



Fidelman & Co.



QUESTION

TAM - Property and Casualty Market: Commercial Assets

INSIGHTS

- We have triangulated the TAM for commercial property and casualty market in 2017 as \$232.1812 billion (NAIC).
- The 2016 commercial property and casualty market size is between \$225.2 billion and \$244.9 billion.
- The NAIC separates the property and casualty market into three segments; commercial property insurance, commercial casualty insurance, and combined lines.

OVERVIEW

Through our research, we have calculated that the total addressable market for the commercial property and casualty market in 2017 is [\\$232.1812 billion \(2\)](#) and the [2016 \(5\)](#) commercial property and casualty market size is between [\\$225.2 billion \(5\)](#) (NAIC) and [\\$244.9 billion \(3\)](#) (iii). Our findings are detailed below:

TAM for commercial Property and Casualty market

After conducting a thorough and extensive search to determine the total addressable market for the property and casualty market for commercial assets, we found data from two credible sources:

- 1) Insurance Information Institute (iii)
- 2) National Association of Insurance Commissioners (NAIC)

We found that the Insurance Information Institute divides United States properties into [two \(3\)](#) segments:

- 1) [Personal lines \(3\)](#) – insurance cover for [homes \(4\)](#) and cars for individuals.
- 2) [Commercial lines \(3\)](#) – specific insurance products for commercial businesses. For example; buildings, [buildings content \(1\)](#), [inventory \(1\)](#), and [equipment \(1\)](#).

The NAIC divides the property and casualty market into [three \(1\)](#) segments:

- 1) Commercial [Property \(1\)](#) Insurance – covers building and the contents of the building, including equipment and inventory.
- 2) Commercial [Casualty \(1\)](#) Insurance – covers against lawsuits for "[injury \(1\)](#), property damage or [negligence \(1\)](#) caused by the business."
- 3) [Combined \(1\)](#) lines – a combination of property and casualty insurances as most businesses need both types of covers to be "adequately protected and [meet \(1\)](#) [requirements \(1\)](#) of outside stakeholders."

When collecting data, we ensured the facts are related to the commercial property and casualty market. We found data from NAIC for 2016 and triangulated a response for 2017 as detailed below. The only data available for Insurance Information Institute was 2016 figures. Data for 2017 was locked behind a paywall and therefore was not publicly available. With no available data as to the CAGR, we were unable to triangulate 2017 figures.

Calculations

NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS (NAIC)

In [2016 \(5\)](#), the NAIC property and casualty market size was [\\$612.1 \(5\)](#) billion. The commercial assets segment of the property and casualty market was [\\$225.2 \(5\)](#) billion ([36.8% \(5\)](#) of the total).

In [2017 \(2\)](#), the NAIC property and casualty market size was [\\$641.1 \(2\)](#) billion. The commercial assets segment of the property and casualty market was stated as having [3.1% \(2\)](#) Year on Year growth for combined lines. We have triangulated the figure for 2017 therefore as:

[3.1% \(2\)](#) growth rate x [\\$225.2 \(5\)](#) billion.
 $0.031 \times 225.2 = 6.9812$
 $\$225.2 + \$6.9812 = \$232.1812$

The total addressable market for the commercial property and casualty market in 2017 is \$232.1812 billion.

INSURANCE INFORMATION INSTITUTE (iii)

In 2016, the property and casualty market size was [\\$533.5 \(3\)](#) billion. The commercial assets segment of the property and casualty market was [\\$244.9 \(3\)](#) billion ([45.9% \(3\)](#) of the total).

Data for 2017 is behind a paywall and therefore not publicly available. With no data publicly available for 2017, we have not been able to triangulate an answer for 2017 figure on basis of the 2017 data from Insurance Information Institute.

Conclusion

In conclusion, we have determined that the United States total addressable market for the commercial property and casualty market in 2017 is \$232.1812 billion (NAIC). The [2016 \(5\)](#) commercial property and casualty market size is between [\\$225.2 billion \(5\)](#) (NAIC) and [\\$244.9 billion \(3\)](#) (iii).

We found that the Insurance Information Institute (iii) divides United States properties into [two \(3\)](#) segments; [personal lines \(3\)](#) and [commercial lines \(3\)](#). The NAIC divides the property and casualty market into [three \(1\)](#) segments; commercial [property \(1\)](#) insurance, commercial [casualty \(1\)](#) insurance, and [combined \(1\)](#) lines.

SOURCES

1) Difference Between Commercial Property & Casualty Insurance

<https://yourbusiness.azcentral.com/difference-between-commercial-property-casualty-insurance-28679.html>

2) U.S. Property and Casualty Insurance Industry | 2017 Full Year Re

http://www.naic.org/documents/topic_insurance_industry_snapshots_2017_property_casualty_industry_report.pdf

3) Facts + Statistics: Commercial Lines | III

<https://www.iii.org/fact-statistic/facts-statistics-commercial-lines>

4) Introduction

<https://www.iii.org/publications/commercial-insurance/introduction>

5) U.S. Property and Casualty Insurance Industry | 2016 Full Year Results

http://www.naic.org/documents/topic_insurance_industry_snapshots_2016_prop_cas_title_ins_ind_report.pdf