

TRENDS IN HOMEOWNERS & AUTO PREMIUMS

NAVIGATING CLIENT CONVERSATIONS IN A CHALLENGING MARKET.

SELECTIVE
BE UNIQUELY INSURED®

According to the Big “I”, after a long period of low premiums, we are now in a market upswing, with premium increases and more restrictive coverage terms resulting in a more challenging market for insureds.

Navigating client conversations can be difficult. To assist you, Selective offers the following statistics and explanations that may help you discuss coverage and premium changes with your clients.

WHAT'S BEHIND PREMIUM INCREASES?



ECONOMIC & MARKET CONDITIONS

Inflation impacts home and auto repair costs (including labor and materials).

Supply chain issues are one reason behind inflation.



CHANGING WEATHER PATTERNS

Frequency and severity at an all-time high, including a record number of \$billion+ natural disasters in 2023.

Wildfires, earthquakes, hurricanes, tornadoes.



CATASTROPHIC AND SEVERE STORMS

Hail, flood, drought, heat waves, winter storms, frigid temperatures



INCREASED LITIGATION COSTS

Bodily injury claim settlements values on the rise.



STATISTICS ON PREMIUM INCREASES

U.S. set the record for the number of \$billion disasters in 2023

At least **23 \$billion+** climate disasters struck the US in 2023¹

34% increase in residential home construction materials cost in 2022²

~20% jump in vehicle repair costs this May year-over-year³

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HELPFUL TIPS TO MANAGE RISING COSTS

- ✓ Conduct a policy review to help ensure proper coverage.
- ✓ Suggest higher deductibles and bundling policies.
- ✓ Take advantage of all available discounts.
- ✓ Review policy enhancements and endorsements to provide customized and unique protection.
- ✓ Discounts for timely payments, paperless policy, and automatic payments all make a difference.
- ✓ Promote interior and exterior home maintenance and installation of risk mitigation devices.



WHY SELECTIVE?

Selective Personal Lines was built with partnership in mind. Remind your customers that they want a strong and stable insurance company on their side when disaster strikes.

- ✓ Protecting clients since 1926
- ✓ Rated “A+” (Superior) by A.M. Best
- ✓ Superior Claim Services
- ✓ 24/7 Catastrophe Team



Source: Sources: 1) NOAA, 2) insurancejournal.com, 3) Consumer Price Index

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