

# Insurance Premium Finance Quarterly Update: 2026 First 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 fourth 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

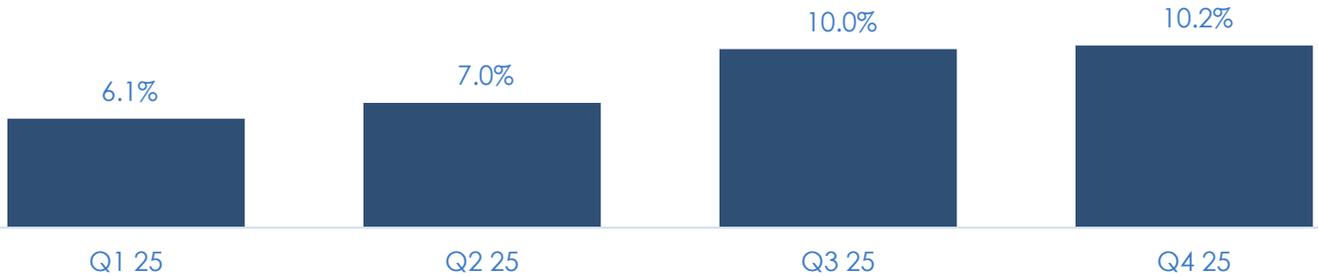
Of the largest firms, few are owned by public banks that report segment data for their premium finance groups. This quarter, reported balances declined modestly on a sequential basis but remained higher year-over-year.

	P&C OUTSTANDINGS <sup>1</sup>	Q/Q CHANGE	Y/Y CHANGE
 A WINTRUST COMPANY	\$8,183	(2.2%)	10.4% <sup>2</sup>
 A DIVISION OF AMERIS BANK	\$1,306	(3.8%)	13.0%
	\$253	(7.4%)	(6.1%)
<b>AGGREGATE REPORTED</b>		<b>(2.6%)</b>	<b>10.2%</b>

<sup>1</sup>\$ in millions

<sup>2</sup>Adjusted for partial portfolio sale

## ANNUAL GROWTH RATE OF COMPOSITE INDEX (Y/Y change)<sup>1</sup>



### COMMENTARY

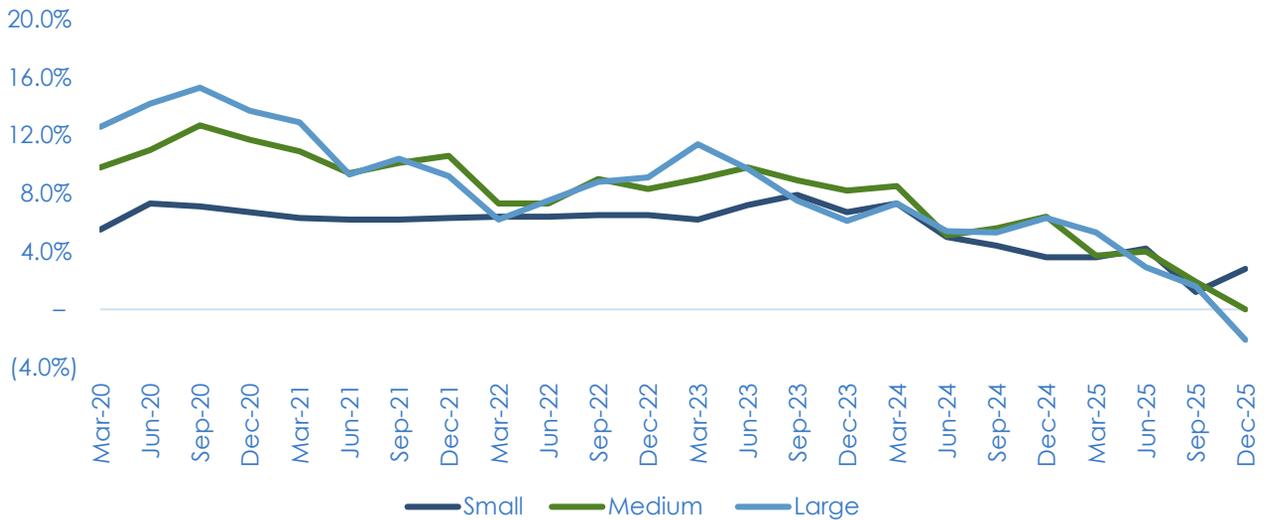
The property and casualty (P&C) insurance premium finance market showed steady performance this quarter, with aggregate outstandings increasing 10.2% year-over-year. On a sequential basis, portfolios declined modestly by 2.6%.

Performance across tracked public platforms was broadly consistent with last quarter. First Insurance Funding and US Premium Finance both reported modest quarter-over-quarter declines while continuing to generate solid year-over-year growth. In contrast, Peoples Premium Finance saw outstandings decline on both a sequential and year-over-year basis.

<sup>1</sup>Adjusted for partial portfolio sale

## INSURANCE PREMIUM PERFORMANCE – PROPERTY & CASUALTY<sup>1</sup>

Commercial P&C insurance premiums rose just 0.2% quarter-over-quarter on average in Q4 2025, down from 1.6% in Q3, as the market moved further into a softening phase. Increased carrier competition in the medium and large account segments, as well as expanded underwriting capacity, continued to pressure pricing.



### SMALL ACCOUNTS

Small accounts, defined as insureds that pay less than \$25k in commissions and fees to insurance agents and brokers, recorded average premium increases of 2.8% in Q4 2025, up from 1.2% in Q3. While competition intensified for medium and large accounts, some carriers maintained tighter underwriting standards and limited capacity in the small business segment, allowing premiums to continue increasing.

### MEDIUM ACCOUNTS

Medium accounts, defined as insureds that pay between \$25k and \$100k in commissions and fees, did not experience any premium change in Q4 2025, staying flat compared to a 1.9% increase in Q3.

### LARGE ACCOUNTS

Large accounts, defined as insureds that pay more than \$100k in commissions and fees, saw average premium decreases of 2.1% in Q4 2025, compared to a 1.6% increase in Q3. This marked the first quarterly decline for large accounts since the last soft market cycle ended in 2017.

## COMMENTARY

### **P&C PREMIUMS:**

Commercial P&C premiums increased just 0.2% quarter-over-quarter, slowing from 1.6% growth in Q3 as the market continued to soften amid increased carrier competition and expanded underwriting capacity. This moderation limits the growth in financeable premium volume, particularly in medium and large accounts, where pricing was flat and down 2.1%, respectively. While small accounts continued to post premium increases, the broader slowdown in premium rate momentum likely contributed to the modest sequential decline in IPF outstandings during the quarter.

### **RATE ENVIRONMENT:**

The Federal reserve reduced the federal funds rate in October and December, bringing the target range to 3.50%-3.75% by year-end. For insurance premium finance lenders and borrowers, lower rates reduce funding costs and make financed premiums more attractive.

In their Q4 2025 earnings call, Wintrust's management responded to a question about whether the upcoming seasonally-strong second quarter would be impacted by softening in the P&C insurance market:

## WINTRUST

"For the last couple of years, we've had the benefit of premiums going up. That may not be the case right now. We don't think they're working against us, but we still expect a strong second quarter. It's a seasonal component of the Property & Casualty premium finance business, and we would expect to have a good second quarter."

- Timothy Crane, CEO, President & Director  
Wintrust

## 2 RECENT TRANSACTIONS

There were no significant M&A or financing transactions in the fourth quarter.

At the end of September 2025, Standard Premium Finance Holdings announced the closing of a revolving credit facility providing up to \$115 million in borrowing capacity, incorporating an initial commitment of \$75 million and an additional \$40 million accordion feature. The syndication, led by First Horizon Bank, includes participation from Flagstar Bank and Cadence Bank.

## 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.

The commercial P&C insurance market continues to transition into a softer phase, with premium growth moderating across account sizes and turning negative in larger accounts. While this has begun to temper the growth in financeable premium volumes, demand for premium finance has remained resilient. Tracked platform outstandings declined modestly on a sequential basis in Q4 2025, reflecting typical seasonal dynamics and softer premium trends, but the adjusted growth index remained solid at 10.2% year-over-year, indicating continued underlying origination activity.

The evolving rate environment remains favorable for the asset class. Federal Reserve rate cuts during the second half of 2025 have reduced funding costs for lenders and improved affordability for borrowers, supporting demand for premium financing even as premium growth slows. While softer P&C pricing may weigh on portfolio growth, premium finance continues to benefit from stable demand, improving funding costs, and strong 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 March 2026. 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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