



Insurance Premium Finance Quarterly Update: 2025 Third Quarter



Mergers & Acquisitions
Capital Raising
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Welcome to the quarterly update for the Insurance Premium Finance industry. Insurance Premium Finance is a lucrative \$60+ billion industry, in which Colonnade is the leading financial advisor to both buy-side and sell-side clients.

Colonnade has successfully advised on and executed over two dozen transactions within the insurance premium finance space throughout a wide range of macroeconomic environments. Colonnade's wealth of industry expertise enables our team to navigate transactional nuance and maximize value, delivering optimal outcomes for our clients. This report analyzes data from the third quarter of 2025.

The insurance premium finance industry is broadly composed of commercial lines property & casualty, personal lines property & casualty, and life insurance premium finance. Our quarterly updates focus on the commercial lines segment, with occasional coverage of adjacent sectors. We report on developments across both U.S. and Canadian markets.

The Colonnade team maintains close relationships with a vast network of industry operators and provides this report to our readers to keep them up to date on relevant industry news, sourced primarily from those banks that report segment results for their insurance premium finance verticals.



For more information on the insurance premium finance industry, read Colonnade's recent whitepaper: [Commercial Lines IPF Fall 2025](#)

OUR QUARTERLY UPDATE COVERS:

- 1 Financial Results For Select Industry Players
- 2 Recent Transactions
- 3 Industry Outlook

1 FINANCIAL RESULTS FOR SELECT INDUSTRY PLAYERS

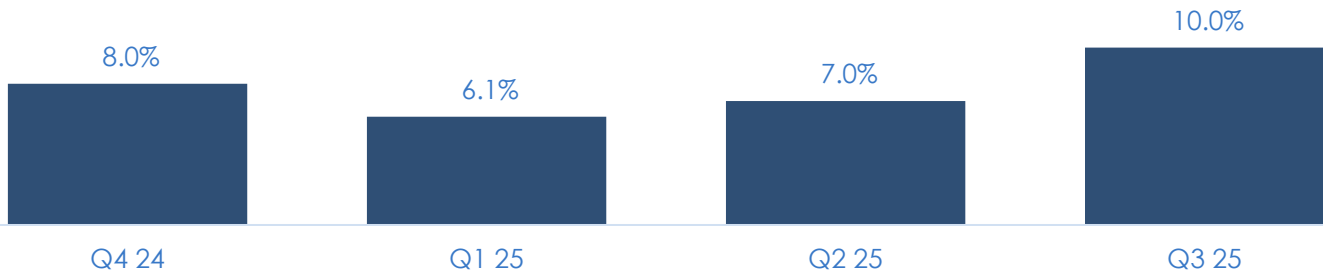
Of the largest firms, few are owned by public banks that report segment data for their premium finance groups. On an aggregate basis, these companies reported a significant increase in outstandings year-over-year.

	P&C OUTSTANDINGS ¹	Q/Q CHANGE	Y/Y CHANGE
FIRST INSURANCE[®] <small>FUNDING</small> <small>A WINTRUST COMPANY</small>	\$8,366	0.5%	10.8%
 US PREMIUM FINANCE[®] <small>A DIVISION OF AMERIS BANK</small>	\$1,358	5.0%	9.0%
 Peoples <small>PREMIUM FINANCE</small>	\$273	(1.7%)	(4.8%)
AGGREGATE REPORTED		1.0%	10.0%

Adjusted for partial portfolio sale

¹\$ in millions

ANNUAL GROWTH RATE OF COMPOSITE INDEX (Y/Y change)¹



COMMENTARY

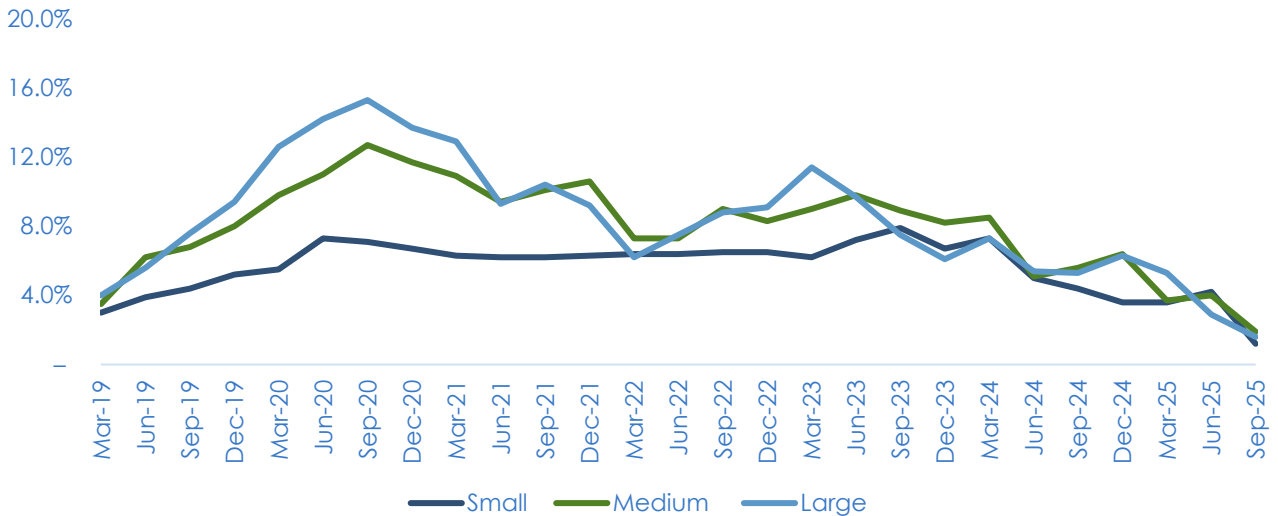
The property and casualty (P&C) insurance premium finance market continued to expand in Q3 2025, with the adjusted growth index increasing 10.0% year-over-year, accelerating from 7.0% growth in the prior quarter. Sequential growth moderated relative to the typical seasonal uplift observed in Q2, but overall market momentum remained positive.

Financial results among leading public premium finance providers were mixed. First Insurance Funding reported a modest quarter-over-quarter increase in outstandings. US Premium Finance recorded mid- to high-single-digit growth in outstandings on both a quarterly and annual basis, while Peoples Premium Finance reported declines in outstandings both quarter-over-quarter and year-over-year.

¹Adjusted for partial portfolio sale

INSURANCE PREMIUM PERFORMANCE – PROPERTY & CASUALTY¹

Commercial P&C insurance premiums rose 1.6% quarter-over-quarter on average in Q3 2025, down from 3.7% in Q2, as aggressive carrier competition—especially for small business—and expanding market capacity continued to pressure pricing. As a line of business, Commercial property rates declined slightly, turning negative for the first time since 2017.



SMALL ACCOUNTS

Small accounts, defined as insureds that pay less than \$25k in commissions and fees to insurance agents and brokers, saw average premium increases of 1.2% in Q3 2025, down from 4.2% in Q2. CIAB survey respondents attributed the lighter increase to especially aggressive carrier competition for small business.

MEDIUM ACCOUNTS

For medium accounts, defined as insureds that pay between \$25k and \$100k in commissions and fees, average premiums increased 1.9% in Q3 2025, below the 4.0% growth reported in Q2.

LARGE ACCOUNTS

Large accounts, defined as insureds that pay more than \$100k in commissions and fees, recorded average premium increases of 1.6% in Q3 2025, down from 2.9% in Q2.

COMMENTARY

The underlying P&C market continued to soften in Q3 2025, with premium increases moderating across every account size. Against that backdrop, the tracked premium finance platforms' outstandings remained relatively stable.

RATE ENVIRONMENT:

During Q3 2025, the Fed shifted its stance and began easing rates. In September, the target range for the Federal Funds rate was set at 4.00%-4.25%. By mid-December, the Fed had cut rates two more times, by 25 bps each time. For premium finance lenders and borrowers, this transition lowers funding costs and makes financing more attractive.

PERSISTENT MARKET SOFTENING:

Commercial P&C premium increases continued to moderate in Q3, reflecting intensifying carrier competition and growing capacity across much of the market. With premium growth flattening, loan sizes (and therefore outstandings growth) naturally face a cap, contributing to the modest quarterly expansion.

In their Q3 2025 earnings call, Wintrust's management responded to a question about the outlook for P&C premium finance performance:

WINTRUST

"We continue to be bullish on P&C. We're taking market share and delivering a strong product for customers. Over the last five years, we've seen steady growth, including an increase in the number of accounts even excluding market effects. While there may be some softening in certain lines, overall the market continues to look firm for us, and we remain optimistic."

- Richard Murphy, Vice Chairman and CLO
Wintrust

¹Excluding Agile Premium Finance

²FOMC Press Release, May 2025

³CIAB Commercial Property/Casualty Market Survey

2 RECENT TRANSACTIONS

FINANCING TRANSACTIONS



- In August 2025, IPFS raised an aggregate \$700 million of asset-backed notes secured by insurance premium finance loans. The issuance was structured across two series
- In total, IPFS has raised \$1.75 billion in the capital markets in 2025

3 OUTLOOK AND CONCLUSION

OUTLOOK

Insurance premium finance remains an attractive asset class for banks and independent operators, supported by a history of strong risk-adjusted returns and low credit losses. The short average duration of premium finance loans enables lenders to reprice portfolios quickly as market conditions evolve.

While the underlying commercial P&C market continues to soften and premium increases have moderated across account sizes, demand for premium financing has remained steady. Tracked platform outstandings were relatively stable in Q3 2025, and the adjusted growth index accelerated to 10.0% year-over-year, reflecting continued origination activity.

The shift toward a lower-rate environment further supports the asset class. Federal Reserve rate cuts during Q3 and Q4 2025 reduce funding costs for lenders and improve affordability for borrowers, increasing the relative attractiveness of financing even as premium growth flattens. Although softer pricing and increased carrier competition may slow loan size growth, premium finance is well positioned to benefit from stable demand, improved funding economics, and the asset class' inherent structural protections.

CONCLUSION

Colonnade has been either the sell-side or buy-side M&A advisor for most transactions within the insurance premium finance space over the past 20 years. These complex transactions require an investment banking team with a wealth of industry experience, insider-level mastery, competitive positioning, and a vast network of buyer relationships. If you own a premium finance company or you are contemplating an acquisition in the space, please contact us. The Colonnade team is an expert industry resource for you to leverage as you consider your next steps.

Our podcast and White Paper on the Insurance Premium Finance industry may also be of interest. In these industry overviews, we answer the following questions:

- What is the Insurance Premium Finance Industry?
- How are insurance premium finance companies valued?
- Why are Insurance Premium Finance companies attractive to buyers?
- How has the Insurance Premium Finance industry changed over time?
- What are the key drivers of valuation for Insurance Premium Finance companies?
- How can Insurance Premium Finance companies differentiate themselves in the market?
- Is there a sweet spot in terms of loan size and yields for high-value Insurance Premium Finance businesses?
- What advice would you give to owners of insurance premium finance companies to get them ready to go to market?



COLONNADE IS THE LEADING ADVISOR TO THE INSURANCE PREMIUM FINANCE INDUSTRY

 has sold its premium finance division to  The undersigned acted as exclusive financial advisor to Pathward COLONNADE	 was sold to  COLONNADE	 was sold to  COLONNADE	 was sold to  COLONNADE	 raised capital from COPLEY EQUITY PARTNERS COLONNADE	 was sold to  COLONNADE
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This advertisement was prepared in December 2025. It is not investment advice, and Colonnade undertakes no obligation to update the information contained herein.

Sources: Insurance Information Institute, S&P Capital IQ, Insurance Insider US, company presentations, public disclosure, regulatory filings, and Colonnade research and estimates.

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