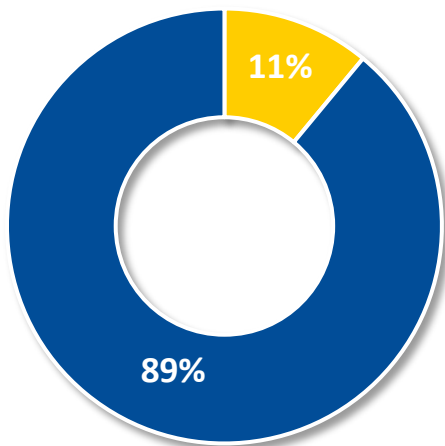
- **D&O Liability** offers protection against claims arising from management decisions. It covers allegations such as misstatements, errors, omissions, and breaches of duty made by board members, senior leaders, or the organization itself.
- **EPLI** provides coverage for claims related to the employment process. This includes allegations of wrongful termination, discrimination, harassment, and retaliation. EPLI policies may also be expanded to include claims brought by third parties. Some insurers offer this coverage as part of a portfolio-style management liability policy.
- **Fiduciary Liability** protects individuals and organizations involved in managing employee benefit plans from claims alleging mismanagement, breach of fiduciary duty, or administrative errors.

These coverages are increasingly important in today's environment of heightened regulatory scrutiny and evolving workplace expectations.

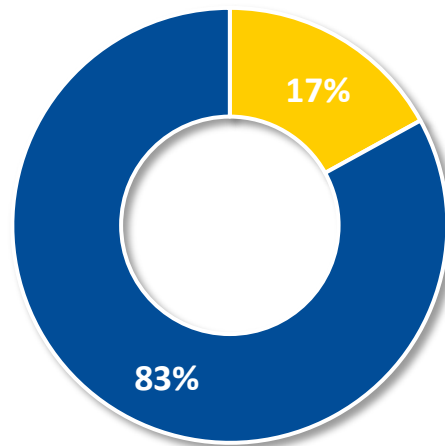
Active Shooter, Certificate Tracking, Employee Assistance Program

Data sets were collected from 1,629 businesses: 491 habitational and 1,138 commercial real estate.

Active Shooter

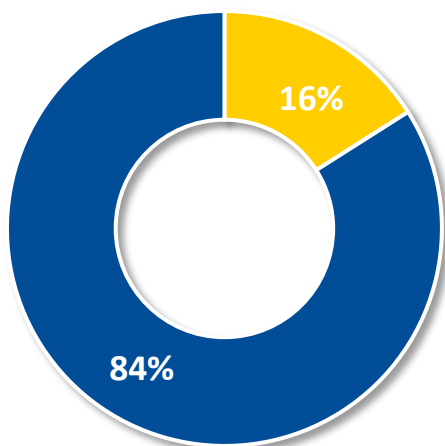


Certificate Tracking



■ Yes ■ No

Employee Assistance Program



■ Yes ■ No

Active Shooter, Certificate Tracking, Employee Assistance Program

This year, our report looked at several issues not typically part of most companies' insurance programs. As with several coverages, we report only on the definitive 'Yes' or 'No' responses.

Active Shooter protection is not well-defined in the risk management industry, so it is difficult to draw conclusions from the data. To many, active shooter protection means a risk management program that incorporates responses to active shooters into a company's safety protocols. To others, it reflects the purchase of an insurance product that responds to actual bodily injury and property damage losses resulting from a shooting incident. Some primary liability policies have started to incorporate small sub limits for injuries resulting from a shooting incident since the policy would normally require negligence on the part of the policyholder to trigger coverage.

Certificate Tracking - Most construction and maintenance contracts include indemnification clauses and delineate insurance requirements for parties to the contract. The question addressed here is whether real estate firms or their agents have services to track the insurance certificates required by those contracts.

Employee Assistance Program (EAP) is a formal program to help employees through life's challenges; personal crises, mental health issues, the need for legal resources, etc.

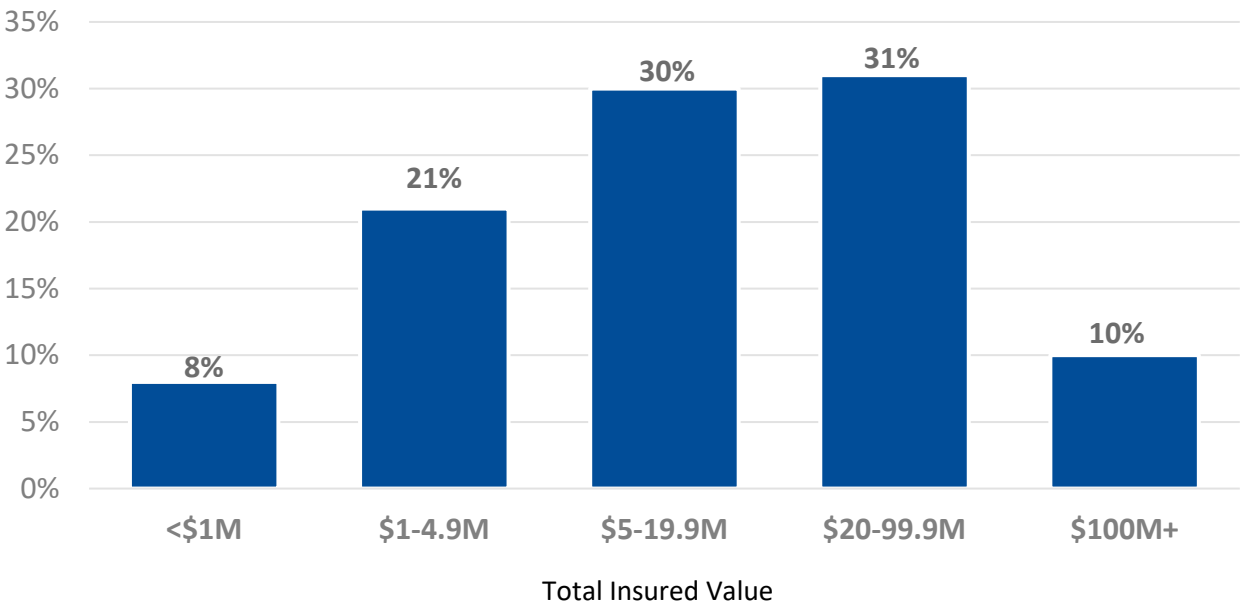
RESULTS

Habitational Real Estate

Total Insured Value

Data sets were collected from 491 habitationl focused real estate businesses. Total Insured Value is broken down by TIV size into five categories. These businesses represent \$33.6 billion in TIV.

Total Insured Value Breakdown by Business Count



This chart shows the distribution of respondents by total insured value (TIV). The data reflects a broad cross-section of real estate firms, ranging from small single-property owners to large organizations with extensive portfolios.

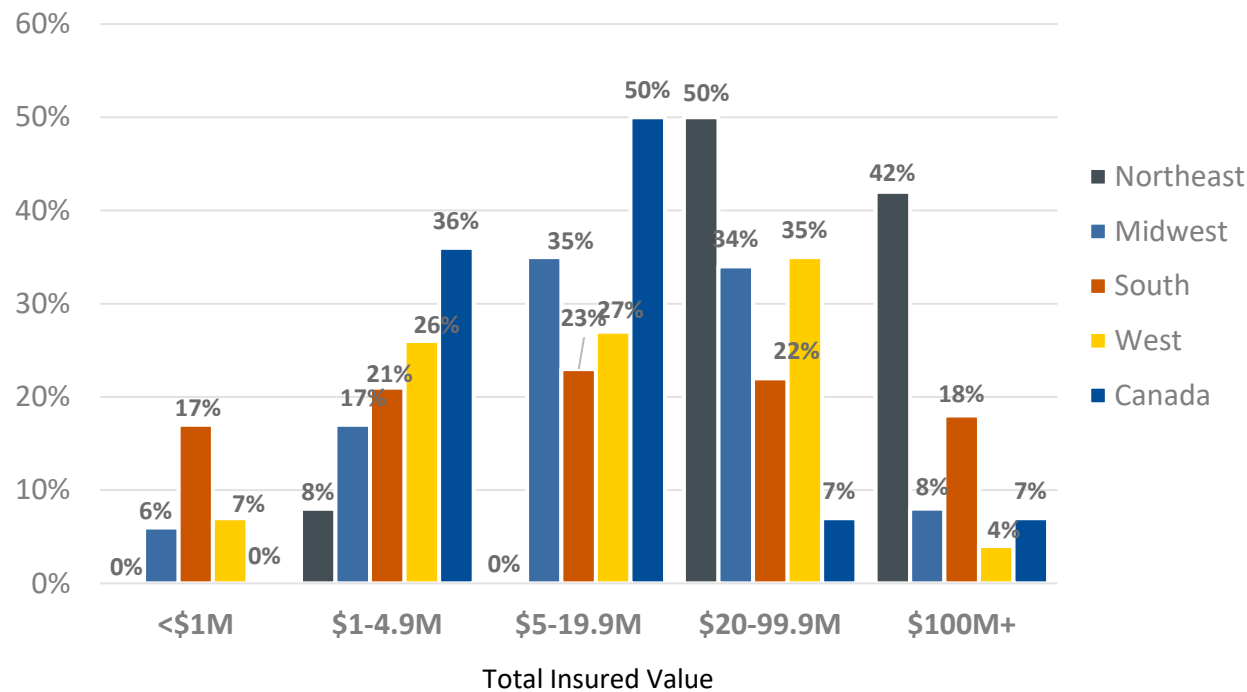
- The largest concentrations fall in the \$20 million to \$99.9 million (31%) and \$5 million to \$19.9 million (30%) TIV ranges, together over 60% of the sample.
- The \$1 million to \$4.9 million range is also well represented at 21%, indicating solid participation from smaller firms.
- Firms under \$1 million (8%) and over \$100 million (10%) in TIV make up smaller portions of the dataset, though they contribute to the overall diversity of the report.

This segmentation allows for meaningful benchmarking across peer groups based on property portfolio size.

Total Insured Value (TIV)

Data sets were collected from 491 habitational focused real estate businesses. TIV is broken down by region by size into five categories.

TIV Breakdown by Region by Business Count



This chart illustrates the distribution of total insured value (TIV) by region, highlighting notable differences in portfolio size across geographic areas.

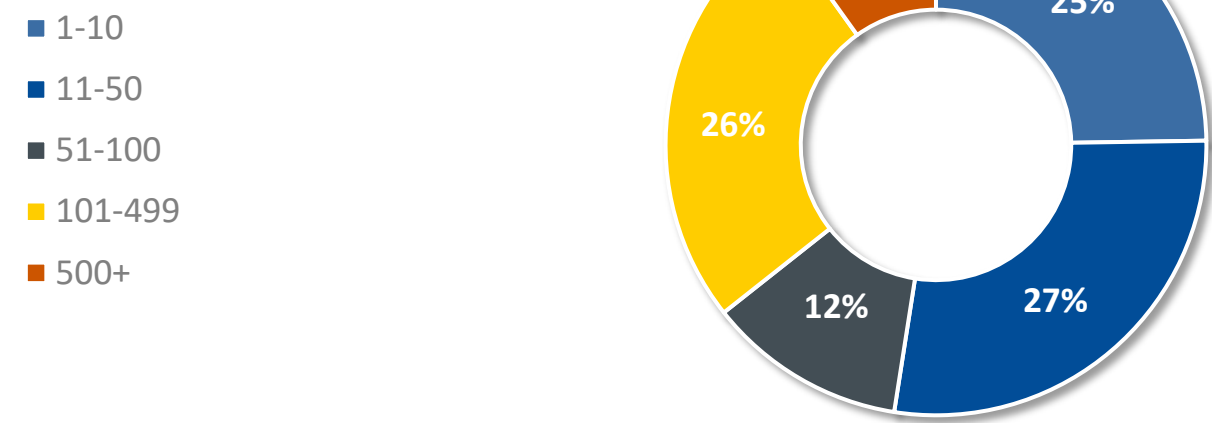
The data reveals meaningful regional variation:

- Northeast firms are concentrated at the upper end, with 92% reporting TIV of \$20 million or more.
- Firms in the West are spread across the mid-market, with 35% between \$20 million and \$99.9 million but only 4% above \$100 million.
- The Midwest shows a strong mid-market concentration, with 69% of firms between \$5 million and \$99.9 million.
- Southern firms are the most evenly distributed, with 17% to 23% of firms in every TIV bracket.
- Canadian firms are concentrated in the \$1 million to \$19.9 million range (86% of respondents).

Number of Units

Data sets were collected from 491 habitational focused real estate businesses. Number of units is broken down by quantity into five categories. The businesses represent 184,000 units.

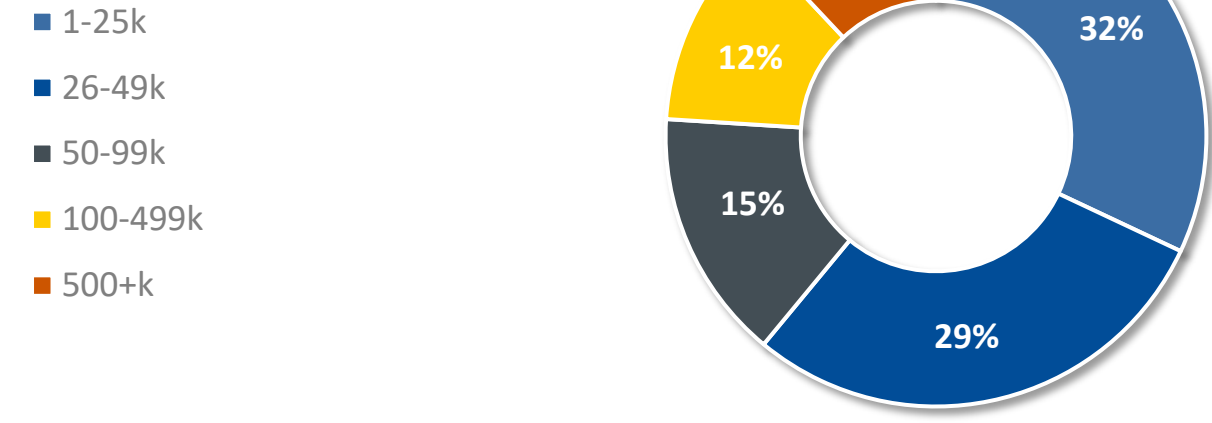
Number of Units



Square Footage

Data sets were collected from 491 habitational focused real estate businesses. The square footage is broken down by quantity into five categories. The businesses represent 142 million square feet.

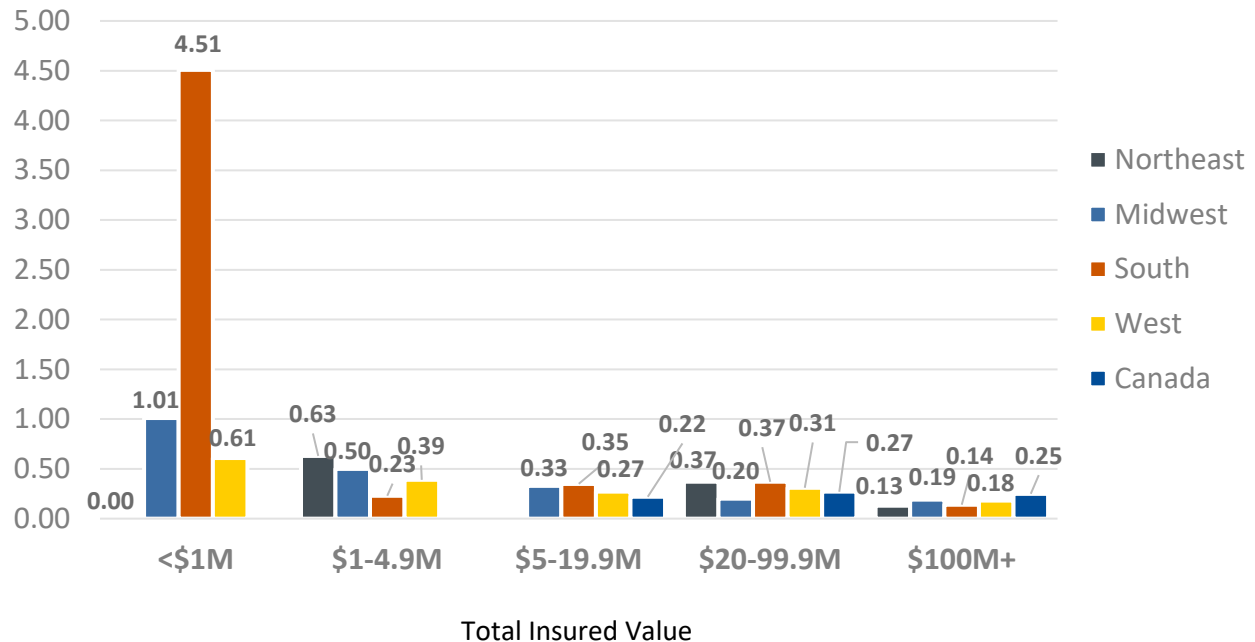
Square Footage



Average Rate Per \$100 Total Insured Value (TIV)

Data sets were collected from 491 habitational focused real estate businesses, broken down by region by TIV size into five categories.

Average Rate Per \$100 of TIV by Region



This chart shows property insurance rates per \$100 of value, segmented by region and total insured value (TIV).

Rates generally decrease as TIV increases, reflecting the lower likelihood of total loss on larger property schedules. Smaller properties face higher rates due to limited diversification and greater exposure per insured dollar.

There is also clear regional variation:

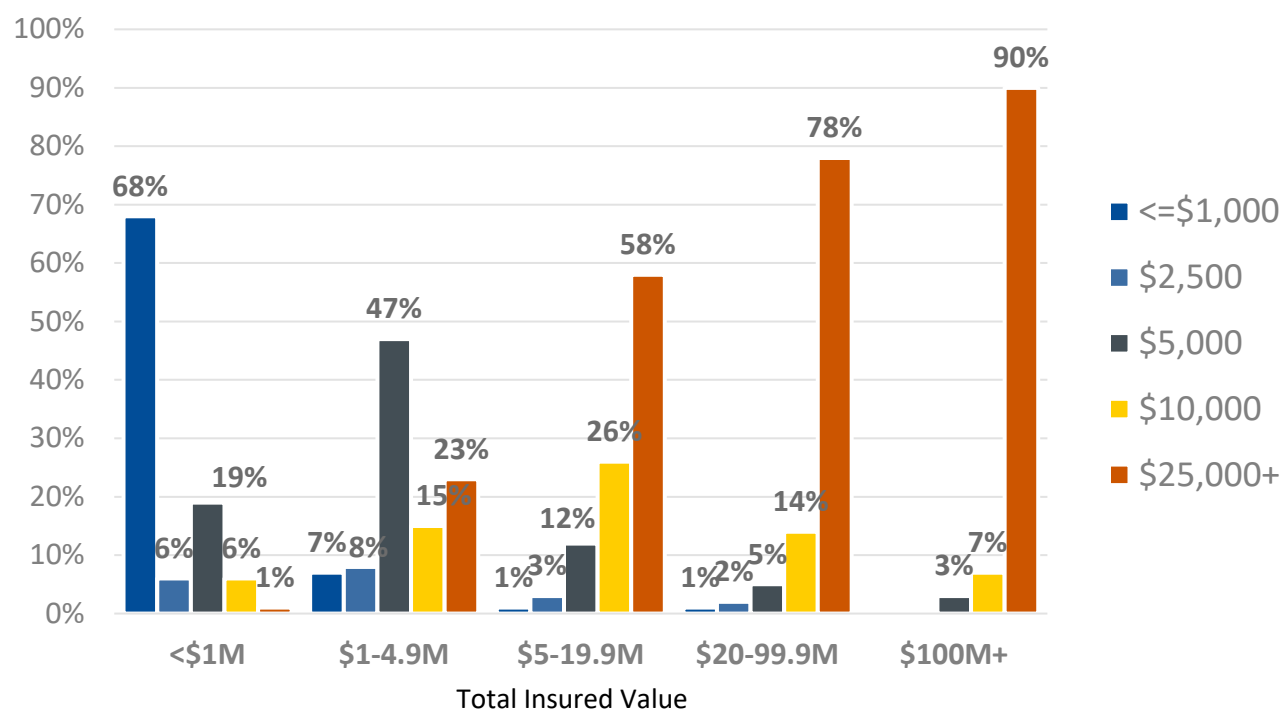
- The South has by far the highest rate for firms under \$1 million (\$4.51), likely due to storm-related CAT exposure.
- The Midwest also shows an elevated rate for the smallest properties (\$1.01).
- Above \$5 million in TIV, rates converge to roughly \$0.13 to \$0.37 across regions.

These differences highlight the combined impact of property size and location on insurance costs.

Property Deductibles

Data sets were collected from 491 habitation focused real estate businesses, broken down by total insured value (TIV) size into five categories.

Property Deductibles by TIV



This chart illustrates how deductibles increase as total insured value (TIV) increases. This trend reflects insurer underwriting practices, where higher property values typically require larger minimum deductibles due to increased exposure.

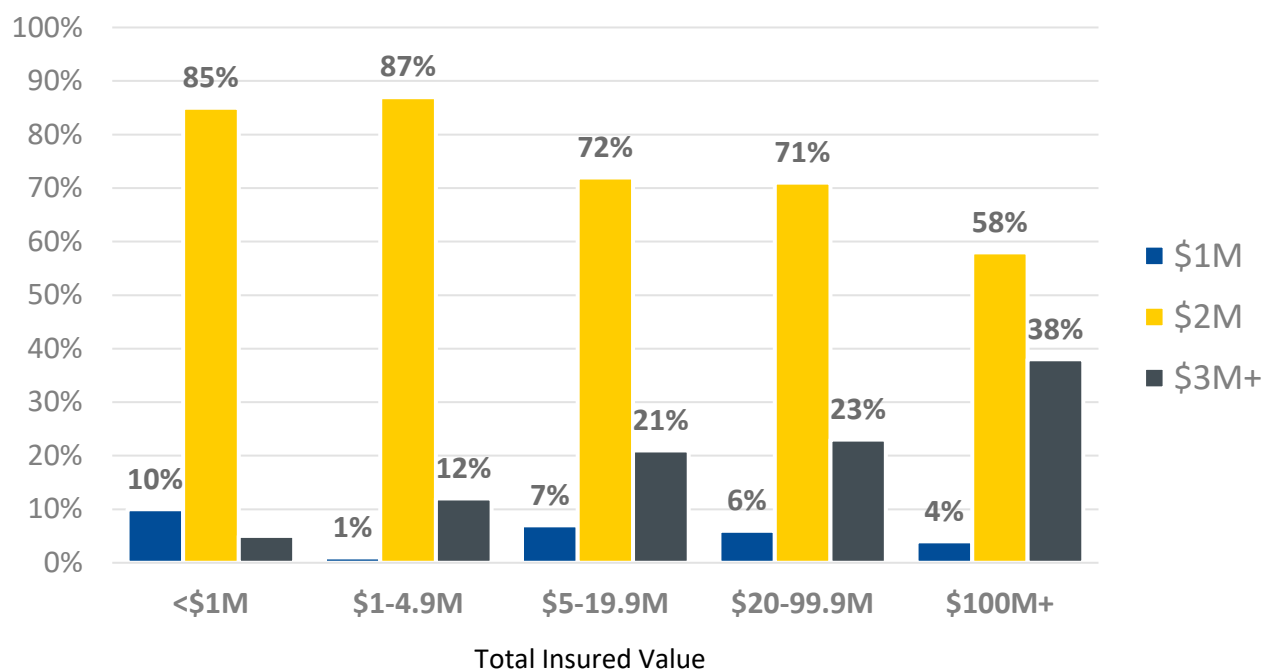
- Smaller property owners most often carry low deductibles: 68% of firms under \$1 million are at \$1,000 or less.
- In the \$5 million to \$19.9 million range, higher deductibles become the norm, with 84% of firms at \$10,000 or more.
- Among the largest firms, 78% to 90% report deductibles of \$25,000 or greater, indicating a clear shift toward greater risk retention.

This progression highlights how deductible levels scale with property portfolio size and reflects broader trends in the current property insurance market.

General Liability Limits

Data sets were collected from 491 habitational focused real estate businesses, broken down by TIV size into five categories.

Range of General Liability Limits by TIV



General liability insurance protects against third-party bodily injury and property damage claims resulting from the insured's negligence. Most policies are issued with a \$1 million per occurrence / \$2 million aggregate limit, which serves as the foundation for building additional coverage through umbrella or excess liability policies.

Responses suggest most firms carry this standard limit. However, some respondents may have reported the per occurrence rather than aggregate limit, potentially underrepresenting their full coverage.

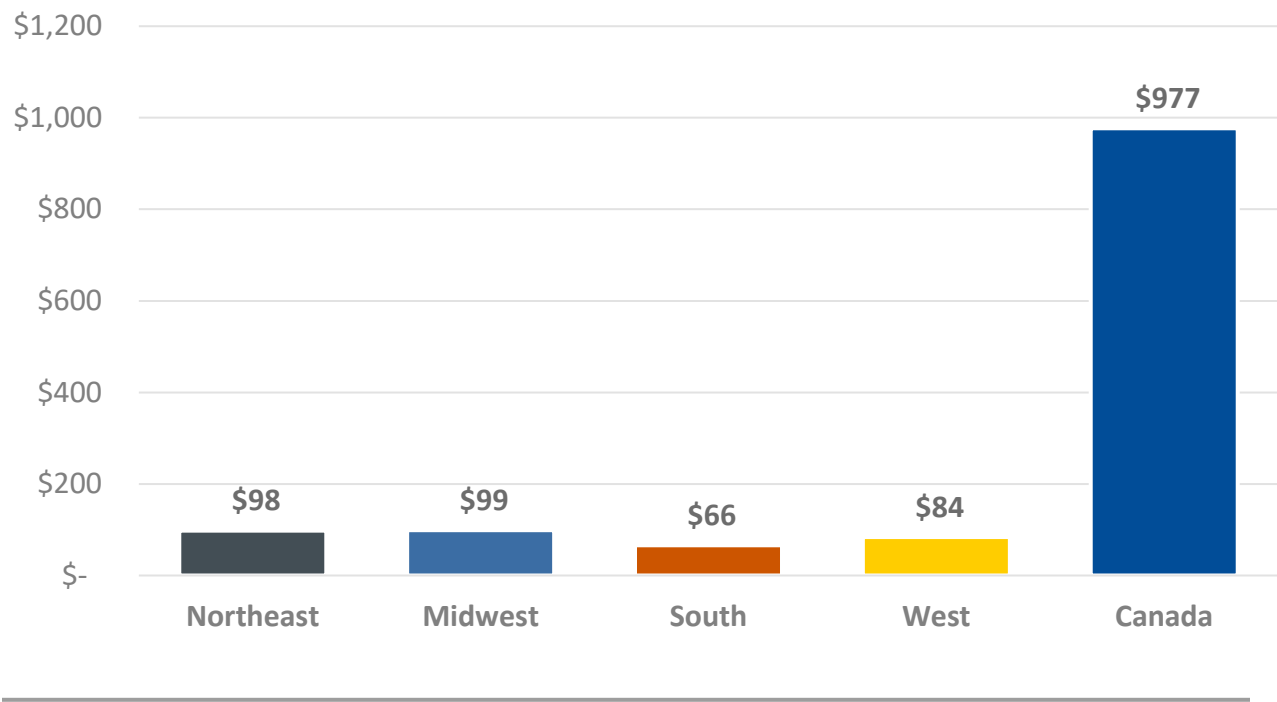
The chart shows that:

- The \$2 million limit is most common across all TIV bands, ranging from 58% to 87%.
- Firms with larger insured values are more likely to report \$3 million or higher limits, likely in response to excess underwriter requirements or increased exposure.
- Among firms over \$100 million in TIV, 38% carry limits of \$3 million or more, aligning with expectations for larger, more complex operations.

\$2 Million General Liability (GL) Average Rate Per Unit

Data sets were collected from 491 habitational focused real estate businesses, broken down by region and number of units into five categories.

Average Rate Per Unit of \$2 Million GL Limit



This chart illustrates the average general liability cost per unit ("rate per door") for habitational properties, broken out by region.

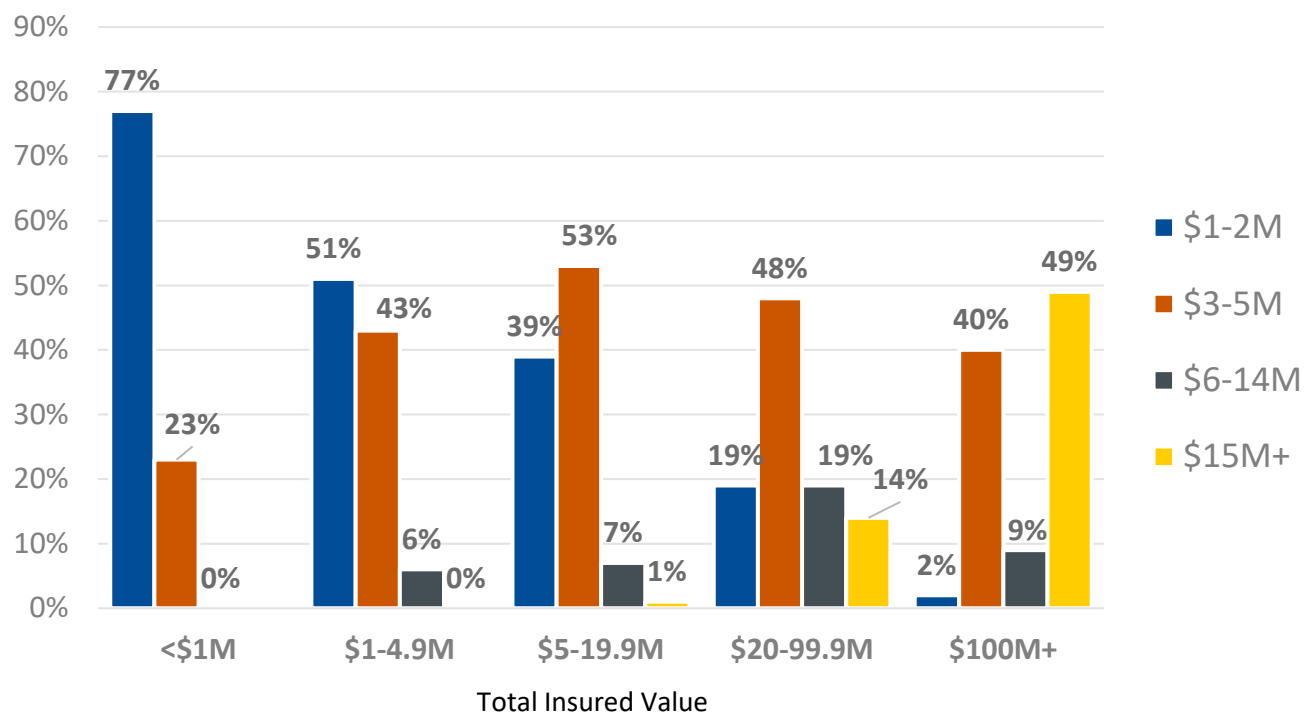
- Canada stands out with a significantly higher average rate of \$977 per unit, likely influenced by a small number of high-premium or specialty properties.
- Among U.S. regions, the Midwest (\$99) and Northeast (\$98) are nearly identical at the high end, followed by the West at \$84 and the South at \$66.

The data highlights how regional underwriting practices, risk perceptions, and market dynamics drive variation in general liability pricing across North America.

Excess Liability Limits

Data sets were collected from 491 habitational focused real estate businesses, broken down by TIV size into five categories.

Range of Excess Liability Limits by TIV



Excess liability insurance provides additional limits above a company's primary liability coverage and is designed to offer catastrophic protection. While total insured value (TIV) is not a perfect indicator of a firm's net worth, it often correlates with overall financial exposure—making it a reasonable proxy for benchmarking excess coverage needs.

As expected, the data shows that firms with higher TIVs tend to purchase higher excess limits:

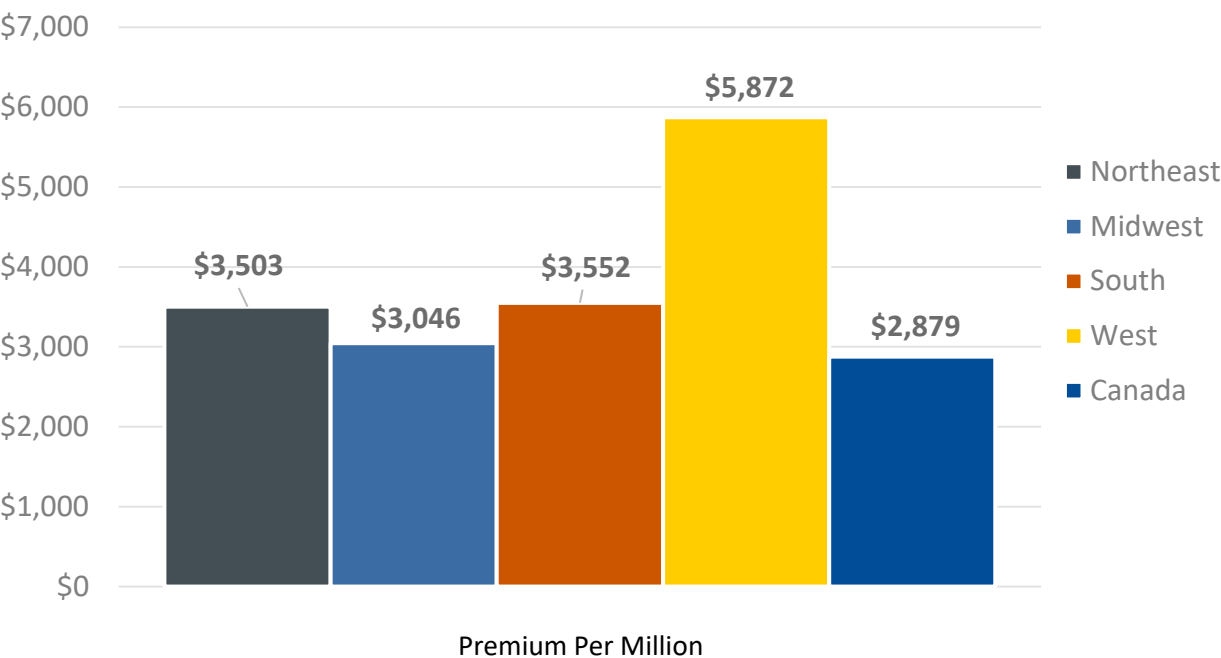
- Firms with less than \$5 million in TIV overwhelmingly purchase \$1 million to \$5 million in excess limits.
- Among firms with over \$100 million in TIV, a combined 58% purchase limits of \$6 million or more, with 49% purchasing \$15 million or more.

This reflects a rational approach to risk management, with firms scaling their excess liability coverage based on size and exposure.

Average Excess Liability Premium

Data sets were collected from 491 habitational-focused real estate businesses, broken down by region.

Excess Liability Premium per \$1 Million Limit



This chart shows the average cost per \$1 million of excess liability coverage for habitational real estate firms by region.

Underwriters often use this per-million metric—especially for larger programs where multiple excess policies may be stacked. While factors such as business size, loss history, and underlying premiums influence pricing, this view helps highlight regional pricing dynamics.

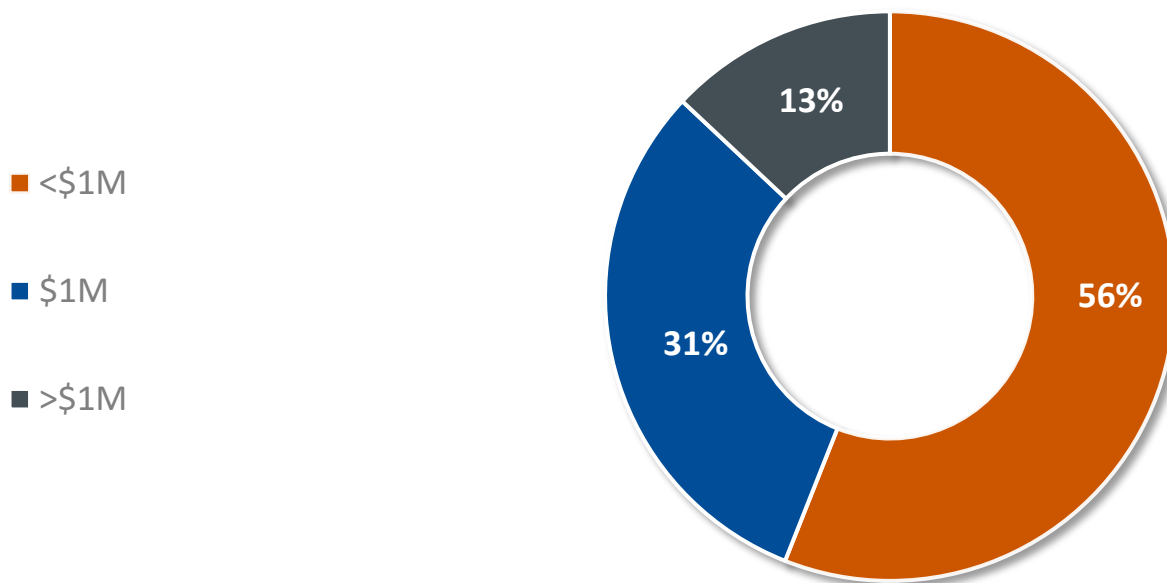
- The West has the highest average cost at \$5,872 per \$1 million, indicating possible exposure concerns or smaller purchased limits.
- Canada reports the lowest cost at \$2,879, followed by the Midwest (\$3,046).
- The Northeast (\$3,503) and South (\$3,552) fall in the middle.

These differences may reflect a combination of regional risk perceptions, legal environments, and policy structures, particularly since cost per million tends to decrease as total limits increase.

Cyber Liability

Data sets were collected from 491 businesses.

Cyber Liability Coverage Limits



Cyber insurance, also known as privacy liability coverage, protects real estate organizations from internet-based risks and exposures related to IT systems, data breaches, and privacy violations. This coverage is especially important given firms' responsibility to safeguard sensitive client, tenant, and employee information.

Among the report's participants, the majority of firms that purchase cyber insurance opt for relatively modest limits:

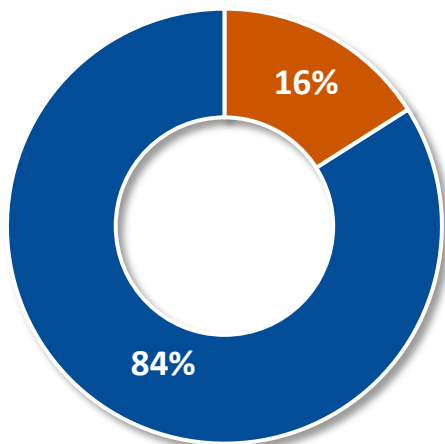
- 56% report limits of less than \$1 million.
- 31% carry \$1 million in coverage.
- Only 13% report limits greater than \$1 million.

This distribution reflects growing awareness of cyber risk, though the overall limit levels suggest that many firms are still in early stages of program development or relying on policy sublimits.

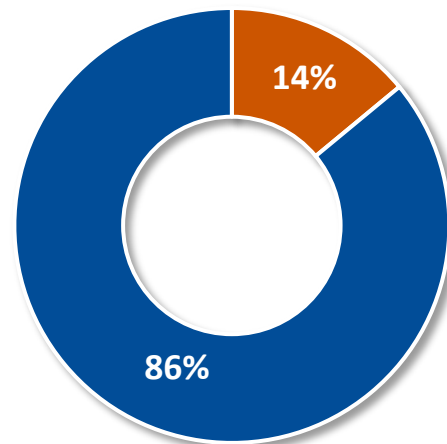
Pollution, Management Liability, Errors & Omissions

Data sets were collected from 491 businesses.

Pollution

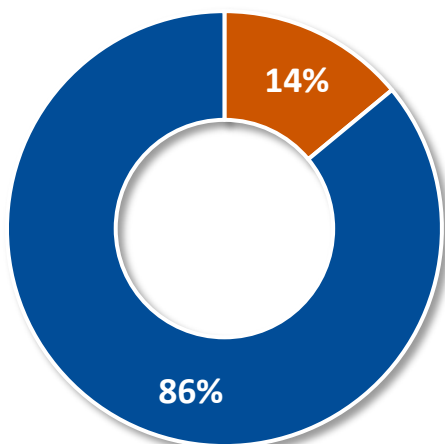


Management Liability



■ Yes ■ No

E&O



■ Yes ■ No

Environmental Impairment Liability (Pollution)

Environmental impairment liability insurance is a specialized insurance policy that can cover a wide variety of exposures or situations. The primary exposures are:

- Chemicals escaping into the groundwater or air
- Contaminating the site for the insured
- Creating liability to third parties located nearby

These policies are available on a first-party basis (cleanup), third-party basis (liability to others for environmental damage), or combined. Many policies are written in a modular or portfolio policy form, allowing buyers to customize their coverage with their agent's help.

Professional Liability

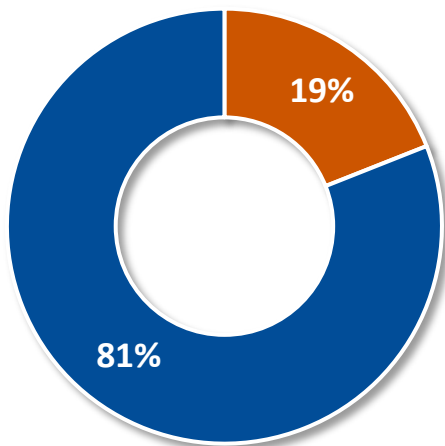
Professional liability insurance protects professionals providing advice or services from allegations that error or omission caused a client financial loss. Professional liability insurance policies do not cover bodily injury or property damage, which are covered by a general liability policy.

The wide variety of the activities and responsibilities of real estate firms creates a variety of errors and omissions exposures. Real estate developers and companies that self-manage their properties can face errors and omissions claims from a variety of activities.

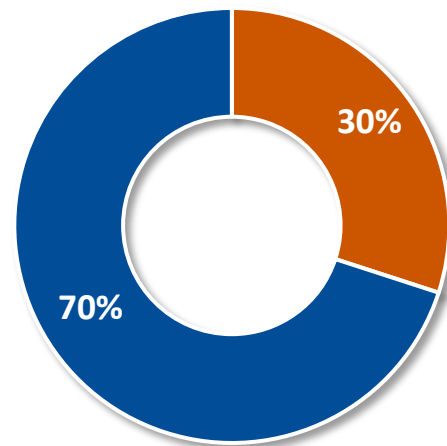
D&O, Employment Practices Liability, Fiduciary Liability

Data sets were collected from 491 businesses.

Directors & Officers

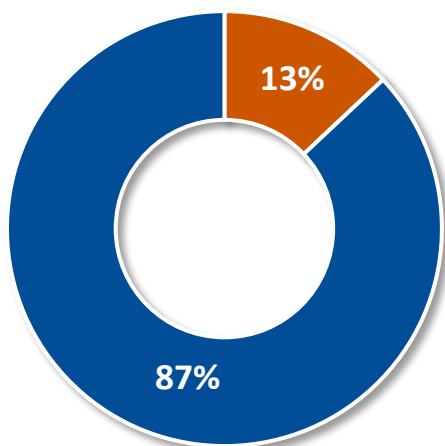


Employment Practices Liability



■ Yes ■ No

Fiduciary Liability



■ Yes ■ No

Directors & Officers, Employment Practices Liability, Fiduciary Liability

Directors and Officers (D&O) Liability, Employment Practices Liability (EPLI), and Fiduciary Liability are often referred to collectively as management liability. Sometimes the management liability bucket also includes professional liability and cyber liability.

D&O Liability is designed to cover a broad range of nonbodily injury/non-property damage liability claims made against individual board members, senior managers, and the organization itself. D&O coverage covers claims made by a third party for alleged losses caused by management's acts, errors, omissions, misstatements, or misleading statements.

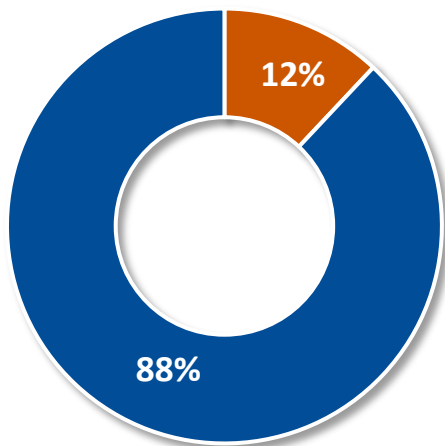
EPLI is often written on a separate policy. However, several insurance carriers have portfolio-style policies that can include coverage for employment practices liability along with other management liability coverages. This coverage protects against liability arising from wrongful acts occurring during the employment process. The coverage can include wrongful termination, discrimination, sexual harassment, and retaliation. It can be expanded to include claims arising from third parties.

Fiduciary Liability protects board and investment committee members, along with the organization, from allegations that they made imprudent decisions about the firm's employee benefits plans.

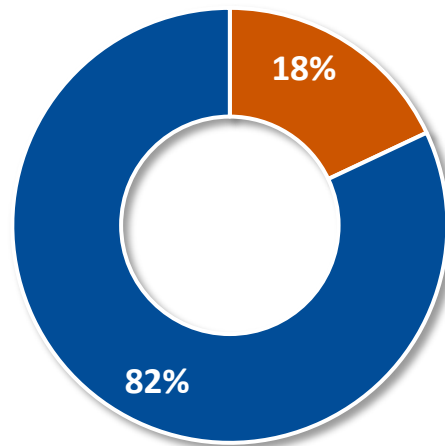
Active Shooter, Certificate Tracking, Employee Assistance Program

Data sets were collected from 491 businesses.

Active Shooter

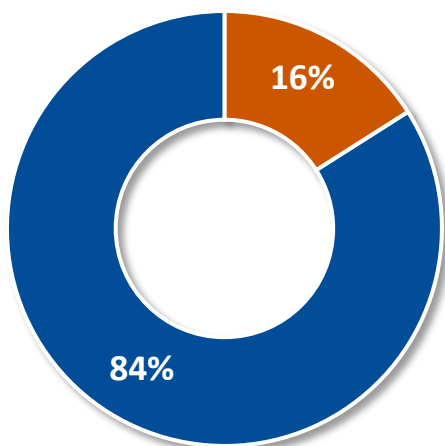


Certificate Tracking



■ Yes ■ No

Employee Assistance Program



■ Yes ■ No

Active Shooter, Certificate Tracking, Employee Assistance Program

We looked at several issues not part of most companies' insurance programs. As with several insurance coverages, we report only on the definitive yes or no responses.

Active Shooter protection is not well-defined in the risk management industry, so it is difficult to draw conclusions from the data. To many, active shooter protection means a risk management program that incorporates responses to active shooters into a company's safety protocols. To others, it reflects the purchase of an insurance product that responds to actual bodily injury and property damage losses resulting from a shooting incident. Some primary liability policies have started to incorporate small sub limits for injuries resulting from a shooting incident since the policy would normally require negligence on the part of the policyholder to trigger coverage.

Certificate Tracking - Most construction and maintenance contracts include indemnification clauses and delineate insurance requirements to fund them. The question addressed here is whether real estate firms or their agents have services to track the insurance certificates required by those contracts.

Employee Assistance Program (EAP) is a formal program to help employees through life's challenges; personal crises, mental health issues, need for legal resources, etc.

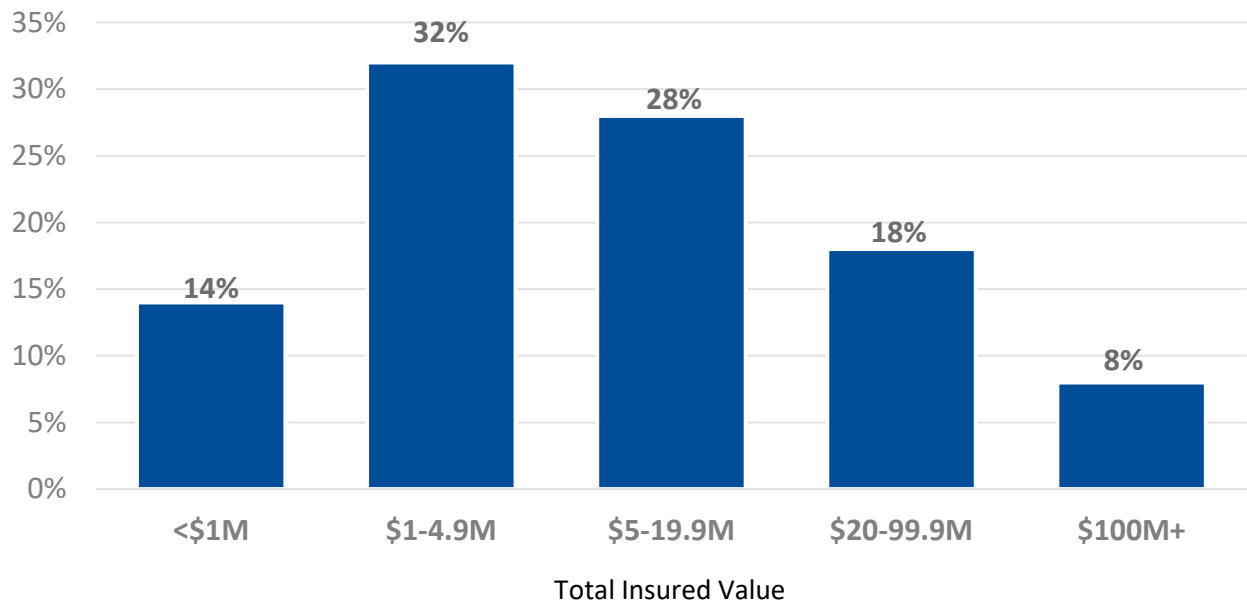
RESULTS

Commercial Real Estate

Total Insured Value (TIV)

Data sets were collected from 1,138 commercial-focused real estate businesses. Total Insured Value is broken down by size into five categories. These businesses represent nearly \$177.6 billion in TIV.

TIV Breakdown by Business Count



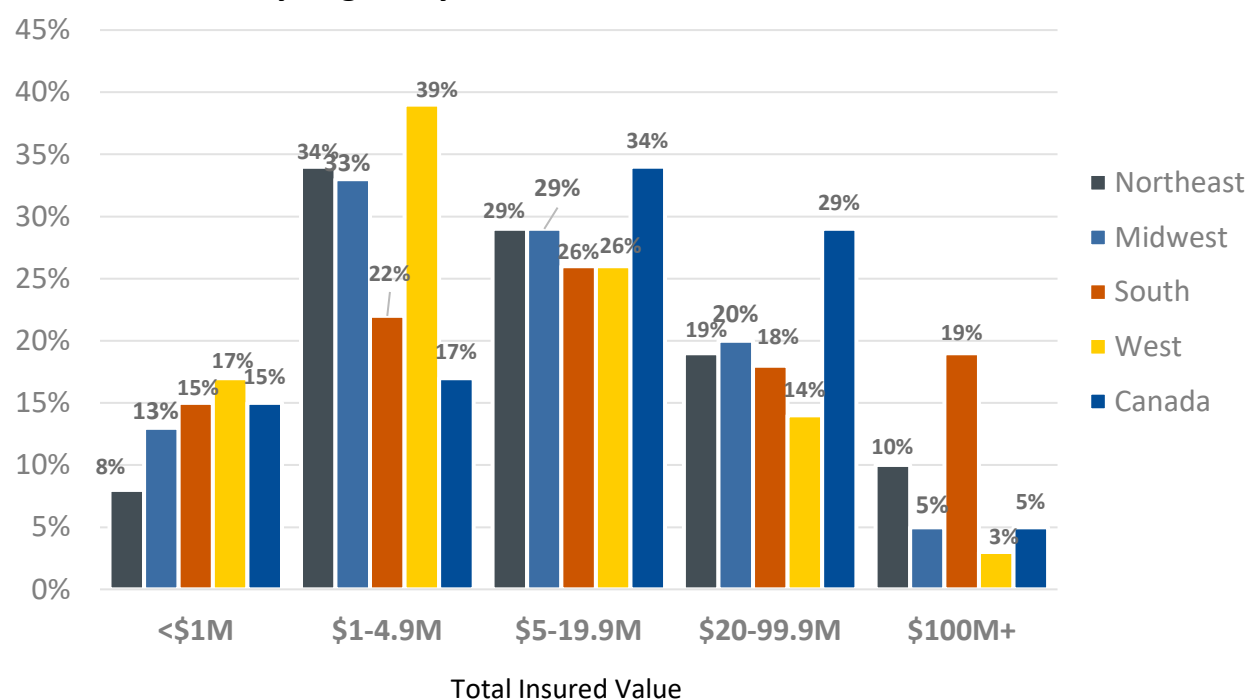
This chart presents the **distribution of commercial real estate firms by total insured value (TIV)**, highlighting a concentration of smaller and mid-sized portfolios among participants.

- **46%** of firms report TIVs under **\$5 million**, often associated with **single-location properties** under **25,000 square feet**—such as office buildings, warehouses, or small manufacturing sites.
- **28%** fall in the **\$5 million to \$19.9 million** range, with **2-4 locations** and property footprints between **25,000 and 100,000 square feet**.
- **18%** of respondents have **\$20 million to \$99.9 million** in TIV, typically with **5-20 properties** and square footage of **100,000-500,000**.
- **8%** report **\$100 million or more** in insured value, often spanning **21+ locations** and **500,000+ square feet**.

Total Insured Value

Data sets were collected from 1,138 commercial-focused real estate businesses. Total Insured Value is broken down by region by size into five categories.

TIV Breakdown by Region by Business Count



This chart illustrates the distribution of commercial real estate firms by total insured value (TIV) across five regions: Northeast, Midwest, South, West, and Canada.

- The \$1 million to \$4.9 million TIV range is the largest single bracket in the West (39%), Northeast (34%), and Midwest (33%).
- The \$5 million to \$19.9 million bracket is the largest in Canada (34%) and the South (26%), with Canada also showing a notable 29% in the \$20 million to \$99.9 million range.
- Firms with TIV under \$1 million are most concentrated in the West (17%), South (15%), and Canada (15%), and least common in the Northeast (8%).
- Larger firms—those with TIV over \$100 million—appear most frequently in the South (19%) and Northeast (10%), and least frequently in the West (3%).

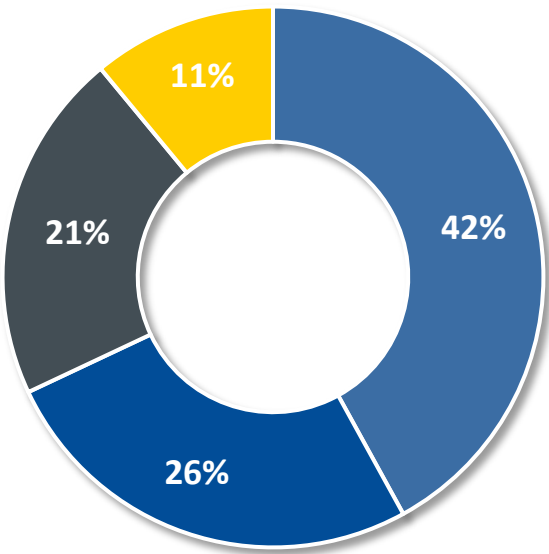
This regional breakdown offers a useful reference point for evaluating commercial property portfolios by size and location.

Number of Properties

Data sets were collected from 1,138 commercial-focused real estate businesses. Number of properties is broken down by quantity into five categories. The businesses represent 30,000 properties.

Number of Properties

- 1
- 2-4
- 5-20
- 21+

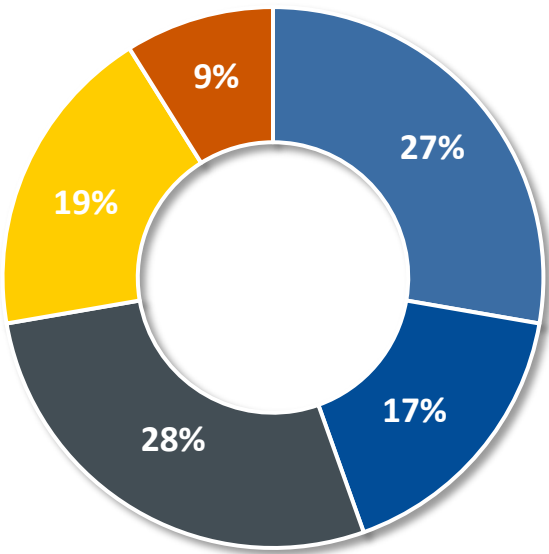


Square Footage

Data sets were collected from 1,138 commercial focused real estate businesses. The square footage is broken down by quantity into five categories. The businesses represent 254 million square feet.

Square Footage

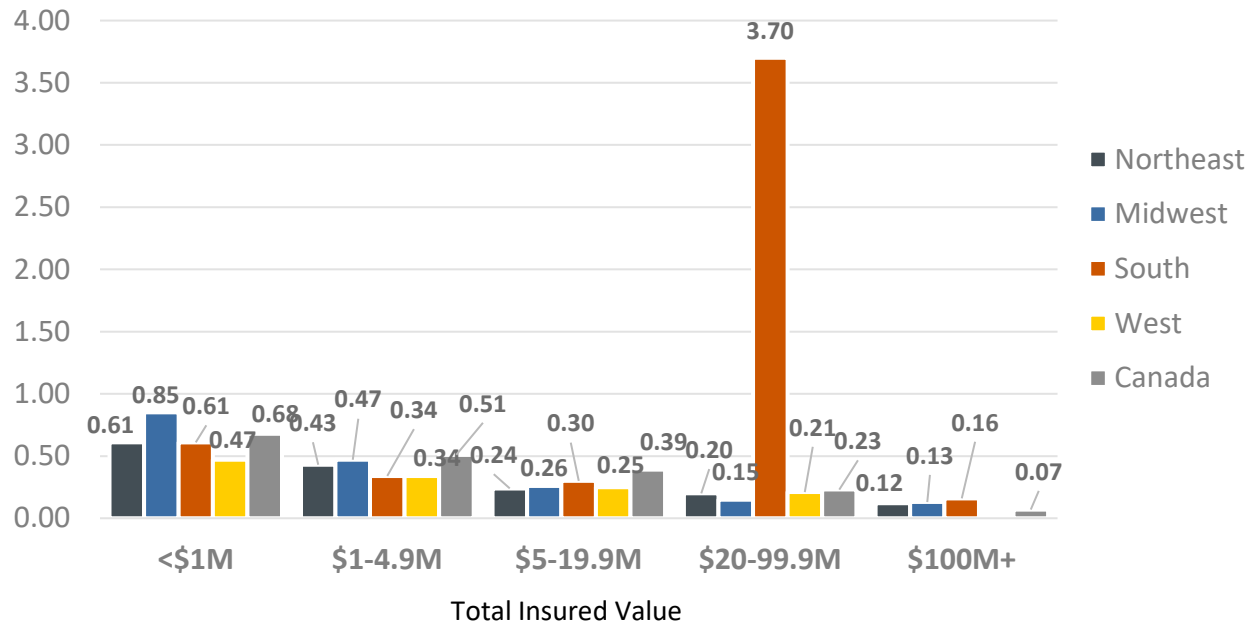
- 1-10k
- 11-25k
- 26-99k
- 100-499k
- 500+k



Average Rate Per \$100 Total Insured Value (TIV)

Data sets were collected from 1,138 commercial focused real estate businesses, broken down by region by TIV size into five categories.

Average Rate Per \$100 of TIV by Region



This chart shows average property insurance rates per \$100 of total insured value (TIV) for commercial real estate firms, segmented by region and TIV band.

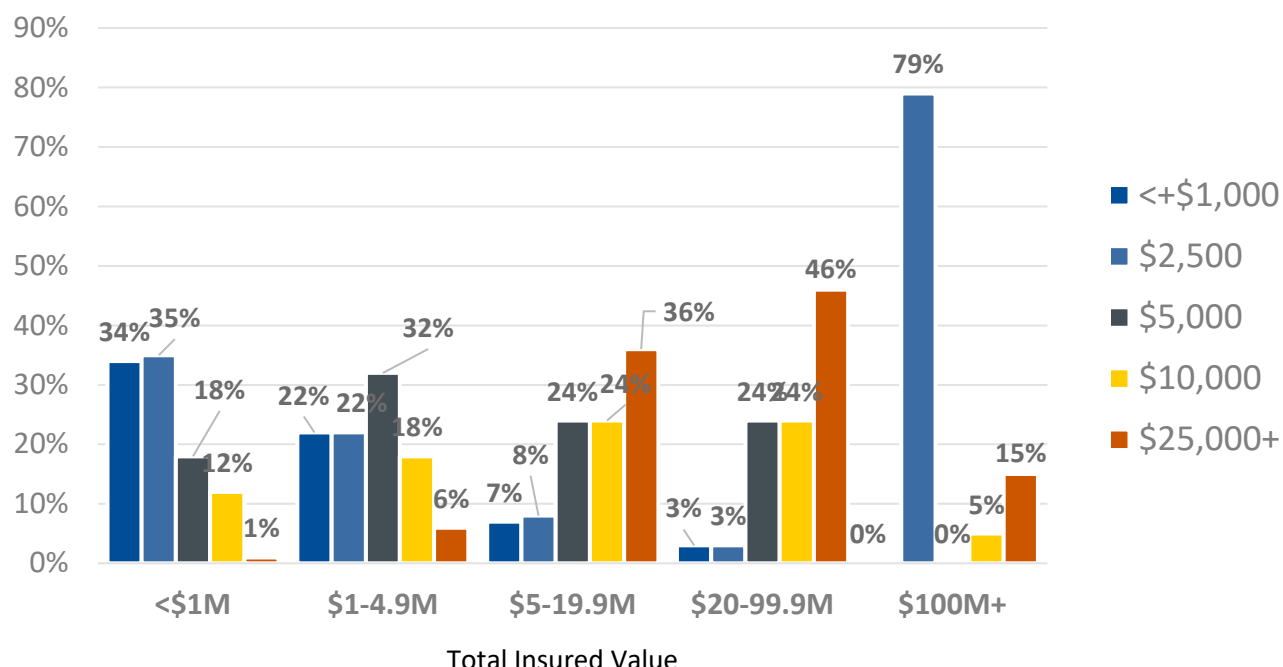
Key observations:

- For properties with TIV under \$1 million, rates are highest in the Midwest (\$0.85) and Canada (\$0.68) and lowest in the West (\$0.47). These elevated rates reflect the pricing volatility often seen with smaller portfolios.
- As TIV increases, rates generally decline, with more consistent pricing across regions. This reflects economies of scale and improved risk diversification in larger portfolios.
- In the \$1 million to \$4.9 million range, regional rates fall between \$0.34 (South and West) and \$0.51 (Canada).
- By the \$20 million to \$99.9 million band, rates range from \$0.15 (Midwest) to \$0.23 (Canada), with the South's \$3.70 average a notable outlier.
- At \$100 million+, all reporting regions are at \$0.16 or below, with Canada (\$0.07) at the low end.

Property Deductibles

Data sets were collected from 1,138 commercial focused real estate businesses, broken down by TIV size into five categories.

Property Deductibles by TIV



This chart shows the distribution of property insurance deductibles by total insured value (TIV) for commercial real estate firms.

A clear pattern emerges: deductibles increase as TIV increases, reflecting underwriter expectations and the willingness of larger firms to retain more risk.

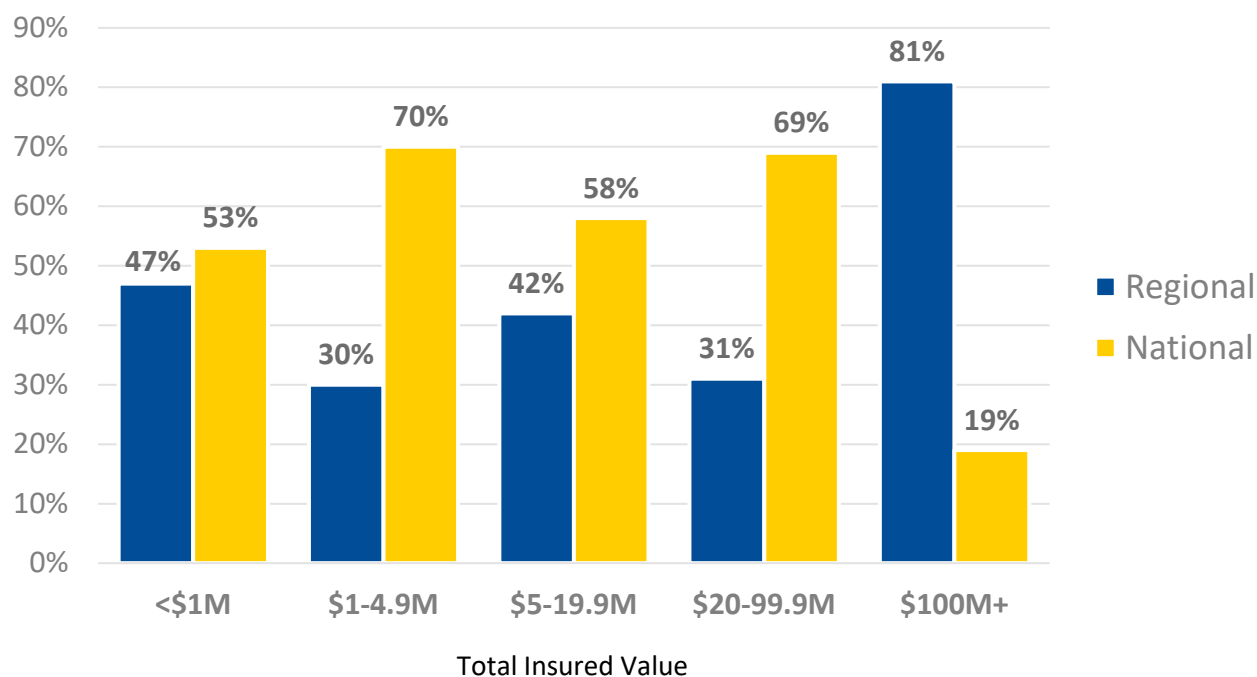
- For firms with TIV under \$1 million, 69% carry deductibles of \$2,500 or less, while only 1% carry deductibles of \$25,000 or more.
- In contrast, 46% of firms with TIV of \$20 million to \$99.9 million carry \$25,000+ deductibles, and only 6% carry deductibles below \$5,000.
- The \$5,000 and \$10,000 deductible categories each account for roughly a quarter of firms in the mid-market ranges between \$5 million and \$99.9 million.

This shift illustrates how larger property schedules are increasingly structured with higher deductibles, both as a result of insurer requirements and strategic risk management in a hardened market environment.

Property Carrier Type

Data sets were collected from 1,138 commercial focused real estate businesses, broken down by TIV size into five categories.

National vs Regional by TIV



This chart shows the **distribution of commercial insurance placements between regional and national carriers**, segmented by total insured value (TIV).

We define:

- **National carriers** as those operating in **more than 25 states**.
- **Regional carriers** as those operating in **fewer than 25 states**.

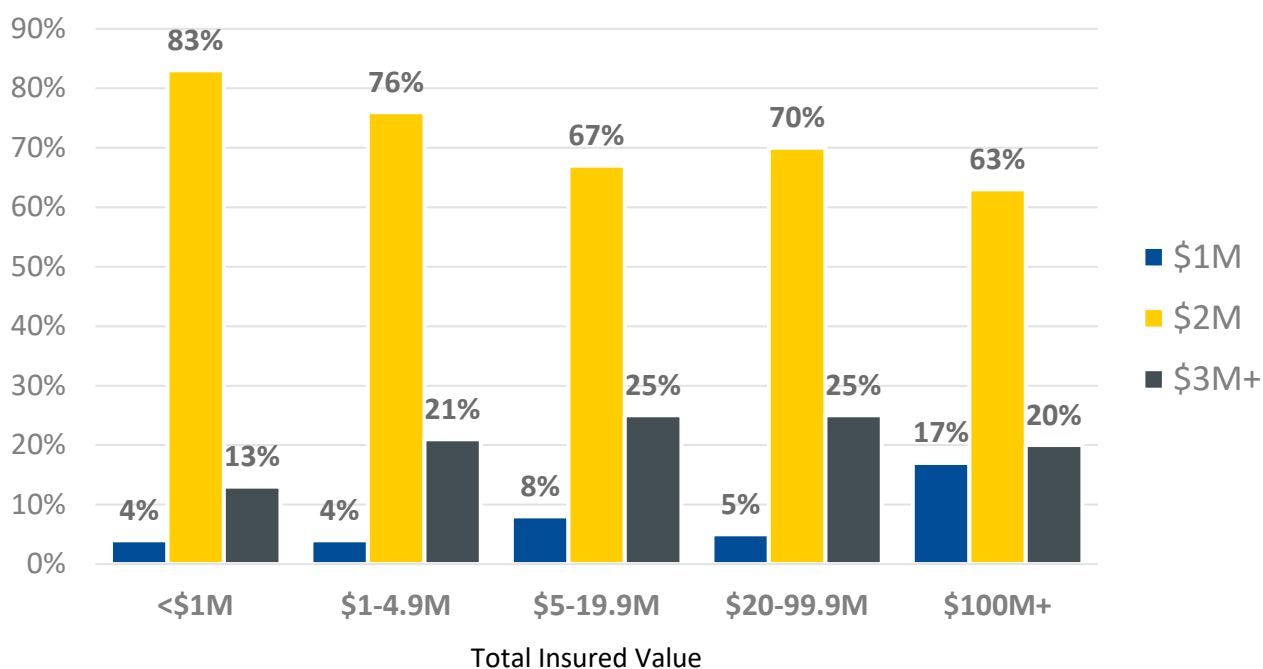
Key observations:

- National carriers hold the majority in every TIV band below \$100 million, ranging from **53% to 70%**.
- For firms with **TIV over \$100 million**, the pattern reverses: **81%** are placed with regional carriers and only **19%** with nationals.
- At the lower end of the market (<\$1 million TIV), **regional carriers account for 47%** of placements, their strongest showing below the \$100 million tier.

General Liability Limits

Data sets were collected from 1,138 commercial focused real estate businesses, broken down by TIV size into five categories.

Range of General Liability Limits by TIV



This chart shows the general liability limits reported by commercial real estate firms, segmented by total insured value (TIV).

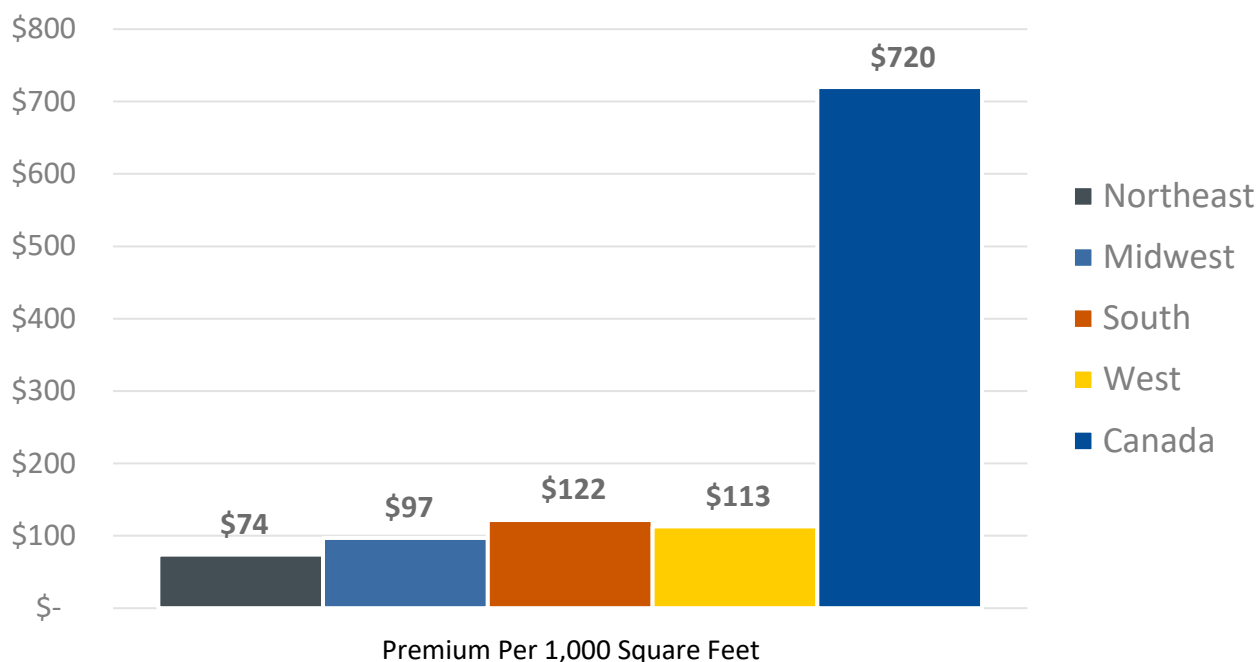
Most firms carry the standard \$1 million per occurrence / \$2 million aggregate policy, though some report only the occurrence limit. The \$2 million limit is most common across all size bands, from 83% among the smallest firms to 63% at \$100 million+ TIV.

Use of \$3 million or higher rises from 13% among the smallest firms to 25% in the mid-market bands, often driven by excess carrier requirements or contractual exposures, while 17% of the largest firms report \$1 million.

Rate Per 1,000 Square Feet for \$2 Million General Liability Limits

Data sets were collected from 1,138 commercial focused real estate businesses, broken down by regions.

Rate Per 1,000 Square Feet for \$2 Million of General Liability Limits



To compare commercial general liability premiums, we used square footage rather than TIV, given the variability in property types and replacement values.

This chart highlights regional differences in average general liability cost per 1,000 square feet:

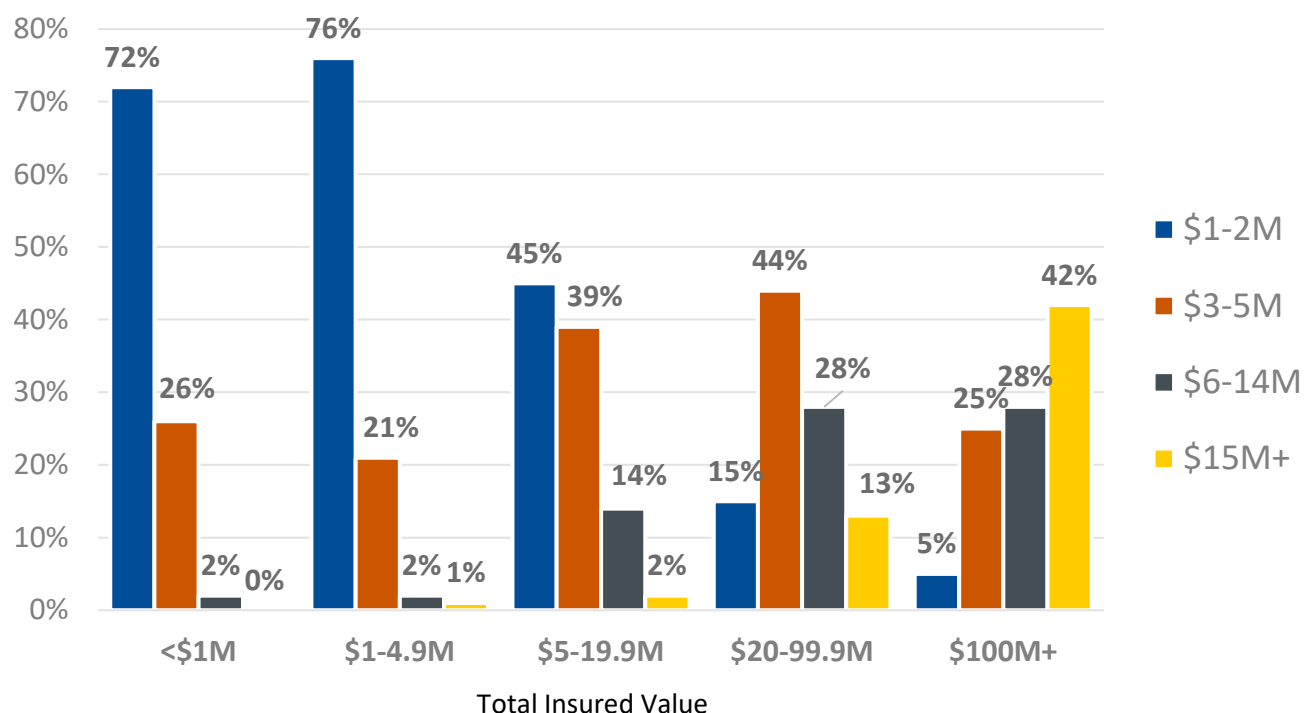
- Canada stands out with a significantly higher average of \$720.
- Among U.S. regions, the South is highest at \$122, followed by the West (\$113), Midwest (\$97), and Northeast (\$74).

These differences reflect regional risk perceptions and loss history, though the variation among U.S. regions is relatively modest.

Excess Liability Limits

Data sets were collected from 1,138 commercial focused real estate businesses, broken down by TIV size into five categories.

Range of Excess Liability Limits by TIV



This chart shows the distribution of excess liability limits carried by commercial real estate firms, segmented by total insured value (TIV).

As expected, firms with higher TIVs tend to purchase higher excess limits:

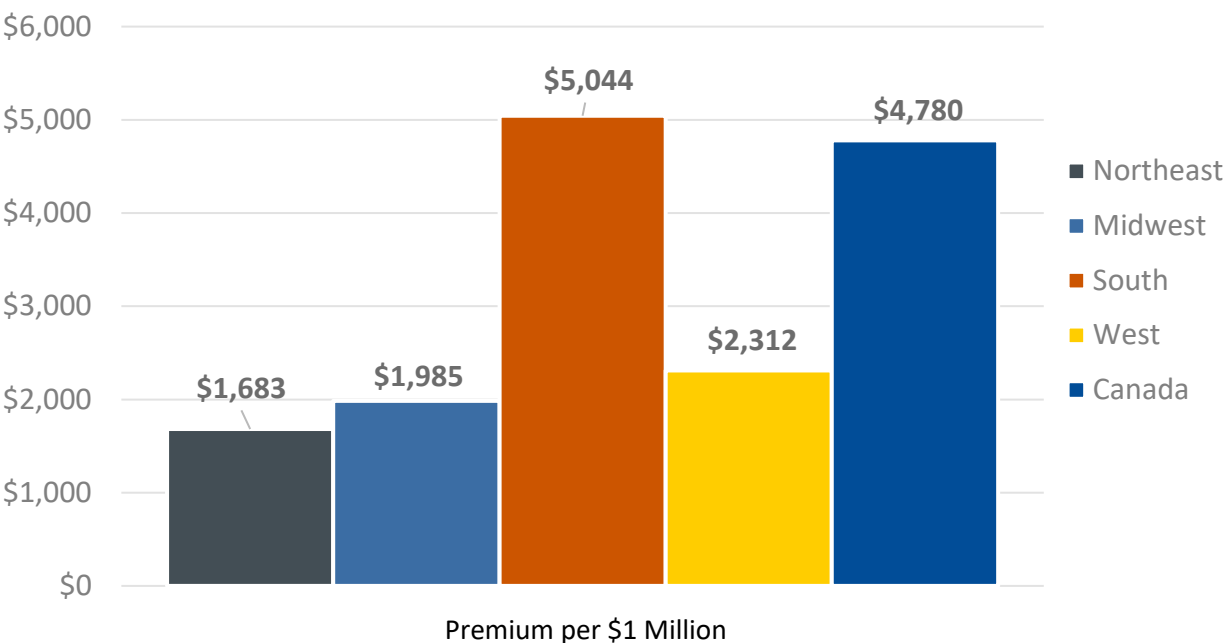
- Among firms with TIV under \$5 million, the majority carry \$1 million to \$2 million in excess coverage.
- For firms with TIV between \$20 million and \$99.9 million, 28% report limits of \$6 million to \$14 million, and 13% are in the \$15 million+ tier.
- At the \$100 million+ level, most firms carry large limits: 28% have \$6 million to \$14 million, and 42% carry \$15 million or more.

This upward trend reflects both greater risk exposure and market expectations for large property portfolios. While TIV isn't a direct measure of net worth, it often correlates with the level of liability protection firms seek.

Average Excess Liability Premium

Data sets were collected from 1,138 commercial focused real estate businesses, broken down by region.

Excess Liability Premium per \$1 million Limit



This chart shows the average cost per \$1 million of excess liability coverage for commercial real estate firms, segmented by region.

Underwriters often view excess liability as a rate-per-million commodity, especially when large limits involve layered or stacked policies. While premiums are influenced by factors like business size, loss history, and underlying coverage, regional trends also play a role.

Key insights:

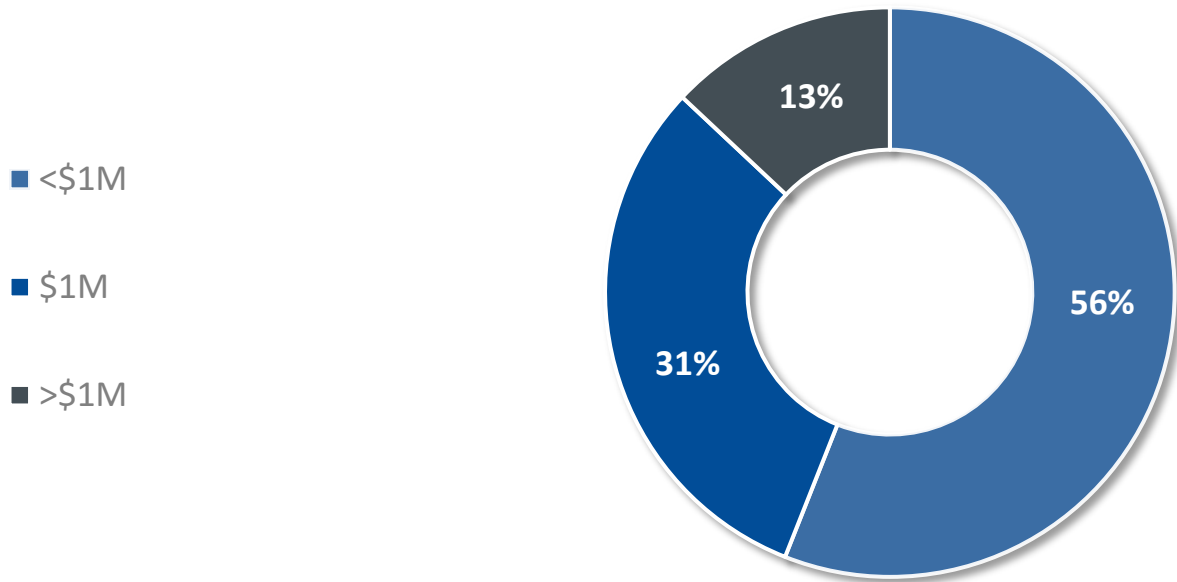
- The South reports the highest average cost at \$5,044 per \$1 million, followed by Canada at \$4,780.
- The West (\$2,312) and Midwest (\$1,985) fall in the middle of the range.
- The Northeast reports the lowest average at \$1,683, possibly reflecting a concentration of firms purchasing larger limits, which typically reduces the per-million rate.

These differences reflect regional underwriting strategies, risk appetites, and market dynamics, making geographic benchmarking an important tool in evaluating excess liability costs.

Cyber Liability

Data sets were collected from 1,138 businesses.

Cyber Liability Coverage Limits



Cyber insurance, also known as privacy coverage, protects real estate firms from technology-related risks—such as data breaches, ransomware, and other cyber incidents. These exposures are generally excluded from standard general liability policies, making standalone cyber coverage an important part of a modern risk management program.

Among commercial real estate firms reporting on this coverage:

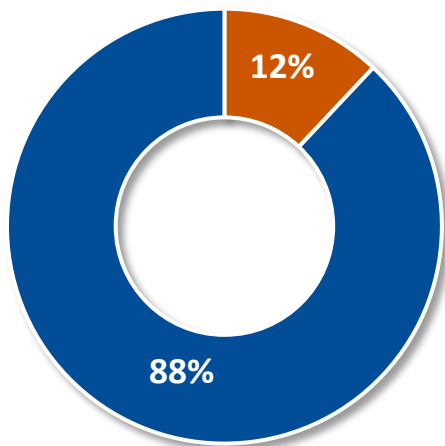
- 56% purchase limits of less than \$1 million.
- 31% purchase \$1 million.
- 13% purchase limits greater than \$1 million.

This distribution suggests that most firms still opt for modest limits, though a meaningful share recognize the need for broader protection in response to increasing cyber risk.

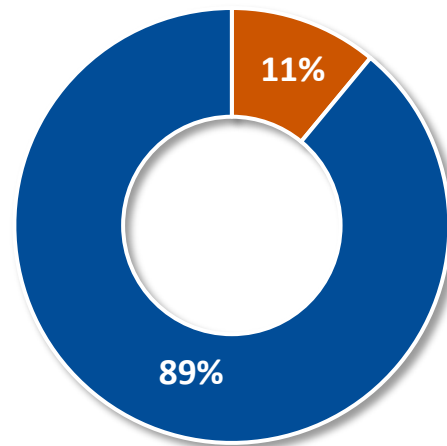
Pollution, Management Liability, Errors & Omissions

Data sets were collected from 1,138 businesses.

Pollution

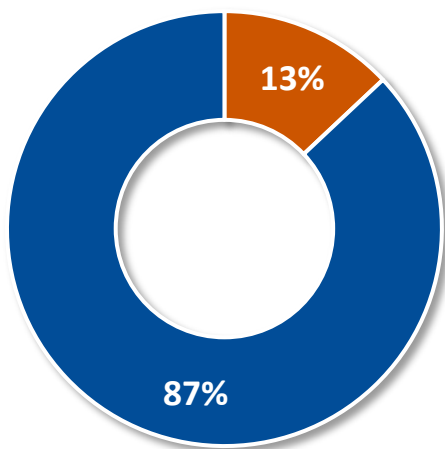


Management Liability



■ Yes ■ No

E&O



■ Yes ■ No

Pollution, Errors & Omissions

Several insurance coverages are available to real estate businesses that are not widely purchased. It may be that insurance purchasers have evaluated the risk and determined that it is more cost-effective to retain it and pay any losses that occur out of operating funds; essentially making a conscious choice to self-insure the exposure. Others may be unaware of the exposure and are inadvertently retaining risk that could be transferred. Our report on these coverages focuses on respondents that indicate whether they purchase the coverage.

Environmental Impairment Liability (Pollution)

Environmental impairment liability insurance is a specialized insurance policy that can cover a wide variety of exposures or situations. The primary exposures are:

- Chemicals escaping into the groundwater or air
- Contaminating the site for the insured
- Creating liability to third parties located nearby

These policies are available on a first-party basis (cleanup), third-party basis (liability to others for environmental damage), or combined. Many policies are written in a modular or portfolio policy form, allowing buyers to customize their coverage with their agent's help.

Professional Liability

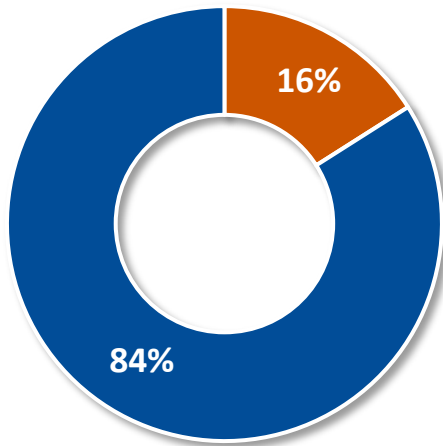
Professional liability insurance protects professionals providing advice or services from allegations that their error or omission caused a client's financial loss. Professional liability insurance policies do not cover bodily injury or property damage, which are covered by a general liability policy.

The wide variety of the activities and responsibilities of real estate firms creates a variety of errors and omissions exposures. Real estate developers and companies that self-manage their properties can face errors and omissions claims from various activities.

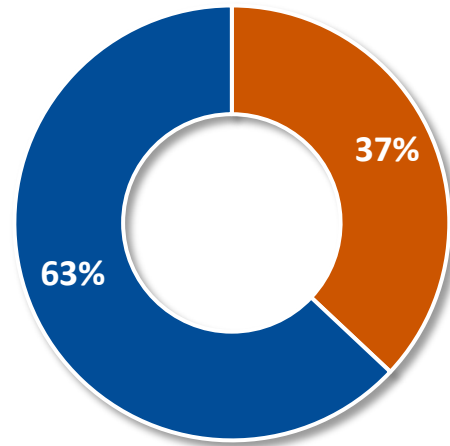
Employment Practices Liability, Fiduciary Liability

Data sets were collected from 1,138 businesses.

Directors & Officers

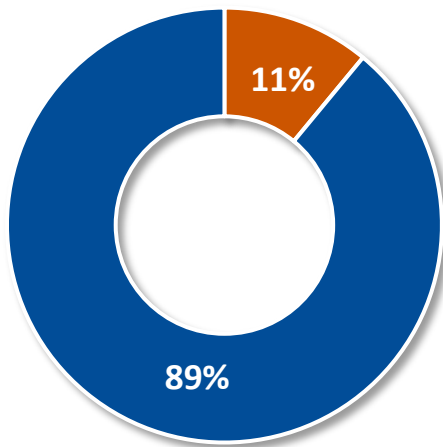


Employment Practices Liability



■ Yes ■ No

Fiduciary Liability



■ Yes ■ No

Management Liability Coverage: D&O, EPLI, and Fiduciary

Management liability insurance refers to a group of coverages designed to protect organizational leaders and decision-makers from personal and professional liability exposures. This typically includes **Directors and Officers (D&O) Liability**, **Employment Practices Liability (EPLI)**, and **Fiduciary Liability**. In some cases, **cyber** and **professional liability** coverages are also grouped under this category.

These policies are essential for protecting both the **personal assets of executives and board members** and the financial well-being of the organization. Despite the importance of these coverages, they are not universally adopted across the real estate sector.

This report includes only those firms that provided a clear indication of whether they carry each coverage.

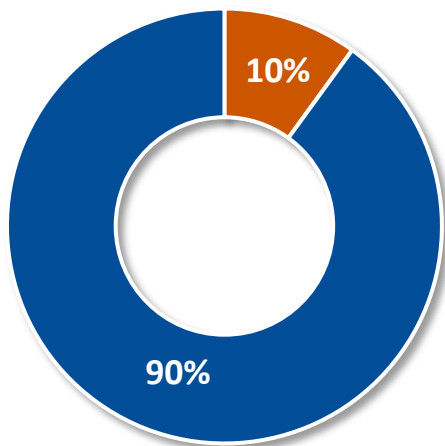
- **D&O Liability** offers protection against claims arising from management decisions. It covers allegations such as misstatements, errors, omissions, and breaches of duty made by board members, senior leaders, or the organization itself.
- **EPLI** provides coverage for claims related to the employment process. This includes allegations of wrongful termination, discrimination, harassment, and retaliation. EPLI policies may also be expanded to include claims brought by third parties. Some insurers offer this coverage as part of a portfolio-style management liability policy.
- **Fiduciary Liability** protects individuals and organizations involved in managing employee benefit plans from claims alleging mismanagement, breach of fiduciary duty, or administrative errors.

These coverages are increasingly important in today's environment of heightened regulatory scrutiny and evolving workplace expectations.

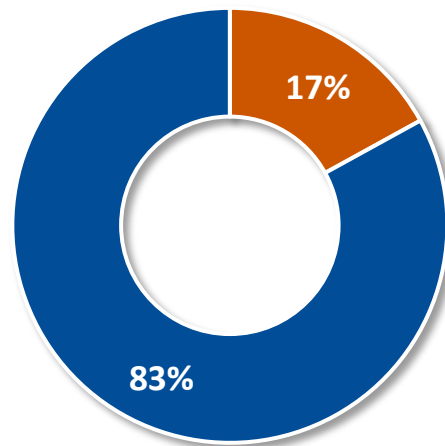
Active Shooter, Certificate Tracking, Employee Assistance Program

Data sets were collected from 1,138 businesses.

Active Shooter

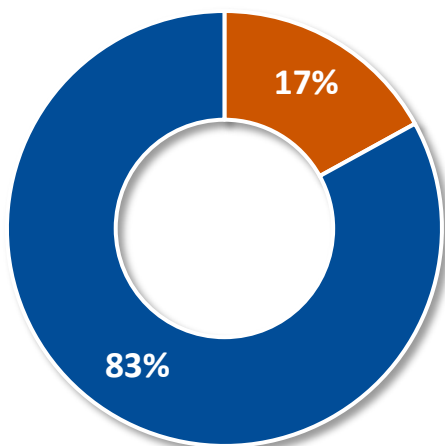


Certificate Tracking



Yes No

Employee Assistance Program



Yes No

Active Shooter, Certificate Tracking, Employee Assistance Program

We analyzed several issues not part of most companies' insurance programs. As with several insurance coverages, we report only on the definitive yes or no responses.

Active Shooter protection is not well-defined in the risk management industry, so it is difficult to draw conclusions from the data. To many, active shooter protection means a risk management program that incorporates responses to active shooters into a company's safety protocols. To others, it reflects the purchase of an insurance product that responds to actual bodily injury and property damage losses resulting from a shooting incident. Some primary liability policies have started to incorporate small sub limits for injuries resulting from a shooting incident since the policy would normally require negligence on the part of the policy holder to trigger coverage.

Certificate Tracking - Most construction and maintenance contracts include indemnification clauses and delineate insurance requirements to fund them. The question addressed here is if real estate firms or their agents have services to track the insurance certificates required by those contracts.

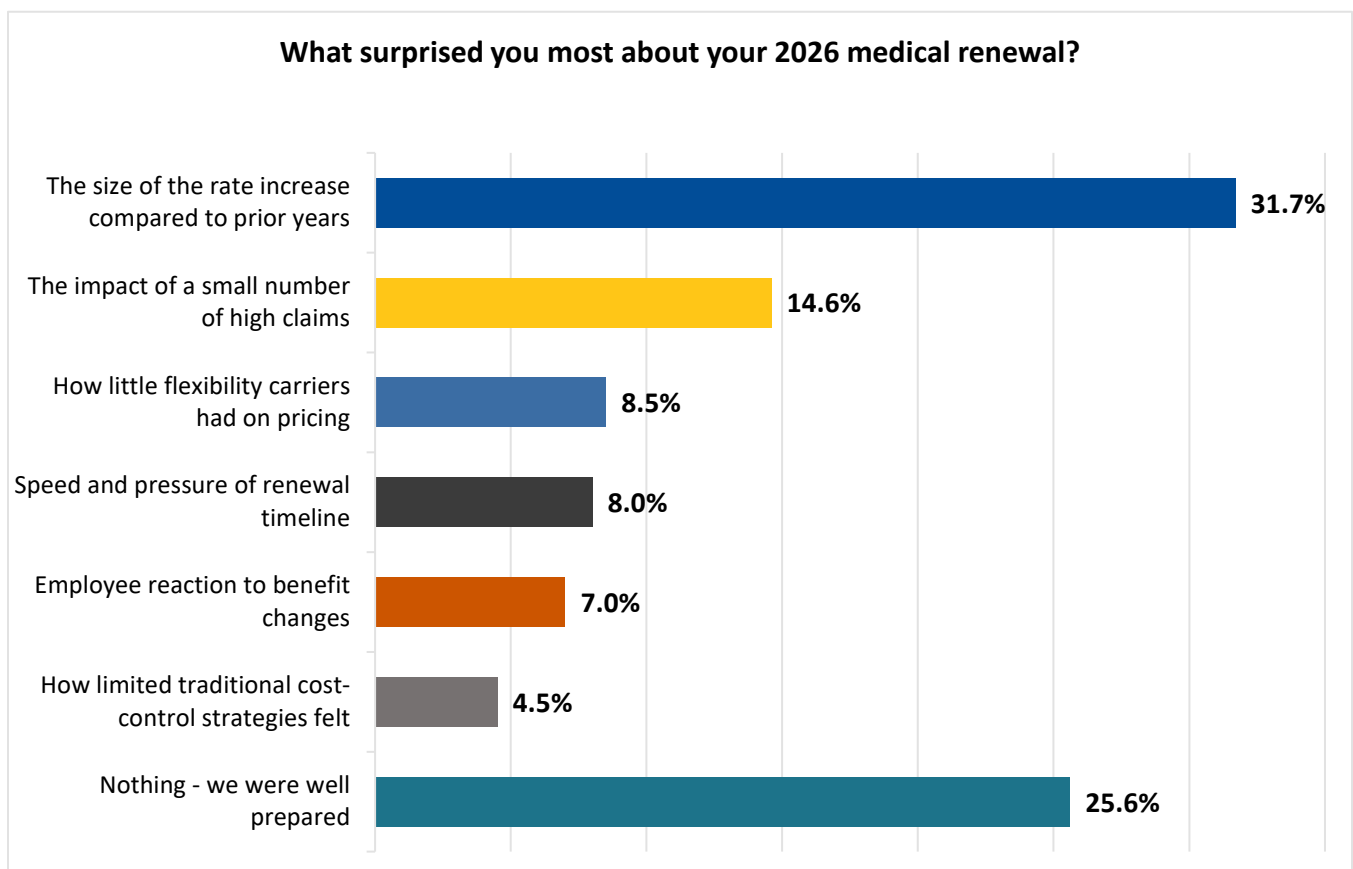
Employee Assistance Program (EAP) is a formal program to help employees through life's challenges; personal crises, mental health issues, need for legal resources, etc.

EMPLOYEE BENEFITS

2026 Medical Renewal Reflections

The 2026 medical renewal season was a difficult one for many employers, as evidenced by the data in our [December 2025 MCS](#), where over half of employers reported receiving a medical renewal increase of 7% or greater. Headwinds, including increased utilization of services, price inflation, high-cost specialty drugs, gene therapies, tariffs, and deterioration in overall health, drove significant rate increases for many plan sponsors.

Because of the renewal challenges, we were interested in how employers felt about their individual renewal postmortem. We conducted a survey in early 2026 to gather those contemplations. The following summarizes the responses.



**Results based on 199 employer respondents.*

As a result of the 2026 renewal, what are you most likely to do next?



26% Make additional plan design changes next renewal



25% Re-evaluate funding strategy



20% Explore different carriers or networks



19% Focus more on employee communication and engagement



9% Invest in more well-being/disease management programs



8% Build a multi-year cost strategy



6% Invest in more data, analytics or reporting

26% stated, "Nothing for now, waiting until later in the year."

**Results based on 191 employer respondents. Allowed to select multiple answers.*

Key Findings

Despite the best efforts to communicate and prepare, employers' top surprise this renewal season was the magnitude of rate increases. As we mentioned previously, numerous factors are affecting healthcare premiums today. This data demonstrates that there can never be enough planning or data points for employers. Access to claims and population health information is critical for decision-makers. Equally important will be a willingness to embrace alternative funding mechanisms and innovation with the overall benefit design. Absent these steps, the cost curve trend will continue a similar path for the foreseeable future.

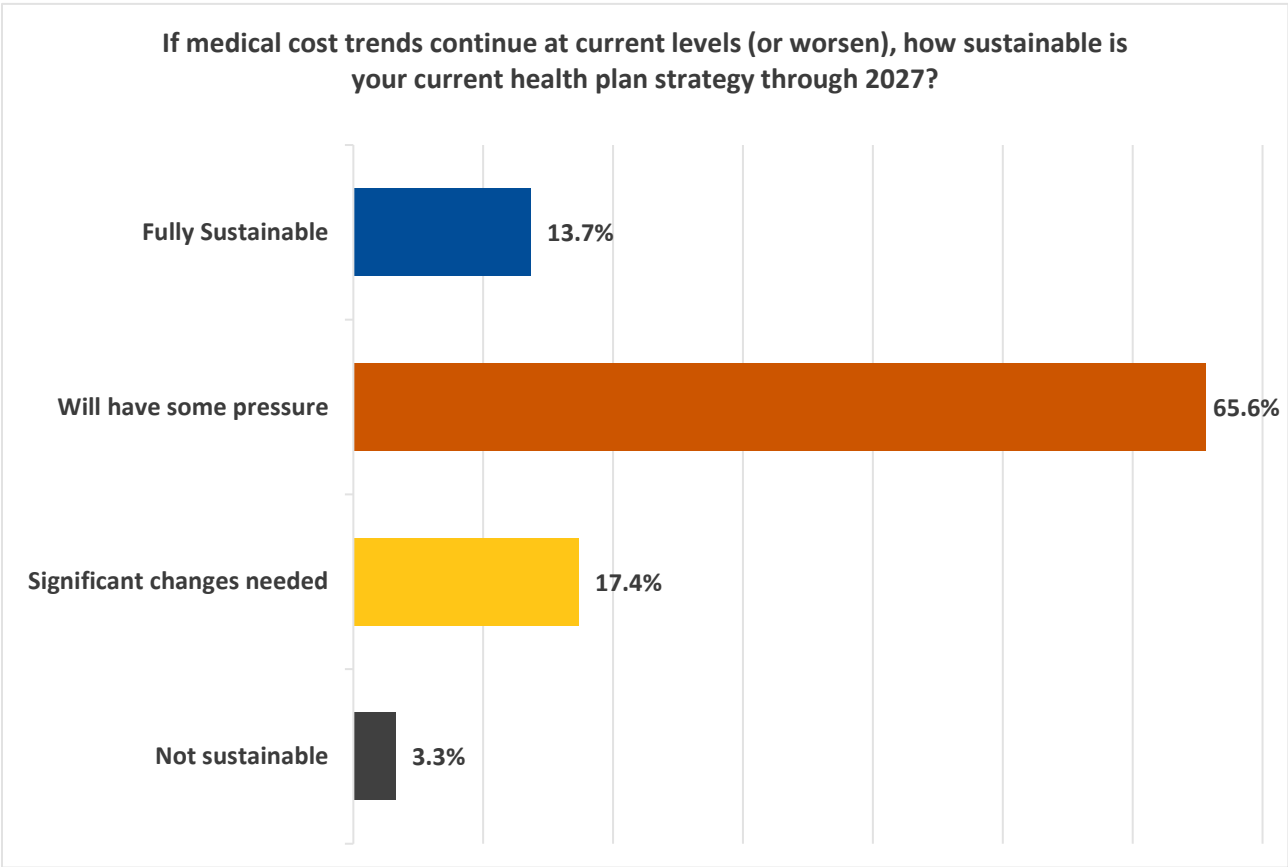
As employers progress through the year, here are some items to consider:

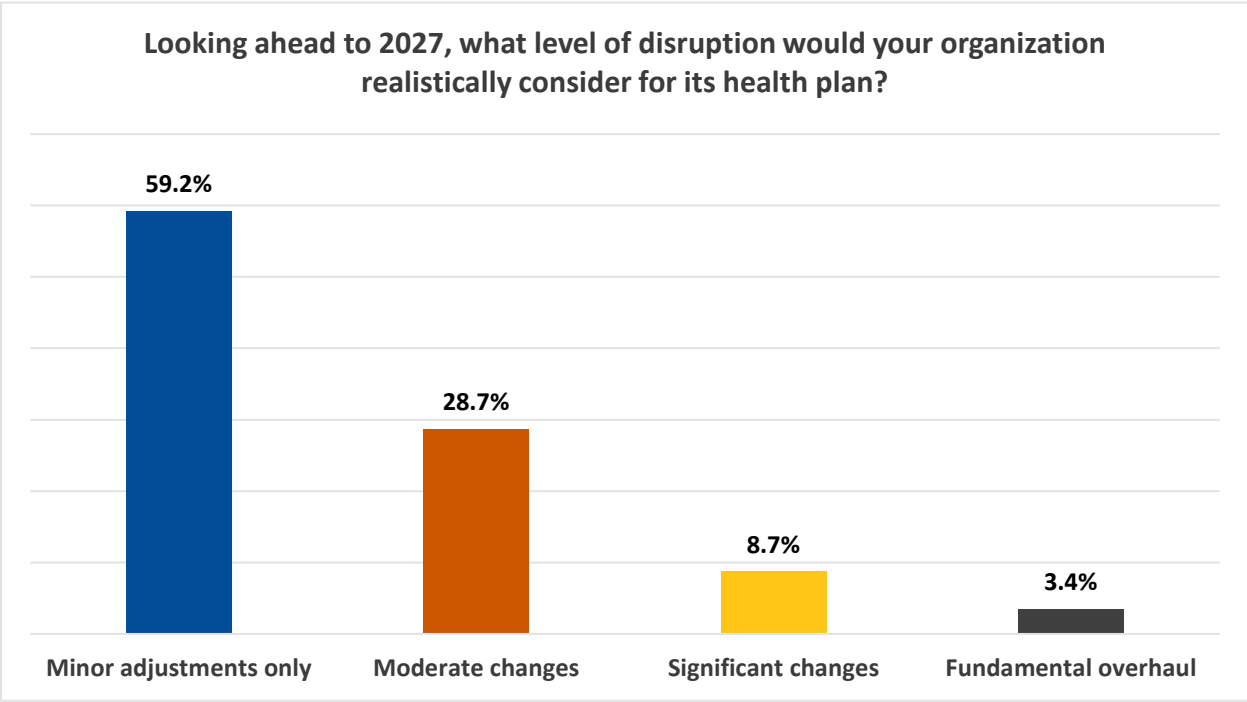
- Schedule a strategy meeting with your benefits adviser as soon as possible
- Conduct quarterly financial review meetings and review any trends
- Evaluate population health data
- Review funding and carrier network options
- Calculate a renewal projection 5-6 months prior to renewal to aid in setting a budget for the following year

2027 Employee Benefits Strategy

Employers are turning their focus to 2027 and how they may implement modifications to their health plans to manage rising costs. In our [January 2026 Market Check Survey](#), employers told us they were most likely to make plan or funding changes at their next renewal.

Early indications are that the claims trend will remain high in 2027, and price increases will be challenging, prompting an overhaul of some approaches. We sought to better understand employers' opinions about their current health plan strategy. We conducted a survey in spring 2026 to gather those answers. The following summarizes the responses.





**Results based on 201 employer respondents.*

Key Findings

The medical cost pressures that accelerated throughout 2025 show no signs of slowing in 2026 and are expected to materially influence group health plan pricing into 2027. As a result, **86% of employers anticipate their benefits strategy will face at least some level of pressure** over the next two years.

At the same time, there is a clear gap between the level of pressure anticipated and the degree of action employers are currently considering. While the vast majority acknowledge emerging strain, nearly 60% indicate they are only considering minor adjustments, such as changes to copays or deductibles, rather than more substantive plan redesign.

For many organizations, this may represent an inflection point — one where maintaining the status quo becomes increasingly difficult, and where more innovative, and potentially disruptive, approaches will be required to meaningfully bend the cost curve.

This gap highlights a growing strategic tension. Employers remain understandably cautious, given the impact that more significant changes can have on employee experience and affordability. Yet, **incremental adjustments alone may be insufficient to address the underlying cost trajectory.**

The question for plan sponsors is no longer whether pressure exists but whether their current approach is equipped to respond.

Employer Pharmacy Strategies

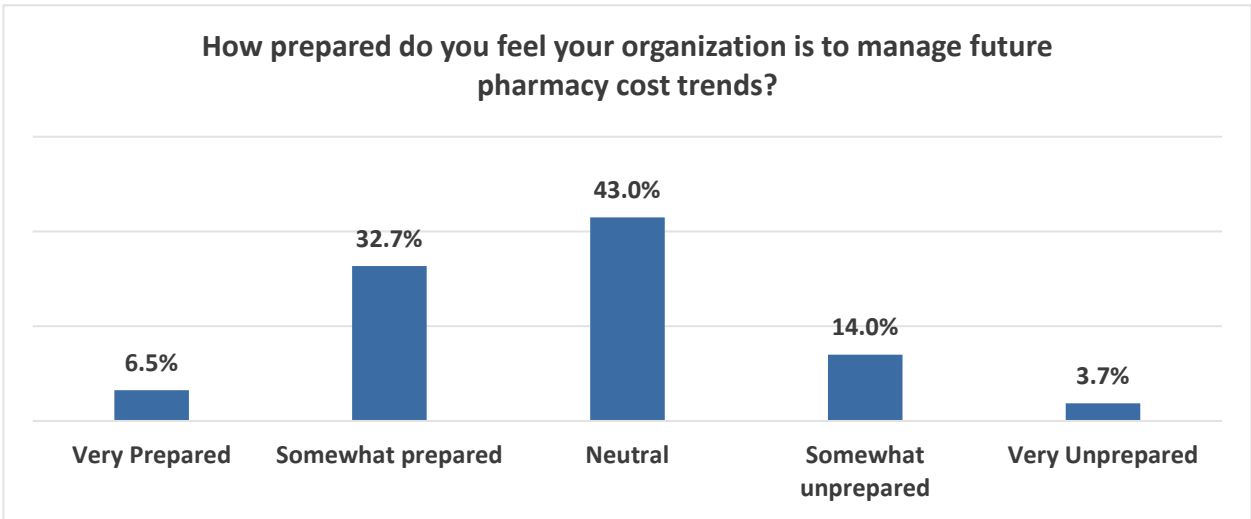
Pharmacy costs have risen substantially over the past several years and now account for more than 30% of total medical spend for some employers. Whether it’s due to rising costs of specialty medications, the introduction of GLP-1 drugs, increased utilization by members, or higher list prices from manufacturers, benefit leaders need a well-thought-out plan and vigorous supervision of their pharmacy provider.

We conducted a survey in August 2026 to gauge how prepared employers feel regarding their prescription drug plan. The results are summarized below.

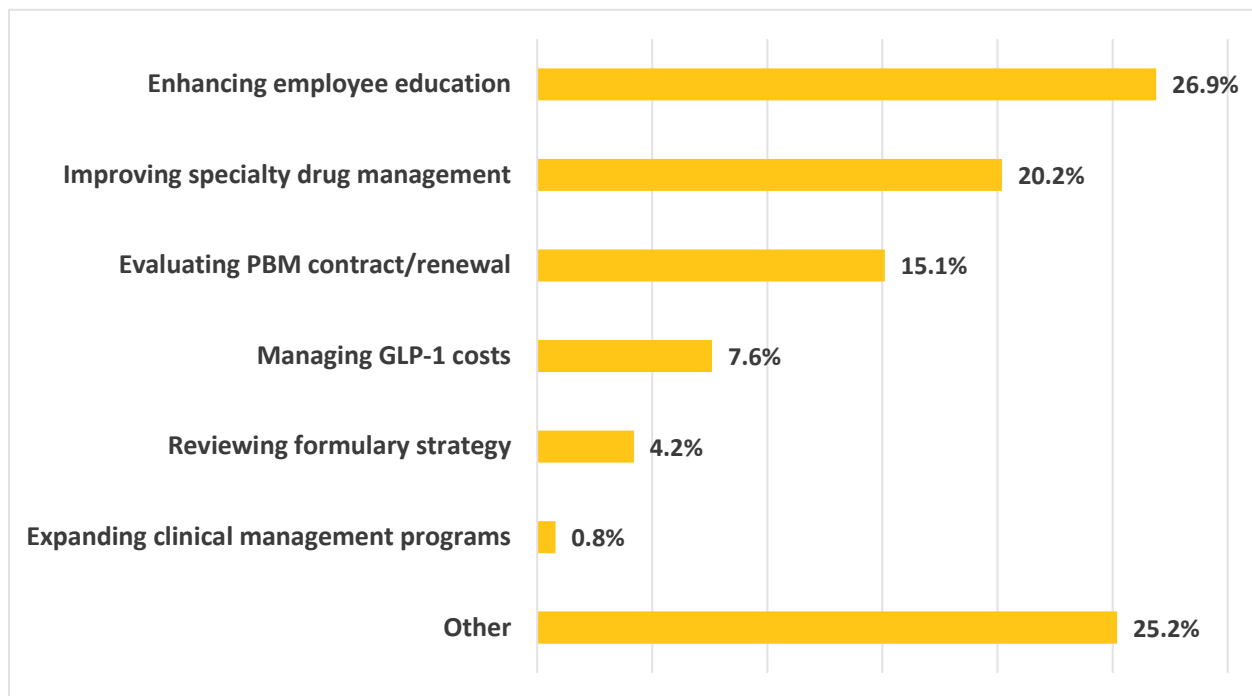
What is your organization’s greatest pharmacy challenge today?

Rising Specialty Drug Costs	41.5%
Employee affordability	32.5%
GLP-1 medications	6.5%
TIE - Managing utilization and staying current on market changes	4.1%
PBM transparency/value	2.4%
Gene therapy/high-cost emerging drugs	0.8%
Other	8.1%

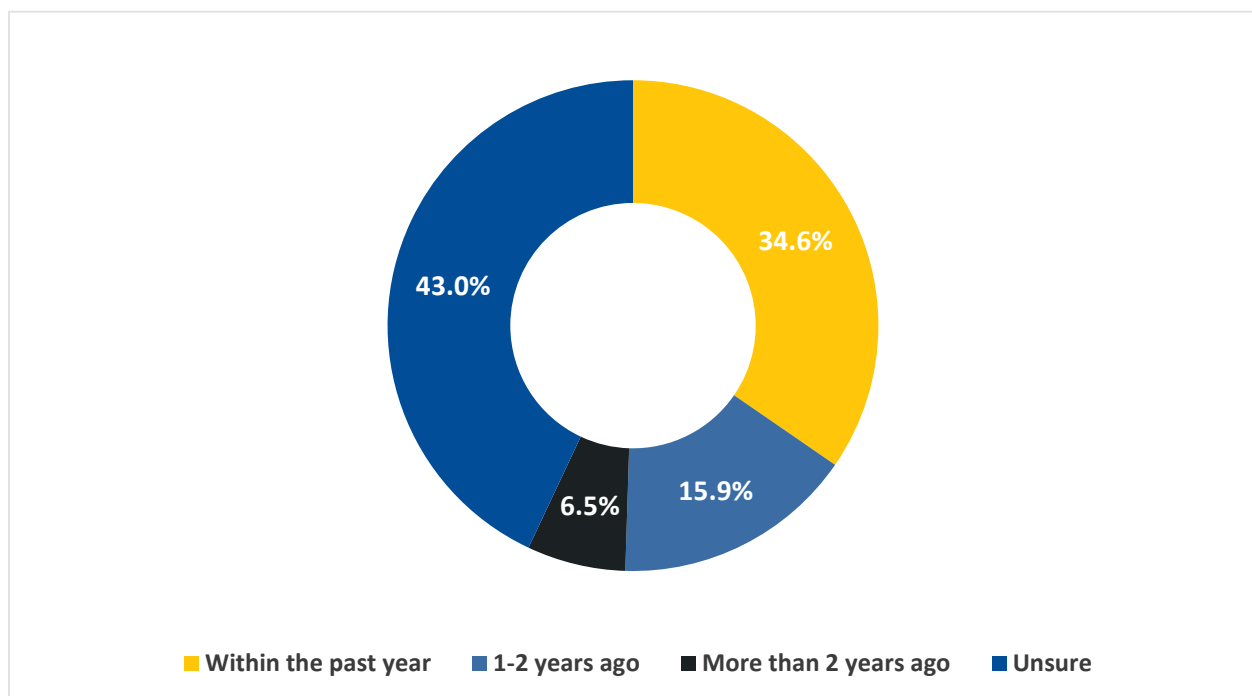
**Based on 123 employer respondents.*



Which pharmacy strategy is your organization prioritizing most over the next 12 months?



When was the last time your organization conducted a comprehensive review of its pharmacy benefit strategy?



Key Findings

The survey reveals a clear disconnect for employers. Pharmacy cost pressure is widespread, but confidence, strategic focus, and review discipline have not caught up. It also demonstrates that while GLP-1 drugs create the buzz, plan sponsors don't view them as either a primary challenge (6.5%) today or a critical strategy for tomorrow (7.6%)

Cost pressure dominates. Three-quarters of employers cite cost challenges as their primary issue (including specialty prices, employee affordability, and high-cost gene therapy drugs), yet 6 in 10 are either neutral or unprepared to tackle future cost increases.

Near-term priorities only partly match the pressure. Employee education leads at 26.9%, followed by specialty drug management at 20.2% and PBM contract review at 15.1%. Another 25.2% selected "Other," signaling a fragmented response rather than a single dominant strategy. Continuous employee education is important, and we see it as a reported theme in our other surveys, however employers must focus on other tactics to make a tangible impact.

The review gap creates urgency and opportunity. Only half of the respondents have completed a comprehensive strategy review in the past 2 years, while 43% are unsure when the last one occurred.

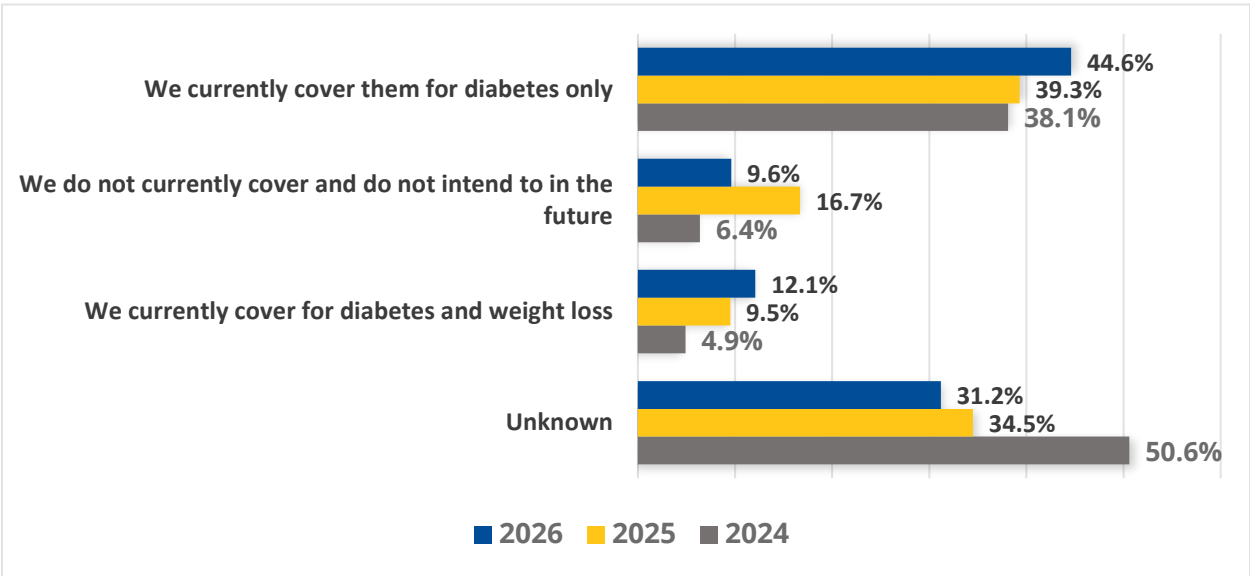
Taken together, these findings point to a strategy gap more than a data gap: employers recognize pharmacy costs are rising, but many haven't translated that awareness into a defined plan or a consistent review cadence. Closing that break starts with benchmarking where your organization stands today, prioritizing employee education alongside cost containment, and building a regular review cycle into your plan before the next renewal.

Employer Strategies for GLP-1 Drugs

The attention and scrutiny focused on GLP-1 drugs such as Wegovy or Ozempic remains significant. These medications are demonstrating they can impact more than weight loss, but price and usage remain complicated, and employer approaches to coverage continue to evolve, often caught between rising cost pressures and lingering uncertainty about the right path forward.

We conducted a survey in July 2026 to explore how coverage has changed over the past several years and what additional factors are being considered. The results are summarized below.

How does your plan currently cover GLP-1 drugs?

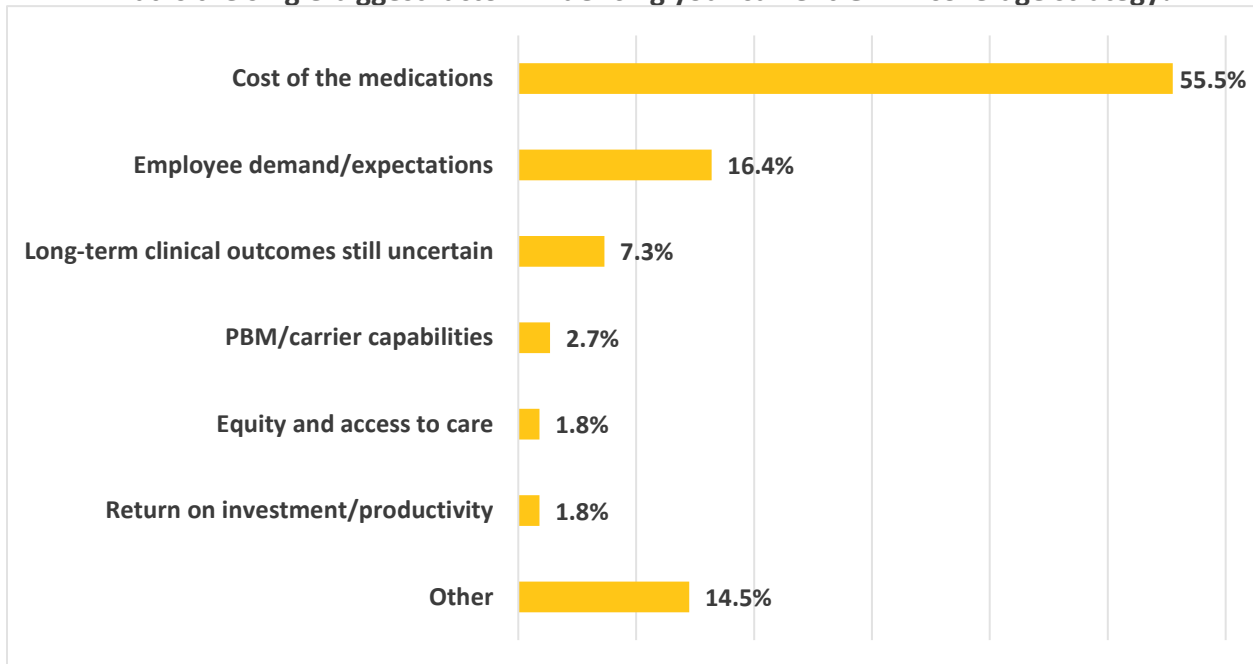


**2026 results based on 157 employer respondents.*

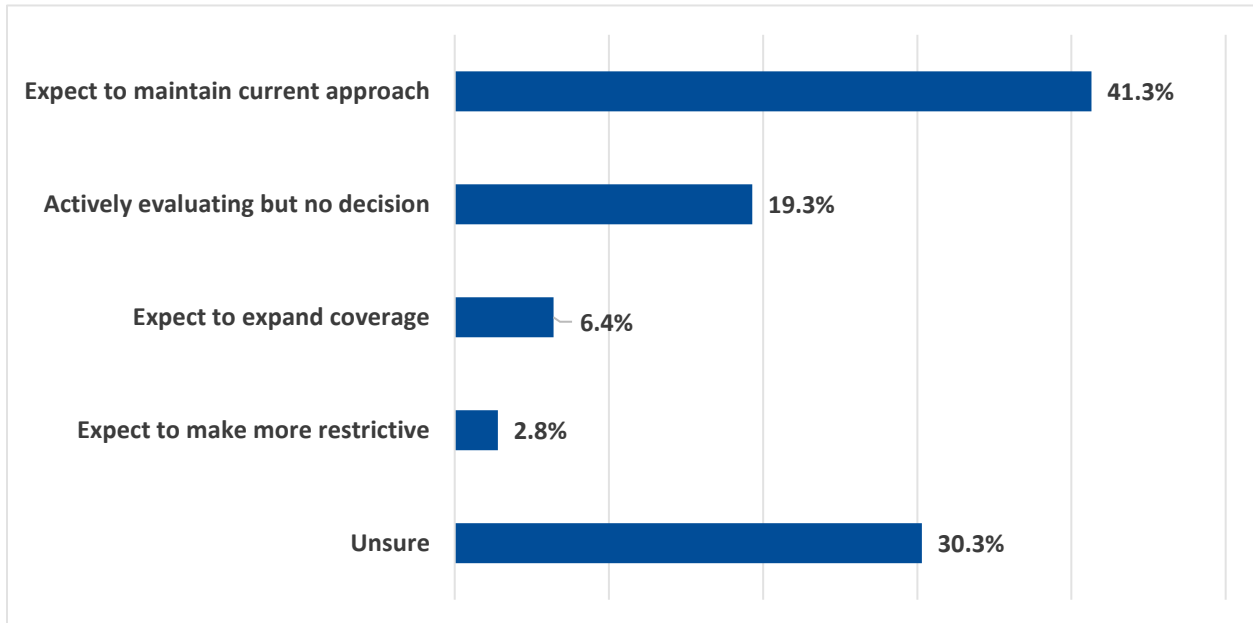
If you cover for weight loss, what controls are in place?

- 34.8% Prior authorization
- 7.9% BMI/co-morbidity thresholds
- 4.5% (TIE) Step therapy and coaching program enrollment
- 64% None

What is the single biggest factor influencing your current GLP-1 coverage strategy?



How likely is your organization to change its GLP-1 strategy in the next 12-24 months?



Key Findings

GLP-1 drugs continue to generate significant headlines. The availability of pills is growing, access is expanding in Medicare, and recent studies show they may have a positive impact on aging. There also remain challenges with patients adhering to the medication long term and issues with compounded drugs.

Cost remains the biggest factor for employers, as over half say it's driving their current approach. Coverage for diabetes and weight loss has grown steadily, more than doubling since 2024, though it still represents a relatively small share of overall plans at just over 1 in 10. For those providing coverage for weight loss, over 3 in 10 require a prior authorization before the prescription is filled.

Looking ahead, most employers expect stability rather than change: 4 in 10 plan to maintain their current approach over the next 1 to 2 years, while roughly 1 in 5 are actively evaluating adjustments.

It is encouraging that, since 2024, more employers have become aware of how their plans cover this drug class. But with nearly a third still unsure of their coverage today, and roughly the same share unsure of their strategy going forward, the message is clear: employers who haven't reassessed their GLP-1 approach recently should do so now, before cost pressures or competitive dynamics force a reactive decision rather than a deliberate one.

CONCLUSION

Conclusion

We developed this report to assist real estate company insurance buyers in the purchase of property, general liability, and excess liability insurance. We attempted to provide insight into other insurance coverages and services that real estate companies typically utilize, and provide the buyer with peer-related data to compare their decisions with those of their contemporaries. Many of the graphs and charts include regional information to provide the insurance buyer with greater insight into the impact of their location on their own operations.

This report is not all-encompassing, and we have tried to focus it on the insurance issues that real estate business owners, risk managers, and financial officers find the most challenging. We have not tried to differentiate between insurance carriers or explain the varying terms and conditions of the specific insurance policies involved in the report. We have not addressed workers' compensation and auto insurance. These issues are beyond the scope of this report.

Risk management and insurance purchasing are complex decisions. Your local Assurex Global Partner possesses the technical expertise and insurance company connections to help you through that process, and we encourage you to reach out to them with questions.

We would like to thank the Assurex Global Partners that participated in this report. It takes significant effort to pull together the data from hundreds of clients into a useable format. Without the assistance of each of those Partners, this report would not exist.

ABOUT / CONTACT INFORMATION

About / Contact Information

The Partners Group

Founded in 1981, The Partners Group (TPG) is a consulting, insurance, and financial services firm with employee ownership. We help businesses and individuals navigate complex challenges with clarity and confidence. From our beginnings as a small Oregon-based agency, we have grown into one of the largest independent brokerages in the Pacific Northwest and a leading insurance brokerage firm in the United States, serving clients nationwide through a team of more than 300 professionals.

At TPG, we believe better outcomes happen when specialists work together. Through our **ONE PARTNER ADVANTAGE®**, clients access a coordinated team across commercial insurance, employee benefits, retirement plan consulting, wealth management, personal insurance, healthcare analytics, workplace wellbeing, and absence management. This integrated approach enables organizations to align decisions, identify opportunities, and move forward with confidence.

Our purpose is to make a difference in our communities through our work and to inspire others to do the same. Through our Give30 initiative and the TPG Foundation, we are committed to giving back \$30 million in time and money by 2030. To date, we have contributed more than \$19 million to support employees, nonprofits, and the communities we serve.

As a proud Assurex Global partner, TPG combines local accountability with access to a worldwide network of risk management, insurance, and employee benefits expertise.

Learn more at thepartnersgroup.com | (800) 722-6339

Assurex Global

Founded in 1954, Assurex Global is an exclusive Partnership of the most prominent independent agents and brokers in the world. With \$46 billion in annual premium volume and more than 730 Partner offices, Assurex Global is the world's largest privately held commercial insurance, risk management, and employee benefits brokerage group.

Our Shareholders recognize that the personal connections and knowledge gained through years of doing business in the same community makes a true difference in delivering outstanding client service. Our Partnership makes it possible for independent brokers to deliver that unique local connection on a global basis.

Assurex Global | 6620 Mooney St. Suite 360 | Dublin, OH 43017 | 1 800-ASSUREX | assurexglobal.com