



COMMERCIAL INSURANCE

Most Rates Soften, Auto, General Liability Add Pressure

BUSINESS ARE likely to see some insurance rate relief for the rest of the year as many lines of coverage are entering more competitive phase as insurers regain profitability and new capital flows into the market

However, the war in Iran could push inflation higher by increasing energy and transportation costs, which would in turn raise the price of construction materials, vehicle parts and other items that insurers must pay for when settling claims. Below is a general snapshot of what businesses can expect across major commercial insurance lines. Pricing will vary depending industry and loss history..

Commercial property

The commercial property market is stabilizing after several years of steep increases. Increased reinsurance capacity and a relatively moderate catastrophe year have encouraged insurers to compete more aggressively for well-managed properties.

However, businesses located in catastrophe-prone regions, like those exposed to wildfire, hurricanes or flooding, may still face limited options and higher pricing.

Forecast: Rates will likely remain flat or decline modestly in 2026 for well-managed risks, though catastrophe-exposed properties may still experience increases.

General liability

Rates are beginning to stabilize after several years of significant increases driven largely by escalating litigation costs and larger jury verdicts. The latter continue to pressure underwriting profitability.

While retail, manufacturing and service firms are seeing modest pricing improvements, insurers remain cautious about those with higher liability exposure or adverse loss histories.

Forecast: Flat to slightly higher pricing, depending on industry, loss history and risk characteristics.

Cyber insurance

Cyber insurance rates have softened over the past two years as insurers improved underwriting controls and many businesses strengthened their cyber defenses.

Now, insurers are seeing new threats, including AI-related fraud, deepfake attacks and social engineering attacks.

Forecast: Pricing is likely to stabilize and potentially increase modestly in 2026.

Commercial auto

Insurers have posted more than \$10 billion in underwriting losses in the past two years as repair costs, medical expenses and legal awards continue to climb.

Technological advances in vehicles have increased car repair costs and even minor collisions can require specialized repairs.

Litigation trends and “nuclear verdicts” have further strained the line.

Forecast: Continued upward pressure on rates throughout 2026.

Umbrella and excess liability

Umbrella and excess liability coverage remain under pressure because of large jury verdicts and rising claim costs across many liability lines.

See ‘Workers’ on page 2



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PROPERTY RISK

Five Types of Construction Fraud to Avoid

WHEN WARM weather arrives, so do crooked contractors wanting to steal from homeowners. They provide bogus repairs that are not even necessary. In some cases, no work at all is done after they receive an initial payment.

While the majority of contractors out there are honest, it is usually the ones who go from door to door offering help who are untrustworthy. Good contractors do not need to solicit work in this manner.

People who go knocking on doors usually say they walked by and happened to notice something wrong. They may offer to get the house ready for storm season. If there was a recent storm, they may simply show up and offer to fix something that is clearly damaged.

When falling victim to these scams, homeowners could lose thousands of dollars. In addition to this, the ensuing headaches from paying even more for real repairs or trying to recover money from a con artist complicate the situation.

If the insurer does not cover fraudulent repairs, they may never recover the funds. The five worst scams these crooks pull off include the following:

Poor work quality – Con artists often use cheap materials if they do any repairs. The work is obviously low quality, and homeowners usually must pay to have the repairs redone.

Prepayment – In this type of scam, the contractor asks for a large sum of money upfront. After receiving the funds, they disappear or do very little work. In some cases, they may ask homeowners to pay for bids.

Inflated damage – In order to increase billable expenses, contractors performing this type of scam may make the holes in roofs larger. Or they may just inflate the bill for work that was not done.

Phantom damage – In this type of scam, the contractor says there is storm damage when there actually is none. However, the dishonest individual may destroy sidewalls or roofs to create damage, repair them and bill the homeowner accordingly for the work.

Deductible payment – Some contractors offer to pay the homeowner's deductible in order to gain business. However, this is always a plot to lure people in for fraudulent work.

How to avoid scams

Verify a contractor's license – Check with local and/or state licensing agencies to ensure the contractor is licensed.

Avoid door-to-door contractors – Good contractors are usually too busy to go door to door seeking work. Those who offer services in this manner are often desperate for money.

Contact the web – Search for the contractor on the Better Business Bureau's website. Avoid people with a sketchy history. Also check Yelp, which often includes unvarnished reviews.

Demand a contract – Do not sign a contract with blank spaces. Make sure the contract specifies the work to be done, the repair schedule and the detailed prices

Watch for red flags – Many con artists do not have references or business cards. They may also be hesitant to provide an address. If they do provide one, it is usually a post office box instead of a street address.

Deal with us and your insurer directly – Do not let a contractor talk to the insurance company. It is much better to work directly with the insurance company which will survey the damage and decide what repairs are necessary. It is crucial to get repairs done by a reputable professional for the work to be covered by the insurance company. You can also call us for assistance with your claim and if you have questions.



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Workers' Comp Still the Softest Commercial Line

These policies absorb the most severe losses once primary policies are exhausted, making them particularly sensitive to litigation trends. As a result, insurers continue to raise prices and tighten underwriting.

Forecast: Expect further rate increase in both lines.

Workers' compensation

Workers' comp remains the softest commercial line. Improved workplace safety, declining claim frequency and strong underwriting results have produced a long run of profitability for insurers.

Forecast: Continued flat to declining pricing is expected in most states, while claims cost increases could pressure rates.

The bottom line

For business leaders and risk managers, proactive risk management remains the most effective approach.

Insurers are increasingly rewarding companies that invest in safety programs, cyber security and loss prevention with more competitive pricing and broader coverage options.

INDUSTRIAL INJURIES

Keeping Workers Safe in Roadway Work Zones

TRANSPORTATION-RELATED incidents remain one of the leading causes of worker fatalities for construction firms, utilities, emergency responders and other contractors working on or near roadways.

Work zones are dynamic environments ripe for accidents. Traffic volumes fluctuate, weather shifts, visibility changes, blind spots limit sightlines, equipment is constantly moving and construction vehicles may suddenly lurch into traffic.

Employers operating in these environments must prioritize protecting workers and the public — and that starts with a strong safety program that accounts for the most common hazards.

Common hazards

- **Vehicle crashes:** Vehicles can intrude into work areas and strike workers, equipment or barriers.
- **Moving equipment:** Dump trucks, pavers, excavators and rollers operate in tight spaces. Backovers and runovers are risks, especially where workers on foot share space with heavy machinery.
- **Poor visibility:** Night work, inclement weather, glare and dust reduce visibility for both drivers and equipment operators.
- **Unmarked hazards:** Open trenches, uneven pavement, drop-offs and stored materials can create additional risks.
- **Traffic control problems:** Improperly placed signs, cones or barriers can lead to confusion and cause erratic driving.

Build a safe traffic control plan

Roadway project should have a written plan that aligns with the Federal Highway Administration's Manual on Uniform Traffic Control Devices. At a minimum, the plan should include:

- Warning areas with signage placed far enough ahead of potential hazards to give drivers time to react.
- Transition areas that taper traffic into new lanes or patterns.
- Clearly defined activity areas that separate traffic, buffer space and the work area.
- Termination areas that return motorists to normal flow.
- Daily inspections of signs, cones, drums and barriers to confirm they remain properly positioned and visible.

Ensure that plans are site-specific, reviewed by a competent person and adjusted as conditions change.

Protect people from moving hazards

- Use concrete, water-filled or sand-filled barriers and truck-mounted attenuators to reduce the impact of errant vehicles.
- Establish internal traffic control plans that separate workers on foot from moving equipment.
- Designate entry and exit points for construction vehicles.
- Create equipment-free pedestrian corridors where feasible.
- Assign spotters when moving heavy equipment.
- Equipment operators must use mirrors, cameras, backup alarms and seat belts, while maintaining visual contact with workers on foot. If workers cannot see the operator, the operator likely cannot see them.



Enhance visibility and lighting

High-visibility personal protective equipment is nonnegotiable. Workers and flaggers should wear ANSI Class 2 or Class 3 garments with fluorescent backgrounds and retroreflective striping. For night operations, reflective materials and supplemental lighting are essential.

Flagger stations and active work areas should be illuminated to at least five foot-candles. Lighting should minimize glare that can temporarily blind motorists or operators.

Hold regular training and reinforcement

Training should be continuous. Risk managers should require:

- Certified flagger training using authorized STOP/SLOW paddle methods.
- Instruction on blind spots, equipment swing radius and safe approach distances.
- Heat stress awareness for asphalt and summer operations.
- Emergency response procedures and escape route identification.

Hold daily pre-work safety meetings so supervisors can address changing site conditions, planned activities and emerging hazards. A designated “competent person” as defined by OSHA should conduct hazard assessments and have authority to implement corrective actions immediately.

A culture of accountability

Create a culture of safety that prioritizes identifying and mitigating hazards before incidents occur through:

- Clear plans,
- Leadership buy-in,
- Ongoing training, and
- Consistent enforcement of safety protocols.

SMART HELMETS

This Gear Protects More Than Workers' Noggins

THE HELMET is no longer just gear for protecting your construction workers' noggins. Thanks to advancements in smart helmets, it now has technology to further protect workers from other jobsite hazards and improve communications with other workers and supervisors.

Unlike traditional hard hats, smart helmets combine certified head protection with embedded sensors, cameras and connectivity tools. While not cheap at roughly \$1,000 apiece, they can enhance workplace safety, coordination and data collection to support management decisions.

Manufacturers such as Quin and Twiceme make helmets with impact detection and near-field communication features, while other models integrate augmented reality and live video. Here's a look at the main features that can benefit your construction firm and workers.

Core capabilities often include:

- Impact and fall detection with automatic SOS alerts and GPS location sharing.
- Heads-up displays that overlay building information models or task instructions in the wearer's field of view.
- Forward- and rear-facing cameras that detect proximity to heavy equipment.
- Environmental sensors that monitor heat, gas or air quality.
- Biometric monitoring that flags fatigue or sudden health events.
- Built-in Bluetooth or push-to-talk communication systems.
- Real-time photo, video and data logging that syncs with cloud platforms.

Real-time alerts

Smart helmets introduce a proactive layer of protection and may include:

Impact and fall detection systems – These can trigger a countdown and automatically send an alert if a worker is incapacitated. They also feature GPS location sharing to help locate the worker.

On large or remote sites, this capability can significantly reduce response time. Some systems also provide post-incident analytics, allowing safety leaders to identify patterns and refine training or procedures.

Proximity sensors and depth-sensing cameras – Many helmets are equipped with forward- and rear-facing cameras that can warn workers when they are too close to moving equipment or obstacles. On congested urban builds or infrastructure projects with multiple trades operating simultaneously, these audible or visual alerts can provide critical seconds to prevent struck-by incidents.

Environmental monitoring – Helmets equipped with temperature or gas sensors can warn workers and supervisors when conditions exceed safe thresholds, helping prevent heat stress or exposure events before they escalate.

Communication and coordination

Smart helmets address communications breakdowns through hands-free, voice-activated connectivity.

With built-in communication systems, foremen and field crews can relay updates without reaching for radios or phones. Some models allow live video streaming to offsite engineers or project managers, enabling real-time troubleshooting and remote inspections.

Helmets that include augmented reality features can help workers view digital blueprints and provide step-by-step guidance directly in their visor.

Pluses and minuses

Pros

- Enhanced situational awareness through real-time alerts.
- Faster emergency response with auto notifications and location tracking.
- Improved communication between workers, supervisors and office teams.
- Potential reductions in accident rates and associated insurance costs.

Cons

- High upfront cost, often around \$1,000 per unit for fully equipped models.
- Potential for distraction if helmet features are misused or glitch.
- Integration challenges with existing software and workflows.
- Connectivity and battery limitations on remote or long-duration projects.
- Time and cost required for training to ensure consistent and effective use.

Weighing the investment

For smaller contractors, the price point can be a barrier, but the cost may be offset by fewer workplace injuries and lower insurance expenses. For large general contractors and specialty firms managing complex high-risk projects, the financial calculus is clear.

If connected helmets reduce even a handful of recordable incidents, improve response times or prevent a catastrophic event, the investment can pay for itself.

Smart Helmet Components & Capabilities

