State of the Market

Builder's Risk Insurance
H1 2026

Builder's risk has entered one of the most competitive insurance markets in recent years. Across residential and commercial, abundant capacity continues to outpace project activity, with carriers competing more aggressively for business even as coverage options expand.

Retailers should look beyond premium and evaluate long-term value. At the same time, there is an opportunity for insureds to build stronger, more resilient insurance programs before the market inevitably shifts again.

Policy wording, proven claims performance, underwriting discipline and long-term carrier relationships are now just as important as premium. Those factors often determine the true value of a builder's risk program long after the initial premium is forgotten.

Capacity and pricing

Residential / Habitational

Capacity continues to outpace demand and is strong in both domestic and London markets, including for wood-frame construction and catastrophe-prone regions that previously experienced more limited underwriting appetite. Higher interest rates, elevated construction costs and slower housing starts have reduced the number of new projects entering the market, leaving carriers competing for fewer opportunities. In fact, **new home construction activity** has slowed by around 25% over prior years, creating one of the softest builder's risk markets in recent memory.

As a result, rate reductions of 15% to 30% are common, depending on risk factors, project characteristics, geography and catastrophe exposure. Some carriers are aggressively buying business, deploying larger capacity commitments and broader underwriting authority to gain market share. While this benefits insureds' budgets in the short term, it is also important for retail agents to evaluate the long-term stability of underwriting partners.

In addition, today's market presents the opportunity to significantly enhance overall program quality. Water damage deductible buy-downs, broader occupancy provisions, manuscript policy enhancements and master builder's risk programs are readily available. Rather than simply renewing existing structures at a lower premium, retailers should revisit coverage that may have been reduced or eliminated during the hard market.

Real Estate / Commercial

Capacity is abundant across virtually every commercial segment of builder's risk, resulting in oversubscribed placements and aggressive competition among both established carriers and newer market entrants. The largest pricing reductions often occur on catastrophe-exposed and larger layered placements.

Negotiations in the commercial market have also shifted well beyond premium. During the hard market, many insureds accepted higher deductibles, more restrictive policy language and narrower coverage simply to secure capacity. Today's environment allows retailers to revisit those compromises. Deductible reductions, manuscript wording, expanded catastrophe capacity, occupancy provisions, long-term agreements and broader policy enhancements are all on the table.

Disciplined underwriting continues to distinguish long-term markets from opportunistic competitors. Retailers should understand that the lowest premium does not always produce the strongest long-term outcome. Policy wording, responsive claims handling and stable carrier relationships are critical to a successful builder's risk program.

The London Market

The London Market for builder's risk has evolved well beyond its traditional role as a source of excess support capacity. Today, it represents a viable lead market for many placements, providing retailers with meaningful alternatives for projects that previously relied primarily on domestic carriers.

The appetite in London is expanding across wood-frame construction, catastrophe-exposed projects, renovations and master builder's risk programs. Underwriters are increasingly comfortable providing up to approximately $75M primary limits while continuing to support larger shared and layered placements.

Renovation projects represent one of the fastest-growing areas of interest. As developers continue converting office buildings, historic properties and mixed-use structures, London markets are demonstrating greater flexibility for complex risks that often fall outside the appetite of traditional domestic carriers.

Demand also continues growing for deductible buy-downs, particularly on catastrophe-exposed risks and large-scale developments. Combined with exceptionally responsive turnaround times (within 24 to 48 hours), London has become an increasingly valuable option for retailers seeking both speed and underwriting flexibility.

Coverage limitations and underwriting

As premium differences between competing markets continue to narrow, policy wording is becoming a key differentiator. Carriers are demonstrating greater flexibility on deductibles (including water damage), occupancy provisions, manuscript policy wording, escalation clauses, named insured language and a variety of other coverage enhancements that were often unavailable during the hard market.

Because competitive pressures are encouraging some markets to stretch beyond their traditional appetite, retailers should evaluate not only today's pricing, but also whether a market has demonstrated a long-term commitment to the builder's risk class. Disciplined underwriting is essential for long-term market stability.

Market dynamics

Economic conditions

Unlike previous soft markets driven primarily by improved loss experience, today's builder's risk environment reflects abundant global capacity competing for fewer construction projects. Higher borrowing costs, elevated construction expenses and continued economic uncertainty have slowed residential project starts while increasing pressure on overall project budgets. **Inflation remains elevated** while labor costs, material pricing and tariffs continue influencing total construction values.

Because many developers establish insurance budgets months or years before groundbreaking, current market conditions are making projected insurance costs obsolete much more quickly than in prior years. Retailers should encourage clients to revisit insurance budgets regularly to ensure project assumptions continue reflecting current market conditions.

Technology

Technology is transforming both underwriting and construction operations. AI-supported tools help underwriters evaluate location data, catastrophe exposures, valuations and portfolio accumulations more efficiently while improving overall submission quality.

Technology is also improving project phasing, documentation and jobsite protection throughout the construction lifecycle, creating better visibility into project exposures and supporting stronger underwriting decisions.

Trends to watch

Construction projects are growing in both size and complexity. Mega-projects including **data centers**, advanced manufacturing facilities and large industrial developments remain an important area of market focus and require increasingly specialized underwriting expertise.

Build-to-rent developments are gaining momentum as developers seek more flexible residential housing models. New insurance solutions are bridging the transition between builder's risk and operational property coverage, helping eliminate potential coverage gaps as homes move from construction into occupancy.

Renovation projects present another evolving opportunity. Adaptive reuse and large-scale building conversions are creating demand for specialized underwriting solutions that address the unique risks associated with existing structures.

Despite favorable pricing conditions, CAT exposure is always a long-term underwriting concern. Wildfire, convective storm, coastal wind and other natural catastrophe exposures require disciplined underwriting even as abundant capacity places downward pressure on pricing.

Strategic renewal approach

Price is always part of the renewal discussion, but cheap isn't always the best option. Retailers should evaluate how today's competitive environment can help strengthen overall protection for their clients:

- Review policy wording alongside pricing to identify meaningful coverage differences.
- Revisit deductibles, CAT structures and coverage enhancements implemented during the hard market.
- Consider deductible buy-down opportunities where appropriate.
- Update project valuations and insurance budgets to reflect current market conditions.
- Evaluate long-term carrier stability alongside pricing competitiveness.
- Begin renewal discussions early to maximize negotiating leverage and explore broader program options.

Today's buying market will not last forever. Use current conditions to help secure the best solution for clients. Strengthen coverage, improve policy language and build stable carrier relationships to help position insureds for greater long-term success when market conditions inevitably begin to tighten.

Importantly, in a highly competitive market, early collaboration between retailers, wholesalers and carrier partners can uncover risk management solutions that may not be apparent through pricing comparisons alone.

Be on the lookout

- Continued pricing pressure as abundant capacity competes for fewer construction projects.
- Policy wording becoming a key differentiator as premium differences narrow.
- Expanded opportunities for deductible buy-downs, occupancy flexibility, manuscript wording and broader coverage enhancements.
- Growing London appetite for lead placements, renovation projects and master builder's risk programs.
- Continued growth of build-to-rent solutions and specialized insurance products supporting emerging development models.
- Mega-projects, including data centers and advanced manufacturing facilities, driving specialized underwriting considerations.
- Insurance budgets requiring more frequent review as builder's risk pricing continues evolving.
- The continued importance of underwriting discipline and stable long-term carrier relationships.

We help you win

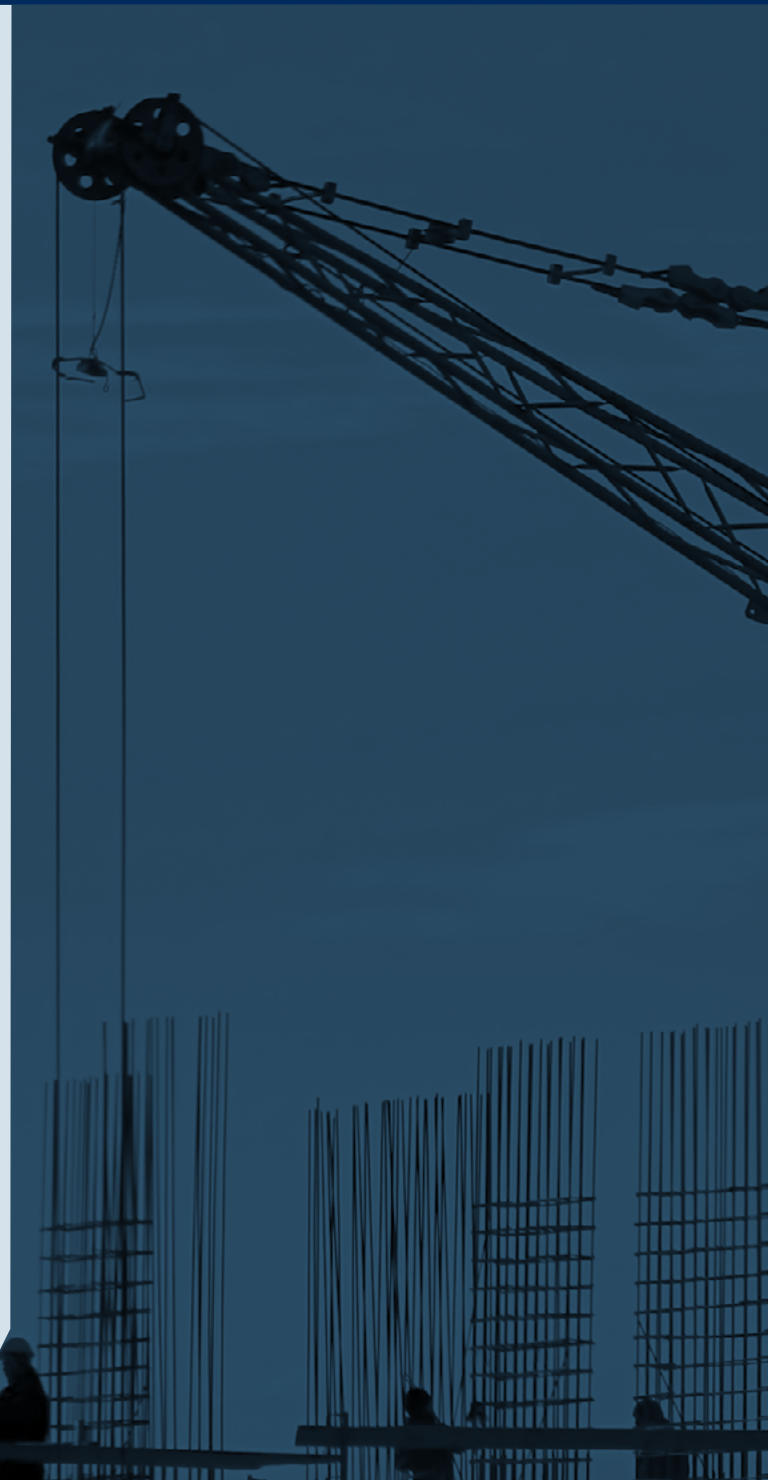
Amwins, through our exclusive products and strategic brokers, is readily equipped to help ensure that your clients get the builder's risk coverage they need and nothing less. In today's competitive marketplace, the right strategy and expert guidance can help you deliver smart, sustainable property solutions for your clients.

Our brokers know the market inside and out. Our access to key players enables us to create solutions that achieve the best combination of rates, terms and conditions. We also bring a robust, data-centric approach to placement of insurance and in support of you and your clients.

Contact your Amwins broker today for more information.

Insights provided by:

- Grant Chiles – EVP and Amwins National Construction Practice Leader
- Chadd Folkes – CEO, Risksmith Residential Solutions
- Eric Guttshall – VP, Amwins Brokerage in Atlanta, GA
- Gary Keenan – Managing Director, Construction, Amwins Global Risks
- Steve Knight – Head of Open Market, Amwins Global Risks
- Brooke Leadbetter – EVP, Amwins Brokerage in Scottsdale, AZ
- Melissa Mears – EVP, Amwins Special Risk Underwriters
- Kerry Pecora – VP, Amwins Special Risk Underwriters
- Adam Terry – EVP and Amwins National Real Estate Practice Leader



CONTACT

To learn more about how Amwins can help you place coverage for your clients, reach out to your local Amwins broker.

LEGAL DISCLAIMER