



Insurance Working for REALTORS®

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Insurance Information Institute (Triple-I) and Its Mission



We are the trusted source of unique, data-driven insights on insurance

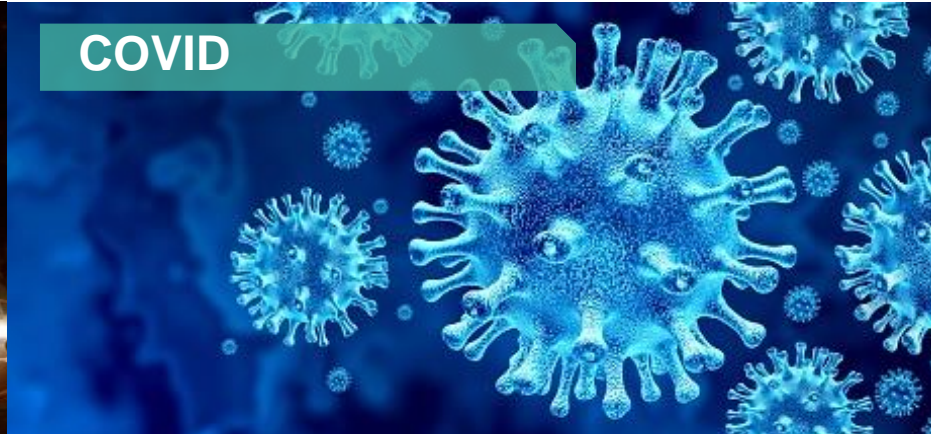
To inform and empower industry stakeholders and consumers

The Disruption Continuum

Catastrophes



COVID



Economics



INSURANCE



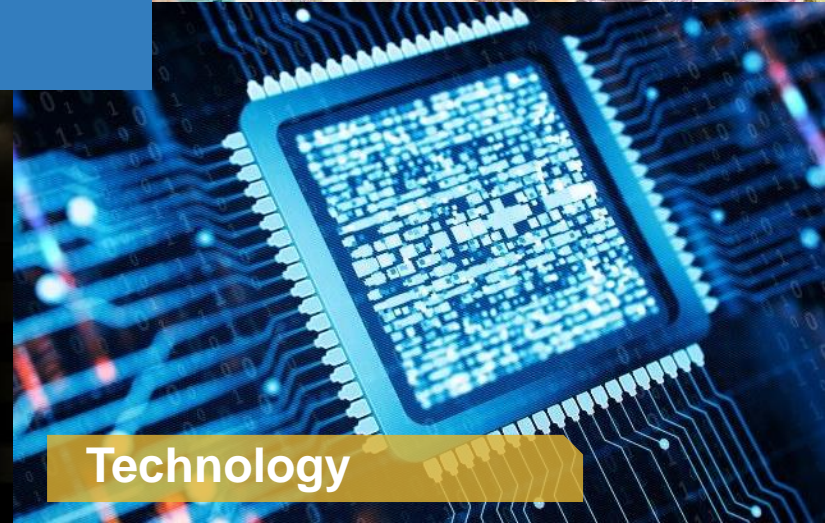
Geopolitical



Social Unrest

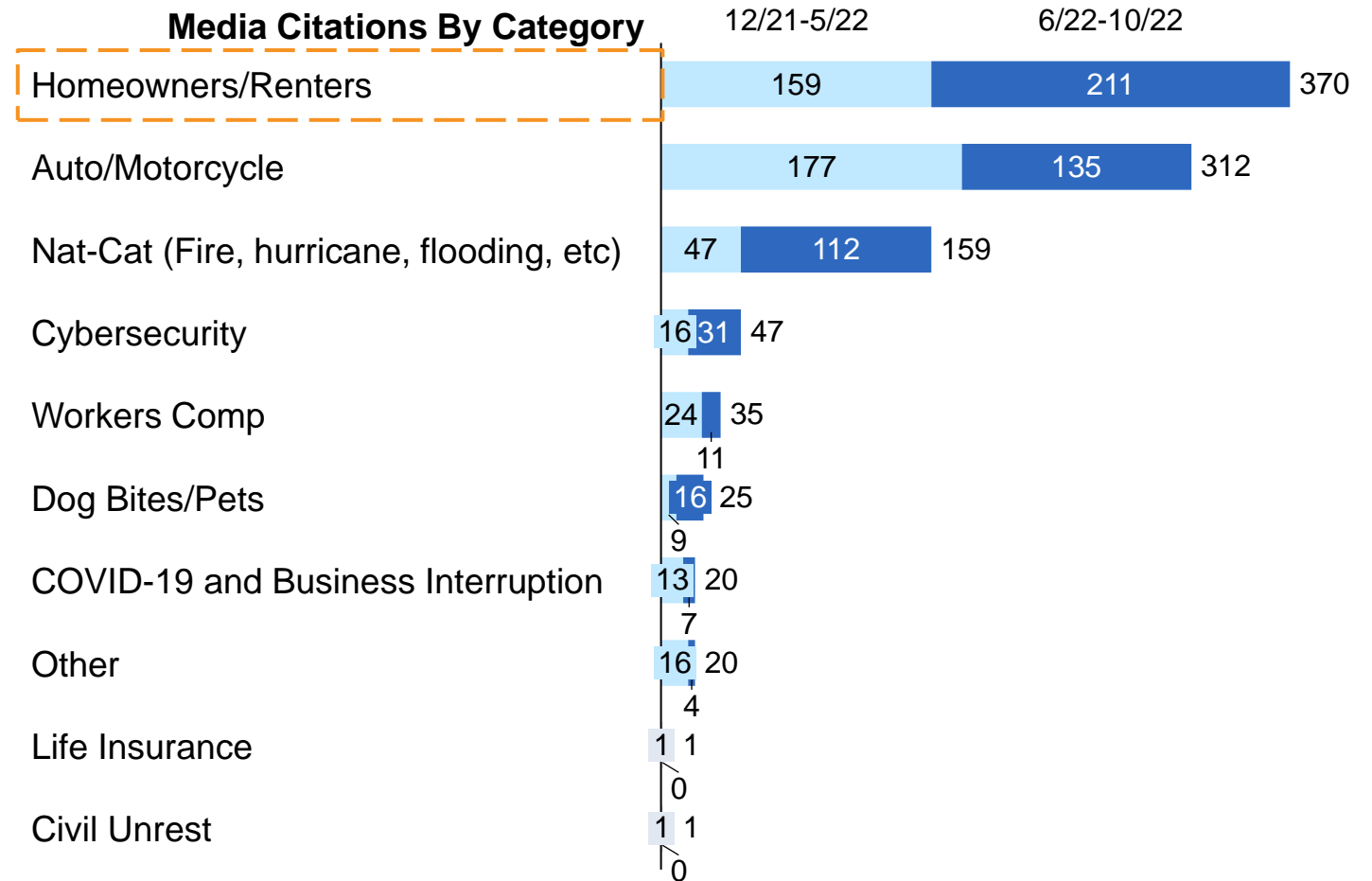


Technology



What's News In Insurance

- 63% of Natural Catastrophe mentions discussed flood insurance in the aftermath of Hurricane Ian.



Insurance Rates & Inflation

How Economic Inflation Impacts Rate Increases

3



2



1

Insurance Rates

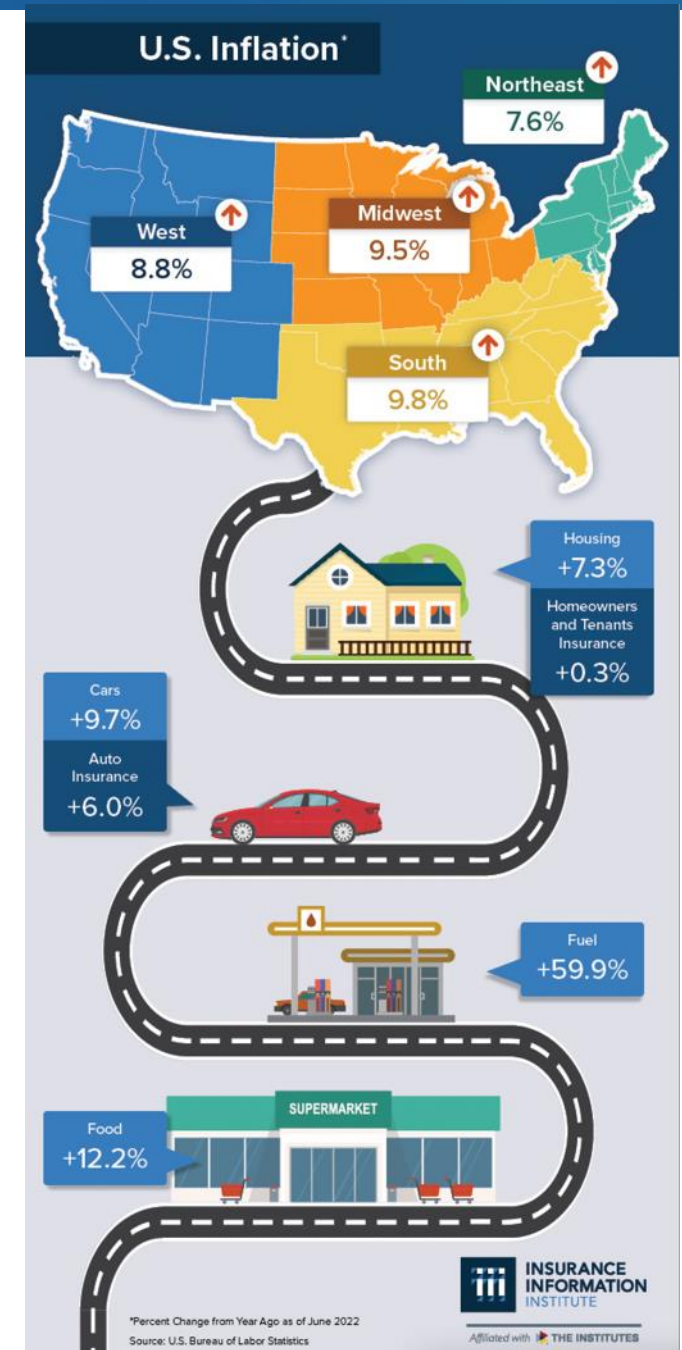
- Repair & rebuild costs (#1 and #2 below)
- Cost of doing business (ex: operations)
- Regulatory set profit margins

Insurance Replacement Costs

- Cost of lumber to rebuild destroyed house
- Cost of clothes, furniture, and appliances to replace
- Cost of auto parts to replace and labor to repair

U.S. Inflation

- Single family home building materials prices
- Retail costs of clothes and appliances
- Auto parts and labor costs



P&C Industry Macroeconomic Drivers

Financial and insurance output drops significantly; Historical changes from Q4 return 2022 closer to last three years' average as top inflation drivers fast-track return to historical averages

Growth & Inflation (Change YoY%)	2021	2022	2023 YTD	2024	2025
Growth					
U.S. Real GDP	5.80%	2.08%	1.85%	1.70%	1.80%
P&C Underlying Growth	1.07%	1.95%	-1.17%	2.98%	2.50%
Inflation					
U.S. Inflation	7.10%	6.42%	6.5%	2.30%	2.00%
P&C Replacement Costs	11.75%	8.10%	2.40%	0.91%	1.01%

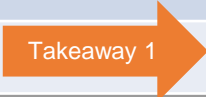
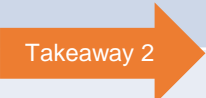
Key Takeaway

Macroeconomic Drivers Only

Source: BLS, BEA, FRED; Sectors Output: Analysis: Triple-I; as of 02/05/2023

Homeowners

Retail trade collapses while the pace of increase in replacement costs for construction materials and homeowners contents slows down

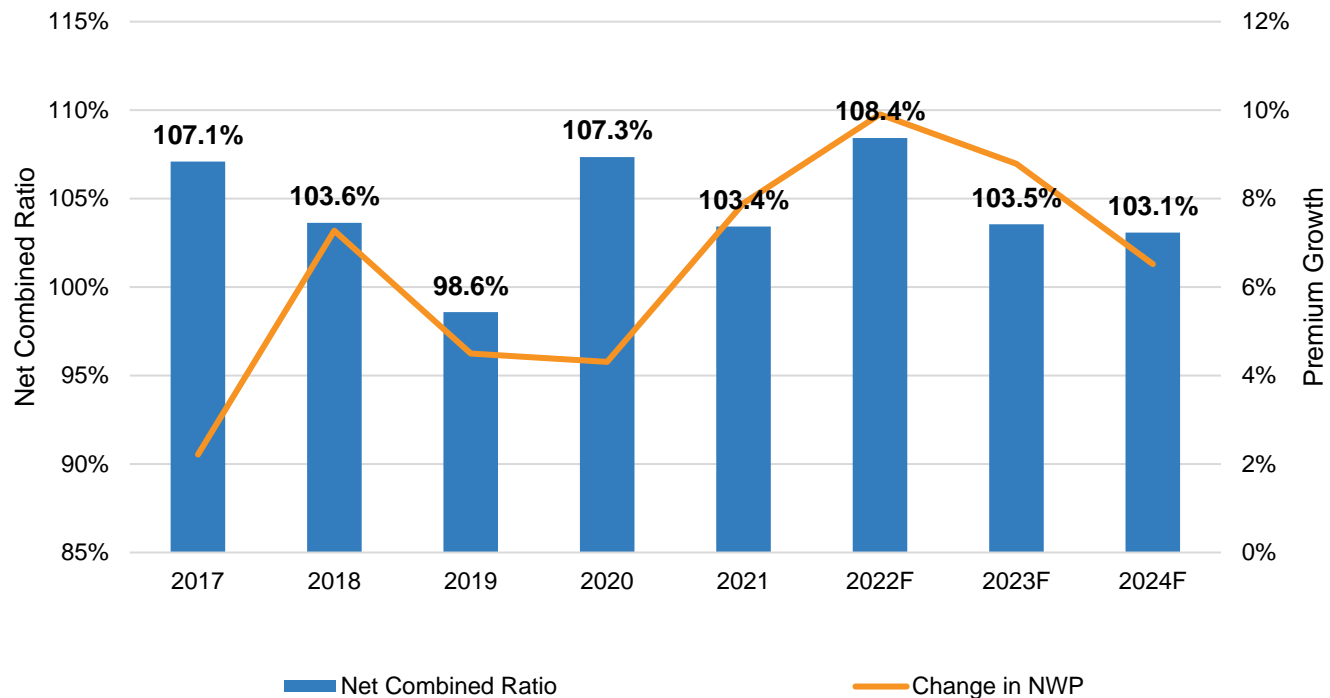
Homeowners (Change YoY%)	2021	2022	2023 YTD	2024	2025
Underlying GDP Growth	-11.36%	1.37%	-2.60%	3.80%	3.95%
Housing Units Starts	-13.00%	0.25%	-0.70%	4.18%	4.18%
All Construction Employment	6.80%	3.60%	3.66%	3.78%	4.10%
Retail Trade 	-14.70%	1.38%	-12.68%	3.04%	3.34%
Replacement Costs	13.39%	7.64%	3.26%	1.74%	2.12%
Shelter	3.20%	6.60%	5.40%	3.33%	3.35%
Household Furnishing & Supplies 	4.80%	10.17%	4.33%	-0.60%	-1.15%
Construction Materials	22.77%	6.15%	0.07%	2.49%	4.17%

Macroeconomic Drivers Only

Source: BLS, BEA, FRED; Sectors Output: Analysis: Triple-I; as of 02/05/2023

Homeowners

Net Combined Ratio and Change in NWP



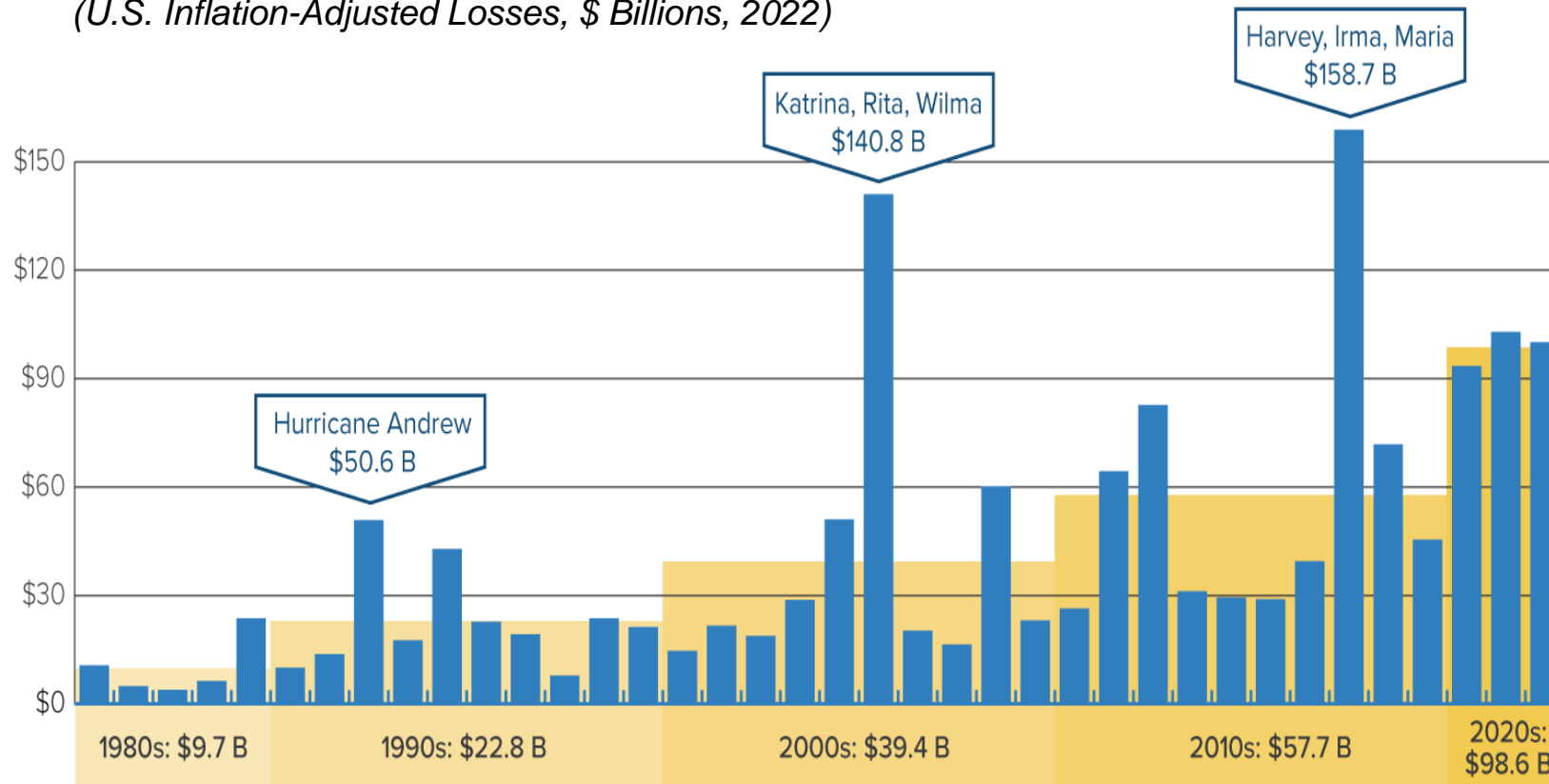
- 2022 Net Combined Ratio forecast at 108.4, reflecting latest estimate for Hurricane Ian and winter storms
- Forecast to improve in 2023 and 2024 but remain an underwriting loss throughout this horizon
- Net Written Premium forecast to grow 9.9% in 2022 due to rate and exposure increases
- Loss pressures and expected catastrophes indicate greater rate increases are needed to restore Homeowners to an underwriting profit

Sources: NAIC Statutory Financial Data through S&P Global Market Intelligence
 Analysis (as of 2/7/2023): Insurance Information Institute, Milliman.

Evolution of Climate Risk

U.S. Catastrophe Losses Steadily Climbing

(U.S. Inflation-Adjusted Losses, \$ Billions, 2022)

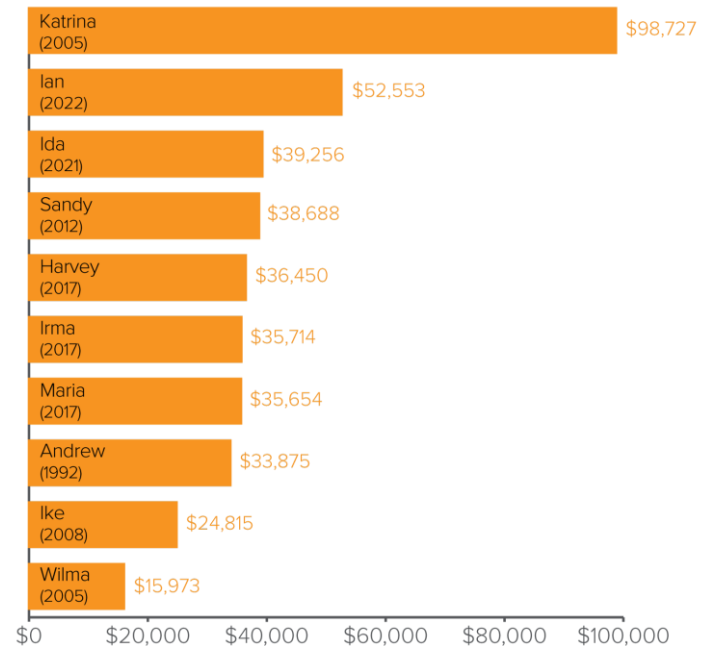


*Includes insured losses from all natural perils.

Source: Aon (Catastrophe Insight)

10 Costliest U.S. Hurricanes

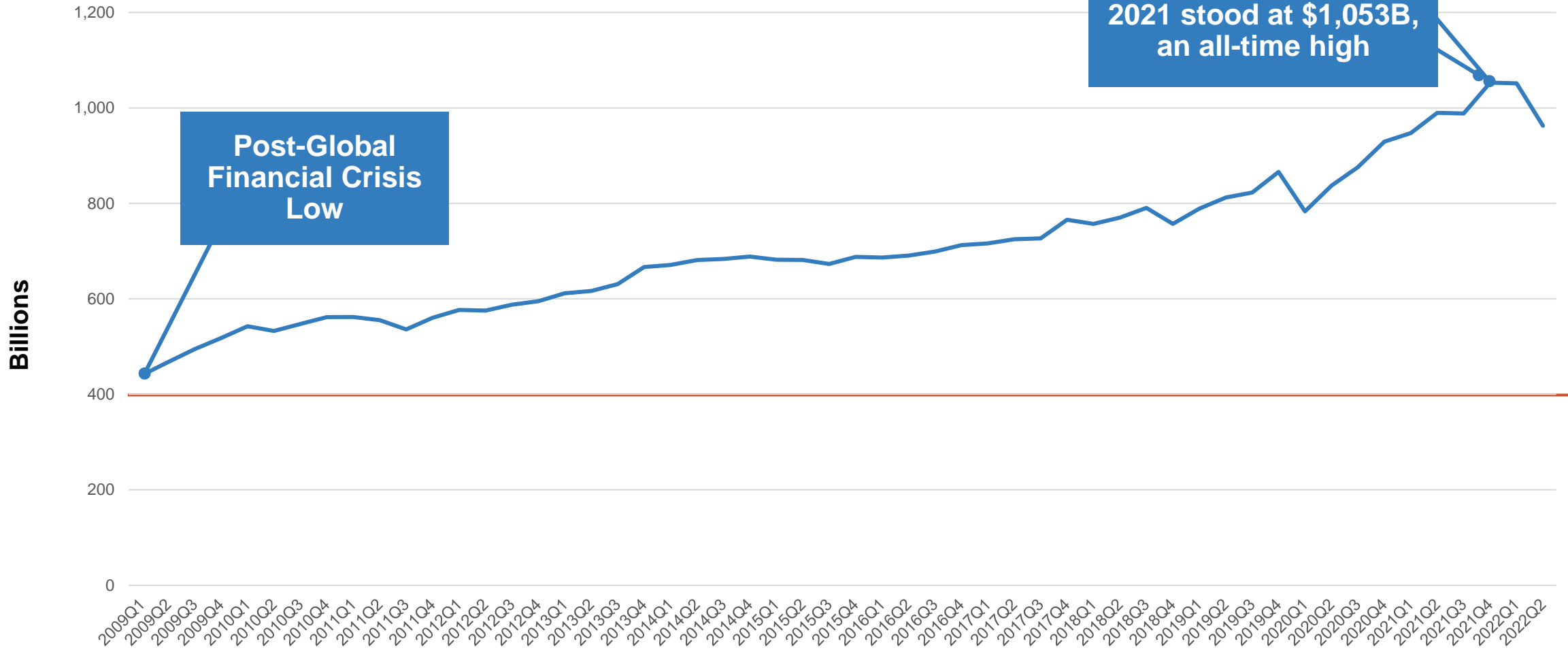
(\$ millions, in 2022 dollars)



Includes Puerto Rico and the U.S. Virgin Islands and losses sustained by private insurers and government-sponsored programs such as the National Flood Insurance Program. Includes hurricanes that occurred through 2022. Subject to change as loss estimates are further developed. As of January 2023. Ranked on insured losses in 2022 dollars. Adjusted for inflation by Aon using the U.S. Consumer Price Index.

Risk transfer is essential, but just one tool in the resilience toolkit alongside risk modeling, technology, public policy, finance, and science

Macro Solvency a.k.a. Policyholders Surplus 2009-2022 Quarterly



Policyholder Surplus: Positive

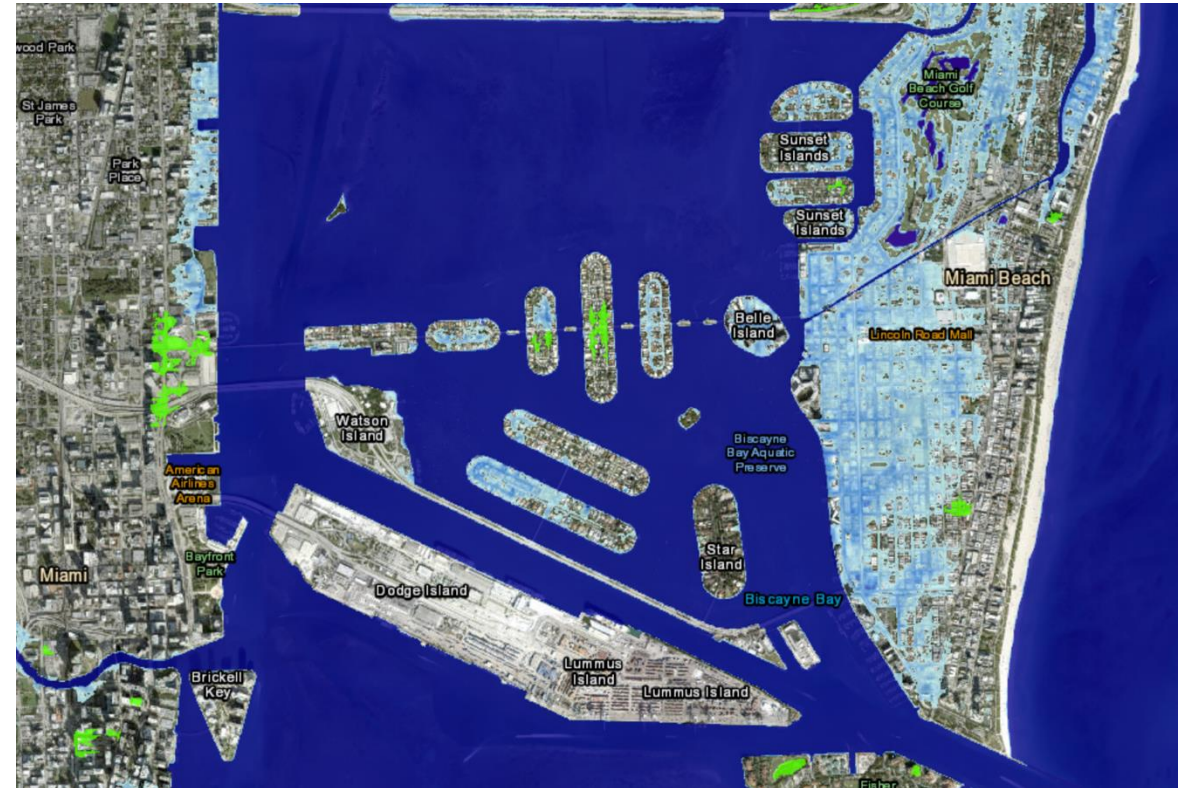
Sources: NAIC data sourced through S&P Global Intelligence; Insurance Information Institute.

People are Living More In Harm's Way

Miami Beach: 2022



Miami Beach: +3'



Select a state or year from the dropdown button or scroll over a county to see changes in historical NFIP take-up rates since 2010. Color-coding represents the size of change in take-up rates.

State:

Year:

New York

Policies: 3,859,221

Housing Units: 89,863,724

[Learn more about the data >](#)

[Reset Data](#)

% insured: < 1.0% < 2.0% < 10.0% ≥ 10.0%

New York

Westchester County

Policies: 13,870
Housing Units: 370,974
NFIP TIV: \$273B
NFIP Premium: 268,766,000,000
NFIP Take-Up: 3.7%

OX

Gulf of

© Mapbox © OpenStreetMap [Improve this map](#)

Triple-I's Objective

Drive **behavioral change** to help people and communities better manage risk and become more resilient



Data-driven resilience insight | resilience.iii.org

Peril Maps

Hurricanes Floods

Select a state or year from the dropdown button or scroll over a county to see changes in historical NFIP take-up rates since 2010. Color coding represents the size of change in take-up rates.

State:

Year: 2020

South Carolina

Policies: 4,458,642
Housing Unit: 23,928,728

Learn more about the data >

Peril Maps

Hurricanes Floods

Select a state from the dropdown button or scroll over a state to see the climatological probability of any state being impacted by a hurricane or tropical storm.

Resilience Ratings 2021

State:

Year:

Peril Maps

Hurricanes Floods

Select a state from the dropdown button or scroll over a state to see the climatological probability of any state being impacted by a hurricane or tropical storm. Storms are economic losses caused by individual storms and losses incurred by insurers.

Hurricanes Forecasts

State:

Year:

Peril Maps

Hurricanes Floods

Select a state from the dropdown button or scroll over a state to see the climatological probability of any state being impacted by a hurricane or tropical storm. Storms are economic losses caused by individual storms and losses incurred by insurers.

Hurricanes Insured Losses

State:

Year:

Peril Maps

Hurricanes Floods

Select a state from the dropdown button or scroll over a state to see the climatological probability of any state being impacted by a hurricane or tropical storm. Storms are economic losses caused by individual storms and losses incurred by insurers.

Flood FSHA Exposure

State:

Year:

Peril Maps

Hurricanes Floods

Select a state from the dropdown button or scroll over a state to see the climatological probability of any state being impacted by a hurricane or tropical storm. Storms are economic losses caused by individual storms and losses incurred by insurers.

Hurricanes Tracker

State:

Year:

RESILIENCE ACCELERATOR

PERIL MAPS RESILIENCE BLOG EVENTS VISION ABOUT CONTACT

Resilience Blog

SEPTEMBER 10, 2021
California Weekly Update: 09/10/21
Click here to read the latest news from California and the West, compiled by Janet Ruiz, Triple-I's Director of Strategic [...]

SEPTEMBER 10, 2021
Florida Weekly Update 9/10/21

AUGUST 19, 2021
Weather Update: Tropical Storm Henri

AUGUST 17, 2021
Bermuda and Insurance: Small County, Mighty Contribution

AUGUST 16, 2021
California Weekly Update: 08/13/21

View all articles >

Learn more about the project

The Resilience Project

Learn more about the Triple-I Resilience Accelerator's tools to transform how communities use insurance how mitigation to increase resilience and preemptive risk weather events and fast-track recovery post natural disasters.

The power of resilience

In this video Sean Kevelighan, CEO of the Triple-I, discusses the project and its goal to use data as a tool to help people visualize and understand the risk of natural catastrophes as more people move into high-risk areas. Learn more.

Vision and values

Dr. Michel Leonard, senior economist at the Triple-I, discusses how the Resilience Accelerator aims to create a new paradigm for socializing resilience by making data transparent and insightful. Organizations and individuals can choose the most effective strategies for driving risk mitigation and resilience best practices. Learn more.

Climate Risk x Legal System Abuse = Property Crisis

Compounding of cats, fraud, and legal system abuse has led to a property crisis in key states

Florida

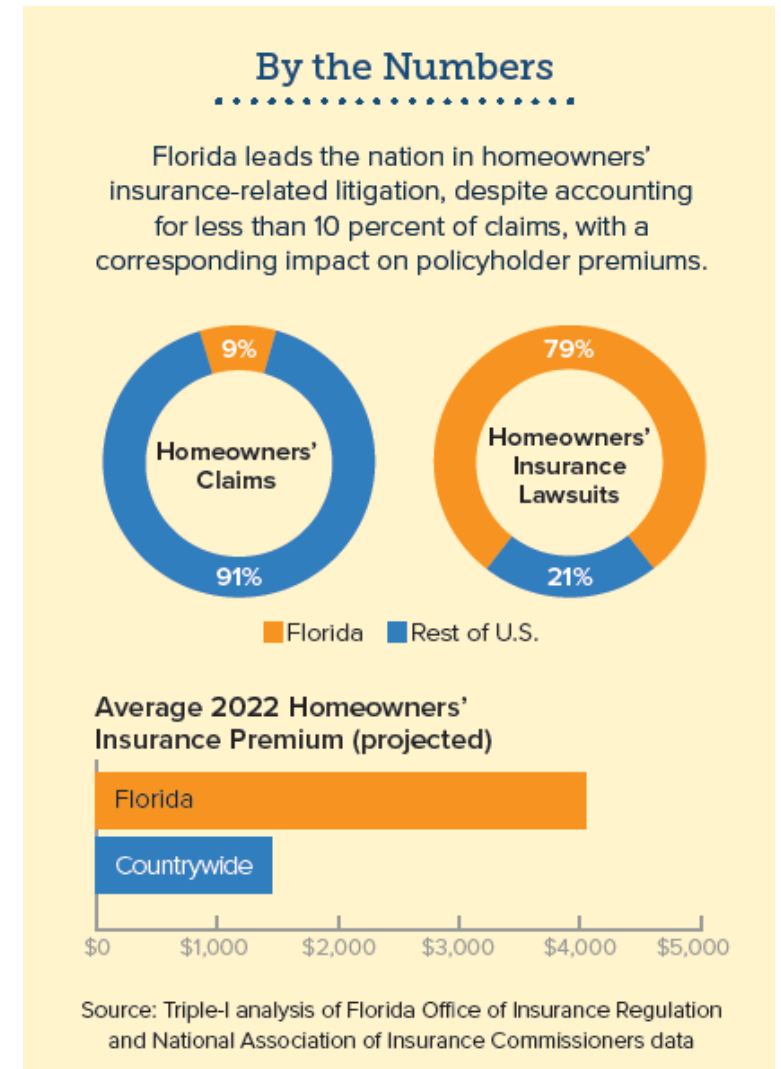
- \$51B was paid out by insurers over 10-year period, with 71% going to attorneys' fees and public adjustors*
- Six companies have been declared insolvent in 2022 (so far)
- Citizens Property Insurance Corp. now insures over 1M policies

Louisiana

- 2021 Industry Combined Ratio of 462 pts and Underwriting Loss of \$7.2B due primarily to Hurricane Ida
- Nine companies have been declared insolvent in 2022 (so far)
- Lawsuit environment costs the state \$3.9B in lost economic activity, imposing a "tort tax" of \$451 per resident annually**

*Florida Office of Insurance Regulation

**American Tort Reform Association



Homebuyers Insurance Handbook



Key Definitions:

Replacement Cost: A policy that provides coverage to replace lost items

Actual Cash Value: A policy that would pay less money for older items than you paid for them new

Deductibles (dollar vs. percent): Deductibles are the amount you are responsible to pay towards a repair or other covered expense before your coverage kicks in. If you have a dollar amount deductible, a specific amount would be subtracted from your claim payment. Percentage deductibles, which generally only apply to homeowners policies, are calculated based on a percentage of the home's insured value.

Guaranteed coverage: A policy pays the costs to rebuild your home as it was before the disaster

Extended replacement: A cost coverage endorsement that can pay an extra 5 to 25 percent above the limits

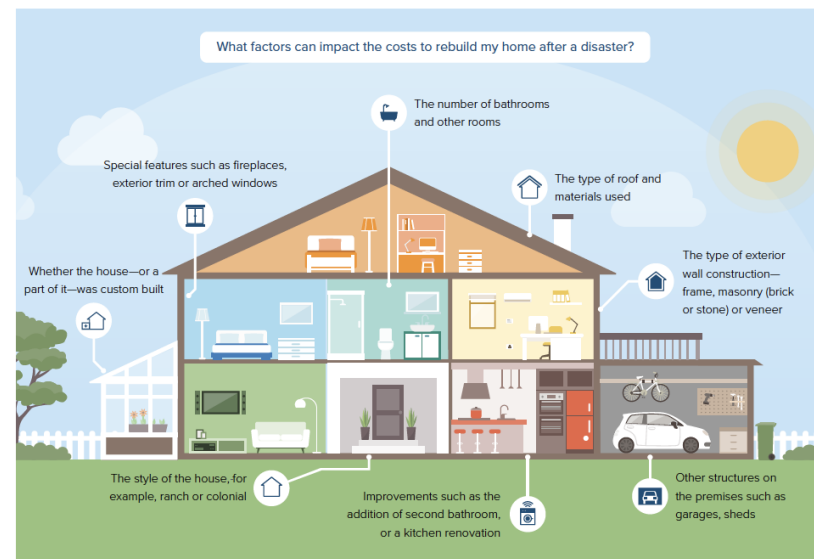
Six Ways to Never Pay More Than You Need for Homeowners Insurance

Raise your deductible in exchange for lower premiums.

The higher your deductible, the more money you can save on your insurance premium. However, your insurance policy may have a separate deductible for major disasters such as earthquakes, hurricanes, or wind/hail storms if you live in a disaster-prone area. Consider that when deciding whether to raise the standard homeowners deductible.

Ask about discounts and bundle options.

Most insurers provide discounts for home modernization improvements and security devices such as smoke detectors, burglar and fire alarm systems, or deadbolt locks. These measures can be costly and may not produce a discount for every policy, so talk to your insurance professional for



THANK YOU!