Commercial Insurance Market to Hit USD 2.07T by 2031 as AI Underwriting Expands Thin-File Coverage | Mordor Intelligence

The commercial insurance market is growing at a 5.86% CAGR from 2026 to 2031, While North America Captured 41.6% market share in 2025.

HYDERABAD, TELANGANA, INDIA, September 16, 2026 /EINPresswire.com/ -- According to Mordor Intelligence, the commercial insurance market size is projected to expand from USD 1.47 trillion in 2025 to USD 1.56 trillion in 2026 and reach USD 2.07 trillion by 2031, at a 5.86% CAGR during 2026–2031. Growth is being supported by rising cyber, climate, and liability risks, along with increasing demand for specialty coverage and proof-of-coverage requirements. Digital channels are also making commercial insurance more accessible to smaller businesses, while AI-driven underwriting and embedded distribution are helping insurers serve buyers with limited insurance histories. However, high casualty loss severity and elevated pricing across general liability and commercial auto remain key challenges for market growth.

Commercial Insurance Market Growth Drivers

Climate Risks Reshape Commercial Property Insurance

Rising climate volatility is changing how insurers evaluate commercial property and business interruption exposure. Increasing risks from floods, hail, windstorms, and other natural hazards are pushing carriers to reassess coverage terms, pricing, and risk appetite, particularly in vulnerable locations. At the same time, stronger catastrophe modelling and reinsurance capabilities are helping insurers manage exposure and continue supporting commercial property buyers. This is making underwriting more selective while creating new opportunities for insurers with better risk assessment capabilities.

Growing Cyber Insurance Demand Among Smaller Businesses

Growing cyber threats are encouraging small and mid-sized businesses to strengthen their insurance protection. Limited coverage among smaller firms leaves a significant protection gap, while growing awareness is helping more businesses consider cyber policies. Insurers are also simplifying products and bundling cyber protection with general and professional liability coverage, making it easier for smaller customers to understand, purchase, and expand their coverage.

Embedded Insurance Expands Digital Access for Smaller Businesses

Embedded insurance is making commercial coverage easier for smaller businesses by bringing policies directly into platforms they already use for sales, banking, and payments. Digital partnerships are helping insurers reach these businesses at key points in their daily operations, reducing the need for separate insurance searches and complex buying processes. At the same time, growing investment in digital-first insurance models is encouraging carriers to explore new distribution channels and strengthen their presence in the small-business segment. This shift is making commercial insurance more accessible while creating new opportunities for insurers to build relationships with underserved customers.

Jayveer V, Senior Research Manager, Mordor Intelligence says, “The commercial insurance market continues to evolve as businesses address a wider range of risks and coverage requirements. Mordor Intelligence’s research applies a consistent approach to market assessment, helping decision makers evaluate industry developments, competitive activity, and changing demand across key markets.”

Recent Developments in the Commercial Insurance Industry

August 20, 2026: AI-native commercial insurance platform Shepherd announced a partnership with Intact Financial Corporation to provide primary and excess casualty coverage across the United States. The agreement expands Shepherd’s commercial insurance capabilities for high-hazard industries.

February 20, 2026: Swiss Re Corporate Solutions agreed to acquire QBE’s Global Trade Credit and Surety business. The deal is intended to strengthen Swiss Re’s commercial insurance capabilities in credit and surety coverage for corporate clients.

Commercial Insurance Market Segmentation Analysis

By Line of Business

Commercial Property Insurance

Commercial Liability Insurance

Commercial Motor Insurance

Professional and Financial Lines (D&O, E&O)

Marine, Aviation and Transport (MAT) Insurance

Workers’ Compensation and Employers’ Liability Insurance

Other Specialty and Niche Lines (Trade Credit, Political Risk, Environmental Liability, Legal Expenses, Parametric)

By Enterprise Size

Large Enterprises

Small and Medium-Sized Enterprises

By Distribution Channel

Agents and Brokers

Direct

Bancassurance

Digital Platforms

By Industry Vertical

Manufacturing

Construction and Real Estate

Information Technology and Telecommunications

Healthcare and Life Sciences

Energy and Utilities

Transportation and Logistics

Retail and Wholesale Trade

Other Industries

Regional Outlook for Commercial Insurance Industry

Europe has a mature commercial insurance market with strong carriers and established specialty capabilities. Demand remains supported by industrial activity and growing business risks, while Central and Eastern Europe offer further opportunities as insurance adoption develops. Regulatory requirements also continue to influence underwriting, capital management, and distribution across the region.

North America remains a major commercial insurance market, supported by mandatory coverage, strong specialty insurance capabilities, and demand for protection against property and casualty risks. The United States continues to drive regional activity, while Canada is seeing increased focus on climate-related risks and Mexico is benefiting from nearshoring and rising demand for commercial coverage. However, casualty claims and pricing pressure remain key challenges.

Asia-Pacific is the fastest-growing regional market, supported by industrial expansion, infrastructure investment, cyber risks, and increasing insurance needs among businesses. India is expected to contribute strongly to regional demand. The Middle East and Africa continue to develop as commercial insurance markets, while South America is seeing opportunities across construction, energy, and trade-related insurance.

The Commercial Insurance Market is also available in the following languages:

Japanese: https://www.mordorintelligence.com/ja/industry-reports/commercial-insurance-market?utm_source=einpr

French: https://www.mordorintelligence.com/fr/industry-reports/commercial-insurance-market?utm_source=einpr

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Commercial Insurance Industry Competitive Landscape

The report describes the competitive landscape of the commercial insurance market, which includes large global insurers alongside regional carriers, mutual insurers, and specialist underwriters serving diverse commercial risk segments. Companies such as Allianz, AXA, Chubb, Zurich Insurance Group, and The Travelers Companies maintain strong positions across large corporate and specialty insurance lines, while regional and niche providers compete through industry expertise and tailored coverage solutions. Competition is increasingly shaped by specialty underwriting capabilities, artificial intelligence-enabled risk assessment, and digital distribution partnerships that improve underwriting efficiency and customer experience. Rising demand for cyber insurance, climate risk solutions, and customized commercial coverage is creating opportunities for both established insurers and specialist providers.

Commercial Insurance Market Key Companies:

Allianz SE

AXA SA

Chubb Limited

Zurich Insurance Group Ltd.

The Travelers Companies, Inc.

American International Group, Inc.

Marsh McLennan Companies, Inc.

Willis Towers Watson Public Limited Company

Liberty Mutual Holding Company Inc.

Berkshire Hathaway Inc.

Discover the latest trends, growth opportunities, and competitive developments in the commercial insurance market: https://www.mordorintelligence.com/industry-reports/commercial-insurance-market?utm_source=einpr

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Specialty Insurance Market Size: The specialty insurance market was valued at USD 134.60 billion in 2025 and is estimated to grow from USD 147.76 billion in 2026 to USD 235.44 billion by 2031, registering a CAGR of 9.77% during the forecast period (2026–2031). Deepening global trade, rising natural catastrophe losses, and emerging risks such as low-Earth-orbit satellites and ESG-linked liabilities are increasing demand for specialized coverage tailored to risks that standard property and casualty insurance policies may not adequately address.

Property and Casualty Insurance Market Share: The property and casualty insurance market is segmented by insurance line, including homeowners and private passenger auto; distribution channel, including direct, independent agents and brokers, and captive agents; customer segment, including personal lines, small commercial (SME), and middle-market commercial; and geography, covering North America, South America, Europe, and other regions. Market forecasts are provided in terms of value (USD).
https://www.mordorintelligence.com/industry-reports/property-and-casualty-insurance-market?utm_source=einpr

Motor Insurance Market Growth: The motor insurance market is moderately fragmented, with multinational insurers and regional players pursuing different strategies focused on telematics adoption, embedded distribution, and artificial intelligence-driven claims management. Leading Latin American insurers such as Qualitas are strengthening their market presence through data-driven pricing and cross-border expansion. Strategic partnerships and acquisitions are also supporting digital scale and cost efficiencies, while the shift toward online distribution is creating new opportunities for insurers to expand their presence across personal lines and other digitally accessible segments.

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With a team of over 550 domain experts and on-ground specialists spanning 150+ countries, Mordor Intelligence possesses a unique understanding of the global business landscape. This expertise translates into comprehensive syndicated and custom research reports covering a wide spectrum of industries, including aerospace & defense, agriculture, animal nutrition and

wellness, automation, automotive, chemicals & materials, consumer goods & services, electronics, energy & power, financial services, food & beverages, healthcare, hospitality & tourism, information & communications technology, investment opportunities, and logistics.

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