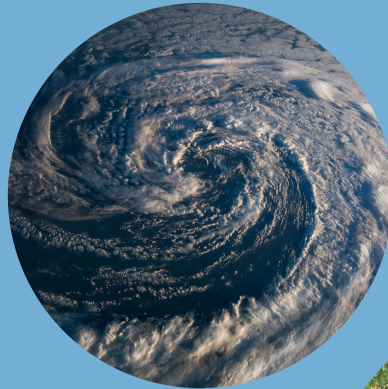


Lawley

2025

Understanding Current Market Conditions

PERSONAL INSURANCE



Due to several factors, the personal insurance market faces multiple challenges in 2025.

While one can have an optimistic outlook, the continued occurrence of intense natural disasters is leading to an increase in auto and home insurance premiums for consumers.

1 CATASTROPHIC LOSSES

Catastrophic events have also been linked to inflation and rising costs, including interest rates and supply chain issues, which further impact overall insurance costs. Extreme weather events—such as hurricanes, tornados, hailstorms and wildfires—continue to make headlines as they become increasingly devastating, costly, and impact homeowners across the United States. As these catastrophes become more frequent, the insurance industry must keep up with weather-related losses.

In 2024, there were **24 WEATHER and CLIMATE DISASTERS** in the United States where losses exceeded or were expected to exceed **\$1 BILLION**.

THIS INCLUDED:



1 SEVERE WILDFIRE
Texas panhandle wildfire



17 SEVERE STORM EVENTS
Ex: Tornados, Hailstorms, Thunderstorms



4 HURRICANES
Beryl, Debby, Helene & Milton



2 SEVERE WINTER STORMS
Located across the USA

The United States experienced a significant number of tornados, hailstorms, and wind events, which resulted in over **\$30 BILLION IN INSURANCE CLAIMS**.

2 INCREASE OF PROPERTY VALUES/NON-RENEWALS

There has been continued increase of demand and increase of property values. Not only are costs increasing, but several insurance companies have decided to pull out of high-risk markets altogether due to catastrophe losses.

3 REINSURANCE

Despite an optimistic market outlook, there are concerns from reinsurers that rate increases in 2024 have not been sufficient to address rising loss costs, especially given CAT loss trends.



4 GEOPOLITICAL UPHEAVAL

Additionally, geopolitical conflicts, like the ongoing Russia-Ukraine conflict, could disrupt global supply chains and reignite inflationary pressures, impacting claims costs and insurance rates.

Disruptions like these have global consequences that can affect the price, availability and quality of products. In some instances, replacement items or construction materials are harder and more expensive to come by, which can significantly increase replacement costs.

7%

IS THE AVERAGE INCREASE OF REPLACEMENT COSTS

experts suggest supply chain disruptions could increase for affected goods.



2025 RATE CHANGE LINE OF COVERAGE TRENDS:

PERSONAL PROPERTY INSURANCE

Non-CAT: Flat to +10%

CAT-exposed: +10% to +50%

PERSONAL AUTO INSURANCE

Rate change: +12% to +15%

EXCESS LIABILITY

Rate change: +10% or more

MARINE/YACHTS:

Rate change: +10% to +25%