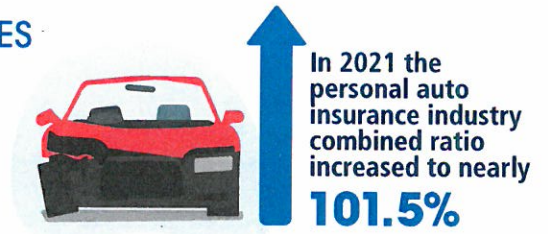


Factors Influencing Insurance Premiums Across the Industry

AUTO AND HOME INSURANCE INDUSTRY PRESSURES

With the impact of inflation on vehicle repair and replacement costs, the personal auto insurance industry combined ratio (which illustrates the difference between claims and expenses paid and premiums collected by insurers) increased to nearly 101.5% in 2021 from 92.5% in 2020.¹



Global natural disasters in 2022 resulted in economic losses totaling **\$313 billion**



Global natural disasters in 2022 resulted in economic losses totaling \$313 billion. Half of those losses, totaling \$165 billion, occurred in the United States, including damage from Hurricane Ian and multiple severe storm outbreaks. The insurance sector covered \$132 billion of those losses worldwide and \$99 billion in the United States — marking 2022 as the fifth costliest year for insurers on record.²

CONTRIBUTING FACTORS TO NATIONAL AUTO AND HOME INSURANCE PREMIUM INCREASES

AUTO



New vehicle sales and inventory were down overall in 2022, and car prices were up.³



Auto repair and parts costs are up.⁴



Bodily injury claim severity is up.⁵



Healthcare spending and pricing have increased.^{6,7}



HOME



Home repair and building costs are increasing.⁸



Supply chain disruptions continue to be a factor.⁸



Insured losses are rising related to extreme weather.⁸