



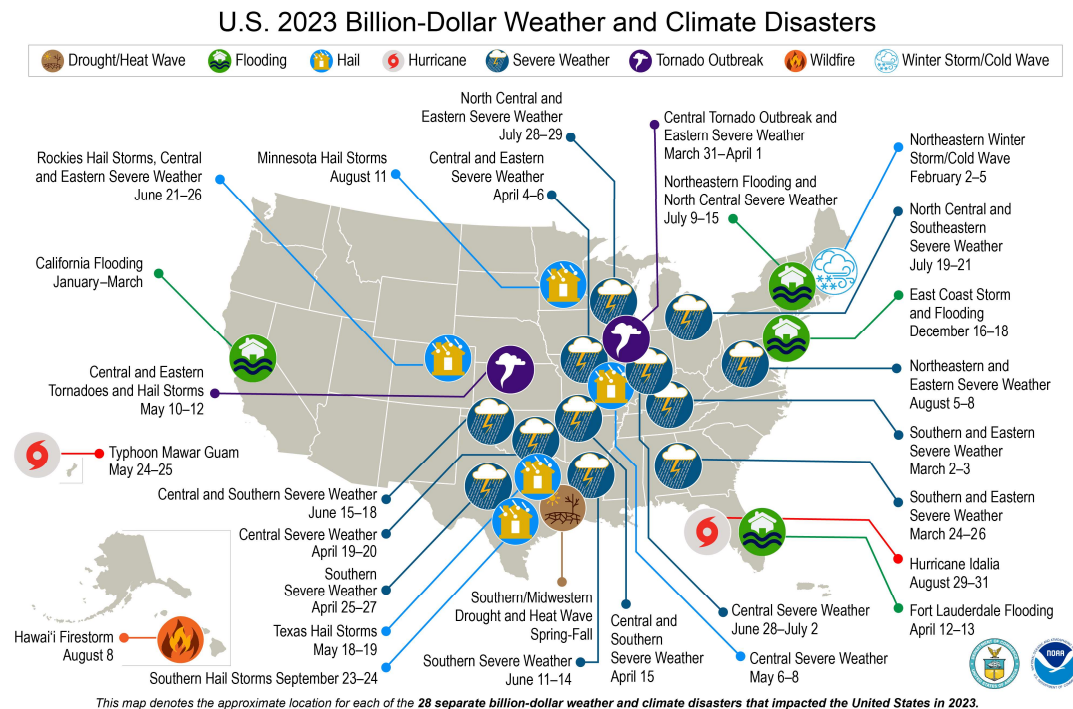
P&C Insurance Industry Property Market Update

Carole Walker, Executive Director RMIA

28 disasters costing at least \$1 billion.

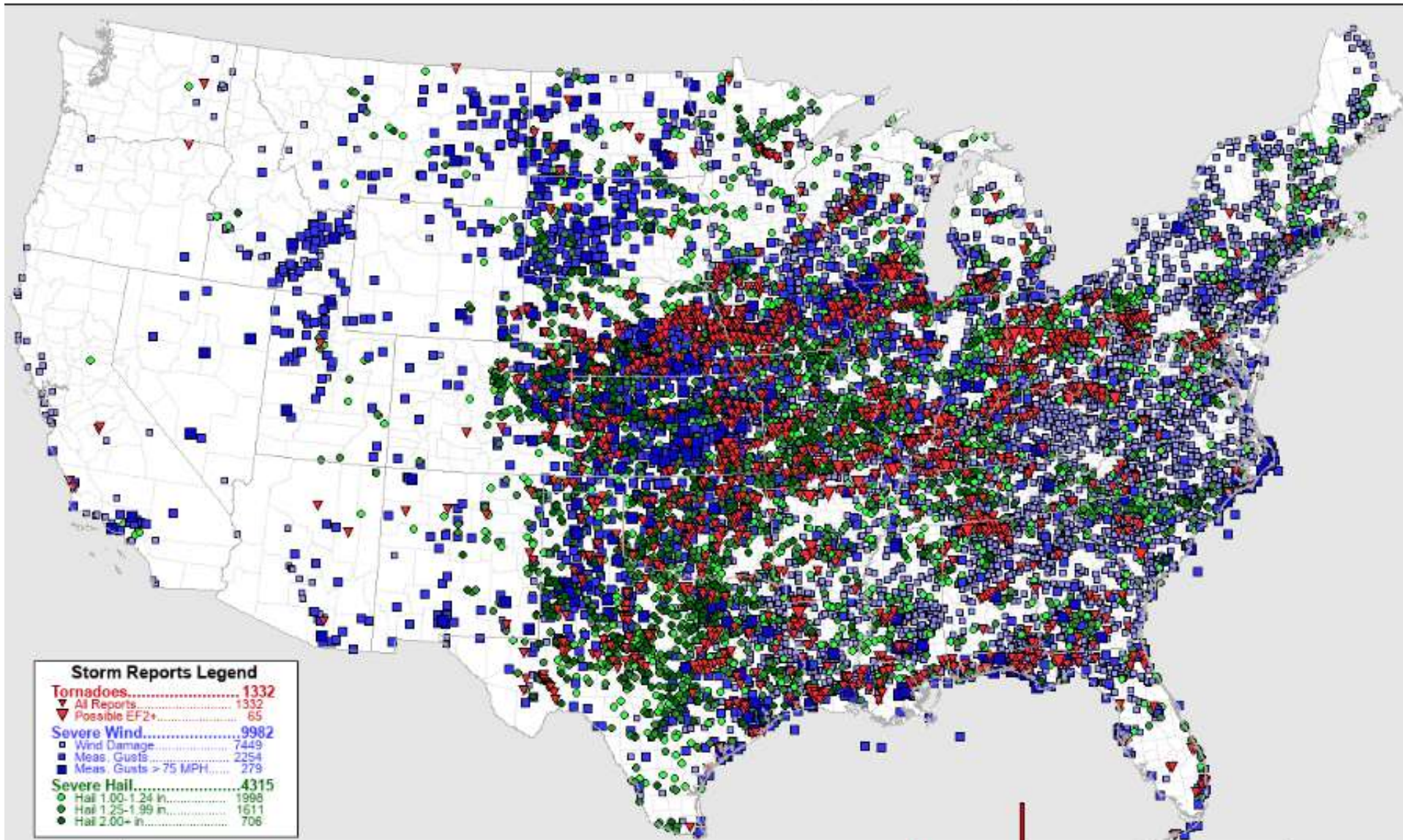
2023 highest number of billion-dollar disasters.

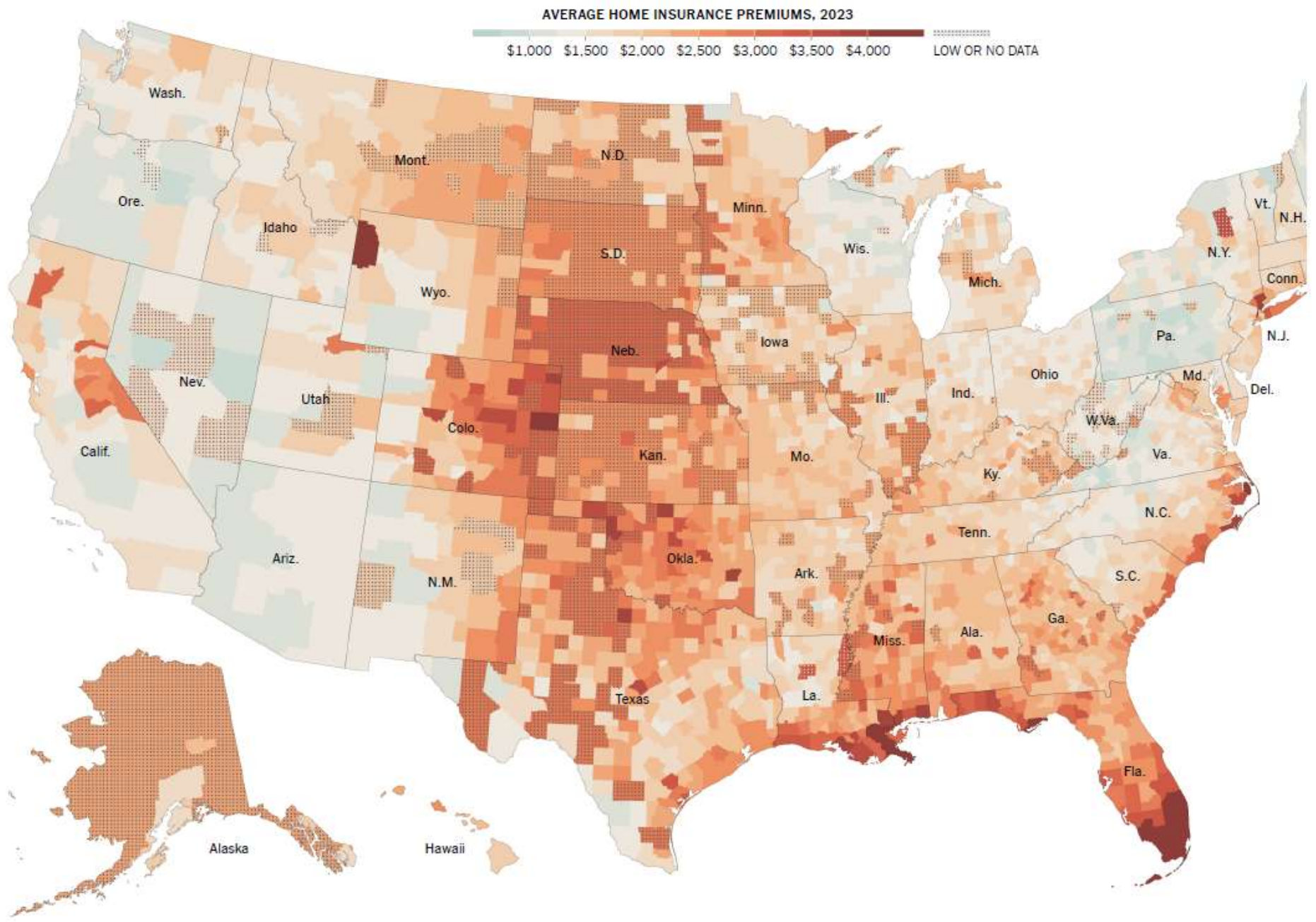
Colorado #2 U.S. hail insurance claims...#3 U.S. wildfire risk.



- **Over past two decades, Colorado natural disaster occurrences increased by 275%, 2nd highest after Kansas**

2024 Annual Preliminary Report Summary





Source: Keys and Mulder, National Bureau of Economic Research (2024) • Note: State average is shown in counties with few or no observations.

▪ Insurify identified top 10 least affordable states for homeowners insurance.

▪ Average annual homeowners insurance cost \$3,308, #6 in U.S.

▪ Colorado 87 % higher premium than nationwide.

▪ Insurers lost average of 13% over last decade making Colorado 3rd most expensive state with losses in 10 of 12 years.

10 states where homeowners insurance is becoming unaffordable

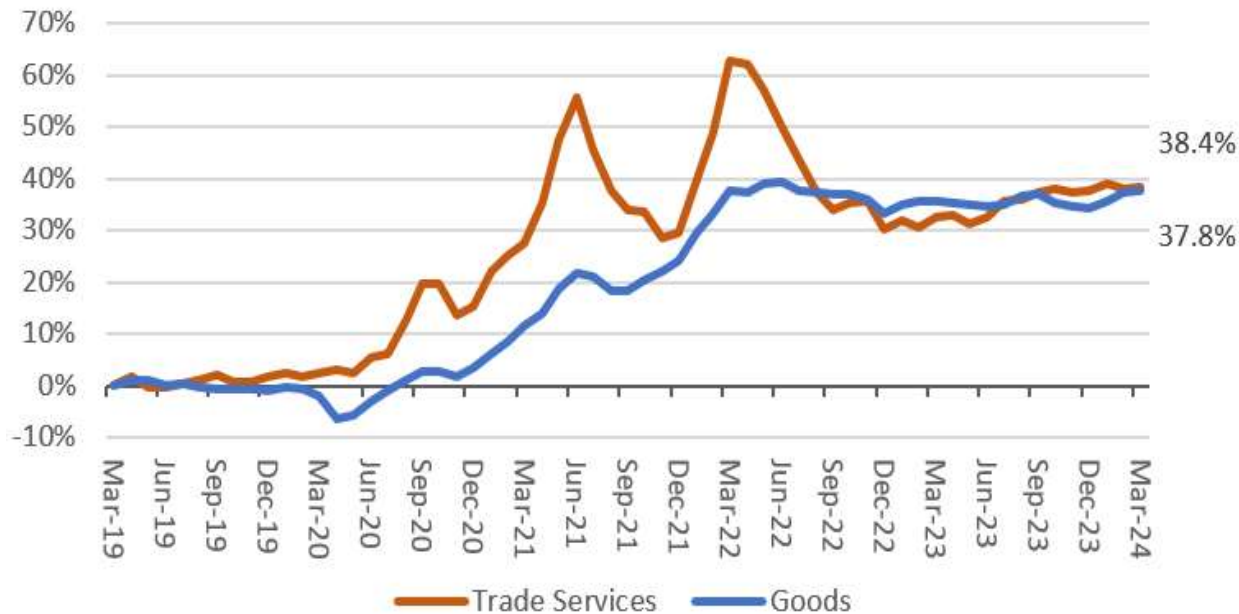


1	Florida	6	Georgia
2	Oklahoma	7	Nebraska
3	Mississippi	8	Massachusetts
4	Texas	9	New York
5	Kansas	10	Colorado

Property Insurance Challenges

Cost Inputs: Homeowners Insurance

Producer Price Index, Cumulative Percent Change over Five Years



Source: APCIA, via U.S. Bureau of Labor Statistics

Producer Price Index: Inputs to Single Family Residential Construction, Trade Services ("Labor")

Producer Price Index: Inputs to Single Family Residential Construction, Goods

Monthly data Mar 2019 through Mar 2024, as of Apr 29, 2024.

- Escalating Wildfire & Catastrophe Risk, Volatile Market Conditions: **Increased Claims & Claims Costs**

- Record inflation: 41-year high of **8%**, Reinsurance increase: **historic 37%**
- Skyrocketing repair/rebuilding costs: material costs/construction labor shortages.**
- 2023 net combined ratio 111, industry's worst underwriting results since 2011. Every \$1 taken in, insurers paid out almost \$1.11 in claims and expenses.**

Insurance Consumer Impacts

Increased Insurance Non-Renewals

It's scary to be non-renewed

If one company must non-renew,
other companies are still selling policies

Shop with local broker

FAIR Plans



Underinsurance Concerns

Now more than ever it is critical to
update insurance

- Cost to rebuild has increased
- Building code upgrades
- Extended Replacement Cost Coverage



- **HB23-1288: High Stakes for Insurance, Housing & State's Economy Creating 1st FAIR Plan, insurer of last resort in 40 Years.**
- **Nine-Person Governor Appointed Board Working to Build FAIR Plan and be Operational, Sell Policies in 2025.**
- **Hired New FAIR Plan Executive Director: Kelly Campbell**
- **History of FAIR Plans & Lessons Learned**
 - **Market of Last Resort vs. Insurance Market of Choice**
 - **Florida, California, Louisiana FAIR Plans**
 - **Protect Private Insurance Market NOT Drive it away**
- **LONG-TERM GOAL: Reduce risk & stabilize insurance market**



Thank You!

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