



Don't Mistake a Softer Market for a Forgiving One.

The biggest risk to your 2026 insurance program may not come from the insurance market at all. Proposed changes to federal disaster policy would raise FEMA's per-capita disaster assistance threshold from \$1.89 to \$7.56, potentially shifting \$41 billion in recovery costs to state and local governments. For developers and contractors with projects in coastal, flood-prone, or wildfire-exposed areas, that is not a background risk. It is a structural change to how disaster recovery gets financed – and most middle-market firms are not pricing it into their current program assumptions.

The insurance market is giving you a window right now. Whether your program is built for what comes next is a different question.

PROPERTY:

Room to Push, With One Trap to Avoid

Competition has returned to property insurance in a meaningful way. Rate decreases of roughly 10% are becoming common on catastrophe-exposed accounts, and alternative capital flowing into reinsurance has kept capacity available. For clean risks with well-documented values, this is a moment to push on terms.

Here is the trap: a 10% rate decrease means very little if your insured value is 15% below what it would actually cost to rebuild. Replacement costs remain elevated. Inflation, labor shortages, and supply-chain constraints have pushed reconstruction figures well above where many policies were originally written. We have that conversation with clients regularly. The ones who are not having it should be.

Before you take the rate win, confirm your values are current.

CASUALTY:

A Different Market Entirely

Construction firms that assume a friendlier property market signals broader softening are going to have a difficult spring.

Commercial auto remains one of the most stressed lines in the market. Nuclear verdicts, rising claim severity, and long-running profitability problems continue to drive underwriting discipline. Fleet composition, driver controls, and loss history matter more now, not less.

General liability and umbrella are similarly unforgiving. Social inflation is not a theoretical risk -- it is showing up in settlement demands and jury awards across construction-related claims in particular. What that means practically: umbrella attachment points are rising, available limits at each layer are compressing, and the cost of buying up to the limits a wrap-up program or lender requires has gone up materially. Firms that built their casualty budget on 2023 assumptions are getting surprised at renewal. We are seeing it consistently.

Workers compensation remains the one genuine bright spot in casualty. Pricing is stabilizing and conditions continue to improve. The clients capturing the most benefit are those who have invested in safety documentation and loss control programs – not because insurers require it, but because it creates real negotiating leverage at renewal. If your program is not structured to take advantage of that, it is worth a conversation.

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The Risk Most Buyers Are Not Pricing In

The FEMA question is not finished.

If the proposed threshold increase takes effect, state and local governments absorb a substantially larger share of disaster recovery costs. That shifts financial pressure down to property owners, developers, and contractors in ways the current insurance market has not yet priced in. Insurance that felt adequate under one federal policy framework may prove insufficient under another.

This is not a hypothetical. It is a reason to pressure-test your program assumptions now, while markets are cooperative enough to respond.

How to Actually Use This Market

Policyholders' surplus has grown 24% over three years to \$1.2 trillion. Insurers have room. But surplus does not mean they are writing everything -- it means well-presented risks win and underprepared risks don't.

The accounts securing the best terms in Q2 2026 share one characteristic: they are not simply clean risks. They are documented, organized, and professionally framed before underwriters ever see them. Safety programs, loss data, accurate valuations, a coherent risk narrative. The firms that do that work ahead of renewal are the ones with real options. The firms that don't are the ones accepting whatever the market offers.

Most middle-market construction and real estate firms are sitting closer to the second category than they realize.

Is Your Program Ready for This Market?

Three questions worth asking before your next renewal:

When were your insured property values last updated against current replacement costs? If the answer is more than 18 months ago, you likely have a gap.

Has anyone modeled what your casualty program looks like if your umbrella attachment point rises and your required limits stay the same? If not, you may be underestimating what this renewal will actually cost.

Does your broker know how underwriters are treating your specific asset class and geography right now -- or are they working from last year's assumptions?

These are not complicated questions. But most middle-market firms cannot answer all three with confidence. That is the gap this market will expose.

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Engage your broker before the market does.

Let Us Play For You!

Most renewal conversations start too late and aim too low. Symphony Build works with middle-market real estate and construction firms who want to use a market like this one – not just survive it. Contact Matt Burns at mburns@symphonyrisk.com or visit symphonyrisk.com/solutions/symphony-build

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