

2024 Policyholders' Conference



2024 Economic and Insurance Market Conditions

Sean Kevelighan

CEO & President

Insurance Information Institute

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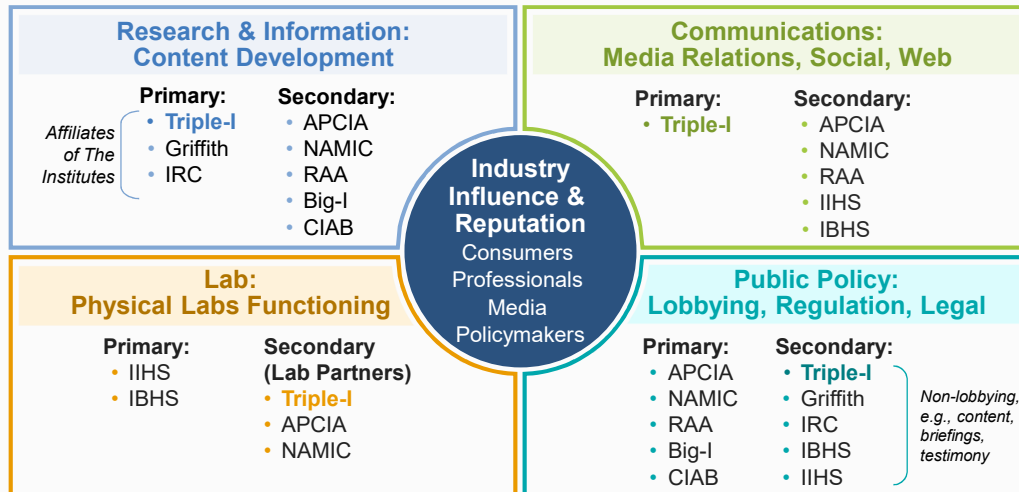


Insurance Information Institute (Triple-I) Mission

The **trusted voice** of risk and insurance; providing unique, data-driven insights to **educate, elevate and connect** consumers, industry professionals, public policymakers, and media.

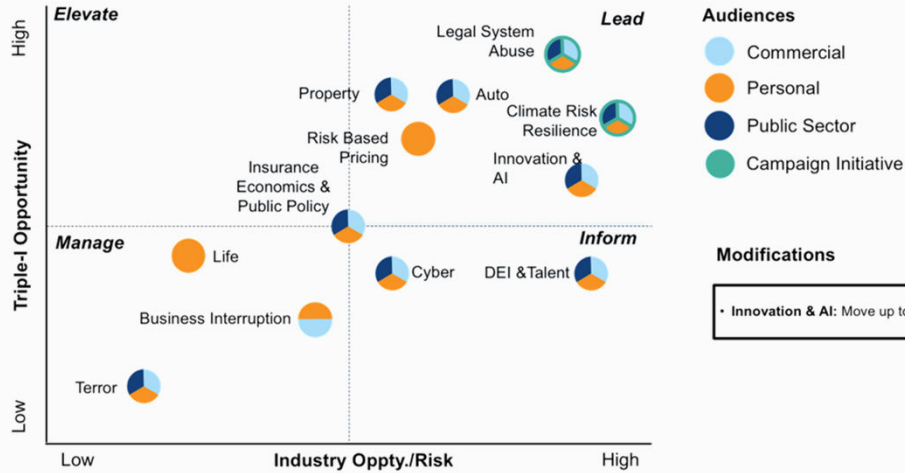
Driving Influence for Risk Management & Insurance Trades

Triple-I Plays a Supporting and Collaborative Role in All



Issue Management

A New View to Emphasize Leadership & Action

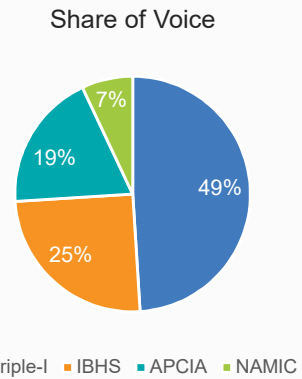
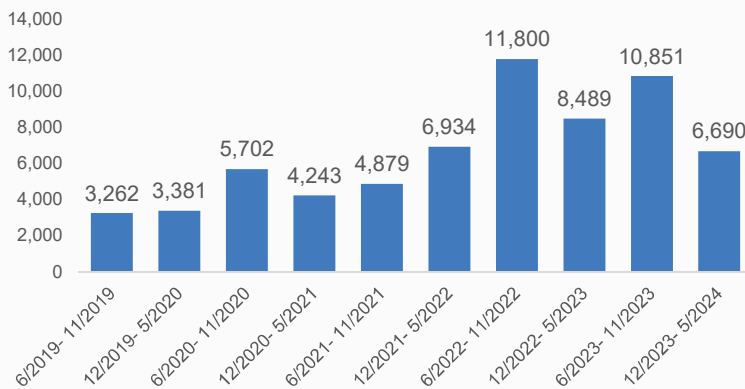


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Media Attention to Risk Growing

Triple-I Share of Voice is Greater Than All Other Trades Combined



npr Mounting Toll of Natural Disasters Is Partly to Blame for Rising Home, Auto Insurance
Source: Coron Media Tracking

THE WALL STREET JOURNAL. The Hidden Costs of Homeownership Are Skyrocketing

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Top 5 Media Citations by Issue

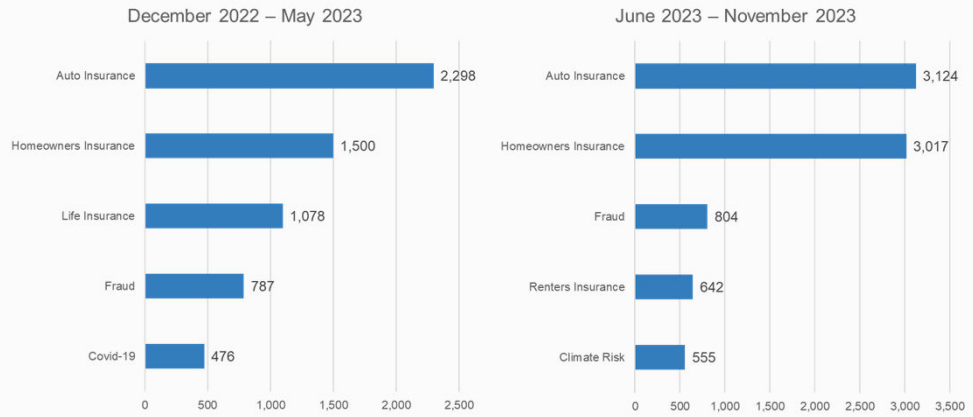
Homeowners Doubles, Fraud and Climate Risk On the Rise



Map showing media citations by state for various insurance issues. Legend includes: Auto Insurance, Homeowners Insurance, Life Insurance, Fraud, Covid-19, Renters Insurance, and Climate Risk.



Source: Cision Media Tracking

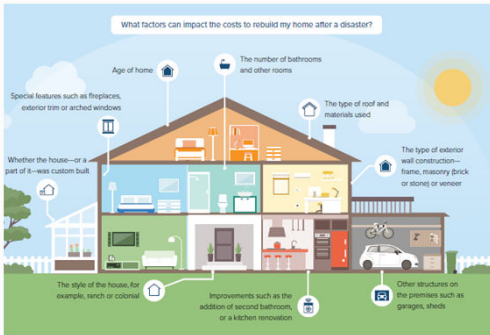


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Educating Policyholders & Agents

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[Homeowners Insurance Handbook](#) in collaboration with National Association of Realtors



[Auto & Homeowners Insurance - Why Rates are Increasing](#)



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Request a co-branded PDF to share with your agents and customers, email members@iii.org.

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Educating Industry Professionals

Workers Compensation: State of the Risk

Workers compensation insurance provides for the cost of medical care, rehabilitation, and wage replacement for injured workers and death benefits for the dependents of workers who die on the job. In recent years, it has been the most profitable property casualty line of business, being experienced as both a consecutive year of combined ratios under 90 and its most strategic year of underwriting gains, according to the National Council on Compensation Insurance (NCCI).

“Overall, we see a healthy and strong workers compensation system,” said NCCI’s chief industry officer, Donna Blinn, FICAI, MAIA. “Premiums remain high relative to non-accident levels, and claims frequency has remained a long-term average decline.”

During the pandemic, all property casualty lines experienced significant increases in underwriting profits – except for workers compensation, which saw only a 10 percent rise.

NCCI Industry Net Written Premium Growth

Line of Business	Percent Change from 2019 to 2022
Other Lines	10.1%
Fire & Marine Lines	10.1%
Commercial Auto	10.1%
All Other Lines	10.1%
Commercial Multi-Peril	10.1%
Homeowners	10.1%
Personal Auto	10.1%
Workers Comp	10.1%

Key Definitions

- Combined Ratio:** Represents total cost of claims and expenses divided by premiums.
- Claim Frequency:** Equals number of claims divided by the insured exposure base.
- Claim Severity:** Equals total cost of claims divided by the number of claims.

Workers comp net written premiums improved in 2022, with an 8.2 percent increase, compared with 8.4 percent for the overall industry. Between 2019 and 2022, workers comp direct premiums written rose 25 percent for private carriers. But, as shown in the top below that improvement on a uniformity distributed across the country. Because of the high linkage between workers comp performance and the economy, every state and locality has its own story.

The line’s underwriting profitability for private carriers – represented by the combined ratio – remains strong. Combined ratio remains below 90, and expenses paid divided by premiums collected, a combined ratio below 90 represents an underwriting profit, and one above 100 represents a loss.

New or Updated Issues Briefs

- [Legal Abuse](#)
- [Cyber](#)
- [Workers’ Comp](#)
- [California](#)
- [Louisiana](#)
- [Florida](#)
- [Flood](#)
- [Hurricanes](#)
- [Convective Storms](#)
- [Wildfires](#)
- [Inflation](#)

Trends and Insights: Proposition 103 and California’s Risk Crisis

As is happening elsewhere in the United States, California has been hit hard by the economic challenges of the pandemic and Russia’s invasion of Ukraine. Some of it is due to wildfires and construction markets, which put increased amounts of exposure property at risk. California’s history of the largest wildfires in the state’s history have occurred since 2007.

Much of California’s problem, however, is related to a 1988 measure – Proposition 103 – that severely constrains insurers’ ability to protect their property in the state.

California Homeowners Insurance Combined Ratio

Year	Actual	10-year average
2019	108.1	108.1
2020	108.1	108.1
2021	108.1	108.1
2022	108.1	108.1
2023	108.1	108.1
2024	108.1	108.1

Underwriting profits can’t keep up with losses

Insurers’ underwriting profitability is measured using a “combined ratio” that represents the difference between claims and expenses insurers pay and the premiums they collect. A ratio above 100 represents an underwriting profit, and one above 100 represents a loss.

As the chart at the right shows, insurers have earned healthy underwriting profits on their homeowners business in at least half of the 10 years between 2015 and 2022. However, the claims and expenses paid in 2023 and 2024 – due largely to wildfire-related losses – were so extreme that the average combined ratio for the period was 108.

Underwriting profitability matters because that is where the money comes from to maintain “solvency capital” – the funds insurers set aside to ensure that they can pay future claims. Integrate to maintaining shareholder surplus is a goal, which means aligning underwriting and pricing with the cost of the risk being covered. Insurers live on a tight margin and they need to make sure pricing is tightly aligned with risk, and state regulators and lawmakers clearly encourage insurers to make sure pricing is fair to policyholders.

Prop 103 impedes risk-based pricing

To accurately underwrite and price coverage, insurers must be able to set premium rates prospectively. As shown above, one or two years that include major catastrophes can wipe out several years of underwriting profits – thereby contributing to the depletion of shareholder surplus if rates are not raised.

This is where Proposition 103 comes into play. Unlike in most other states, insurers in California are not allowed to price catastrophe risk prospectively. Instead of letting insurers use the most current

Another way in which Proposition 103 restricts accurate underwriting and pricing is by not allowing insurers to incorporate the cost of reinsurance into their pricing. Reinsurance is another tool insurers use to measure their capacity to write coverage, and rates have been rising for many of the same reasons as primary insurance rates. If insurers can’t use reinsurance costs in their pricing – particularly in catastrophe-prone areas – they’ll end up for these costs from policyholder surplus, reduce their market share, or do both.

Premiums below the national average

As shown in the chart on the next page, home insurance premiums in California are less expensive than the national median – and much lower than in other disaster-prone states like Florida and Louisiana – despite the fact that California has some of the most expensive built housing in the country.

This is a large and persistent problem, one in which insurers want to do business. To make that possible in light of ongoing wildfire trends – as well as events like early 2023’s monsoon

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Economic Drivers of Insurance Performance

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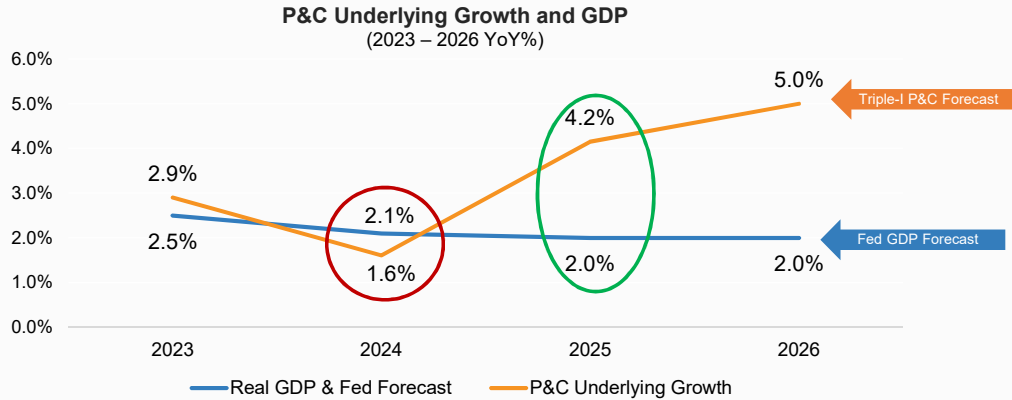


Growth Expectations: P&C and GDP

P&C Underlying Growth dropped below overall GDP in Q2 on BLS revised data for Q1.

Revised BLS data causes Triple-I's models to forecasts underlying growth to outpace overall GDP in 2025.

We advise waiting for next quarter GDP data before making significant changes to 2025-2026 growth assumptions.



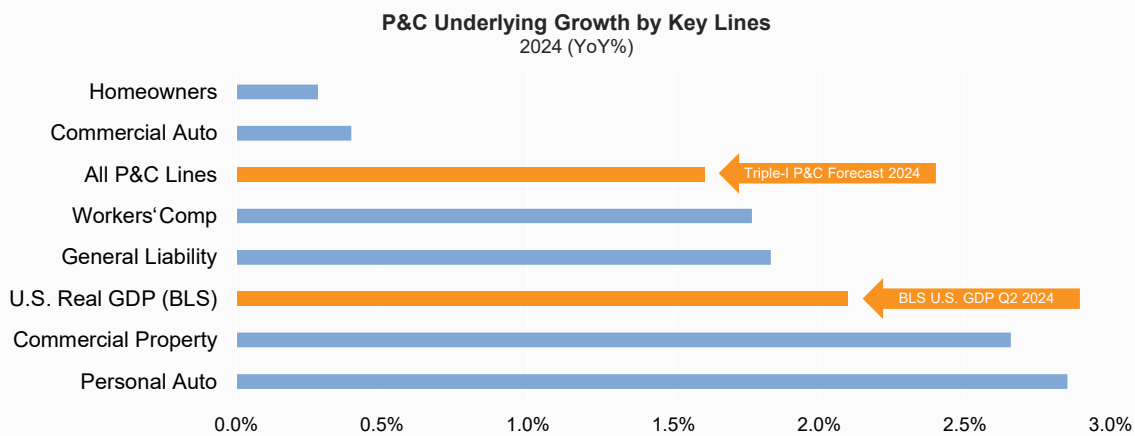
Source: P&C Underlying Growth: Triple-I; U.S. GDP: Fed (as of 06/26/2024)
Insurance Economics & Underwriting Projections | 07-23-2024

Michel Léonard, PhD, CBE



P&C Underlying Growth by Key Lines

P&C Underlying Growth Falls Below Overall U.S. GDP On Revised BLS GDP Data



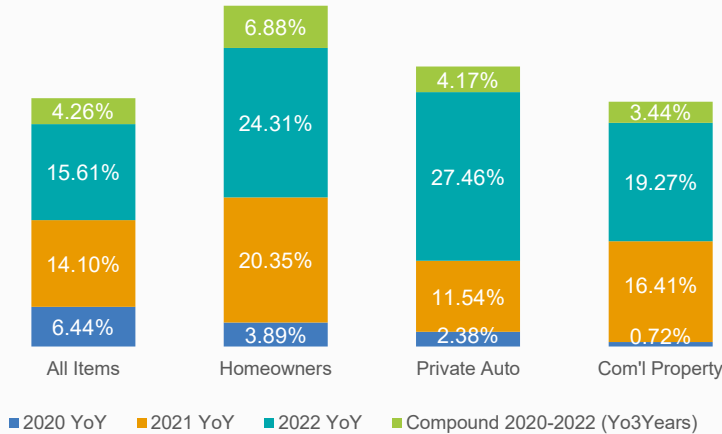
Insurance Economics & Underwriting Projections | 07-23-2024

Michel Léonard, PhD, CBE



Cumulative P&C Replacement Costs Increases From 2019 to 2022

Cumulative P&C Replacement Cost Increases from 2019 to 2022
All P&C and Key Lines (YoY% and Yo3Y%)



UP 40.4% SINCE 2019

Replacement costs for all P&C lines increased 40.4% from 2019 to 2022, even after recent decreases in U.S. CPI

Cumulative P&C Replacement Costs Increases (Yo3Y% 2019-22)

- All P&C Lines: 40.4%
- Homeowners: 55.4%
- Private Auto: 45.6%
- Commercial Property: 39.9%

Source: Triple-I (as of 03/15/2023)

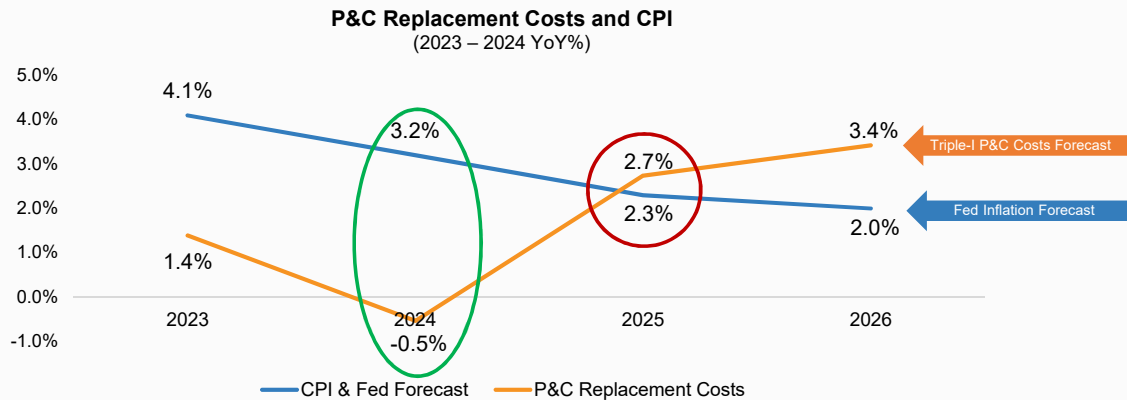
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Inflation Expectations: P&C and CPI

Pace of increase in P&C Replacement Costs expected to overtake overall inflation starting 2025.

Confirms earlier Triple-I expectations and forecasts.



Source: P&C Replacement Costs: Triple-I; U.S. Inflation: BLS (2023-24) and Fed (2025-26); (as of 06/26/2024)
Insurance Economics & Underwriting Projections | 07-23-2024

Michel Léonard, PhD, CBE

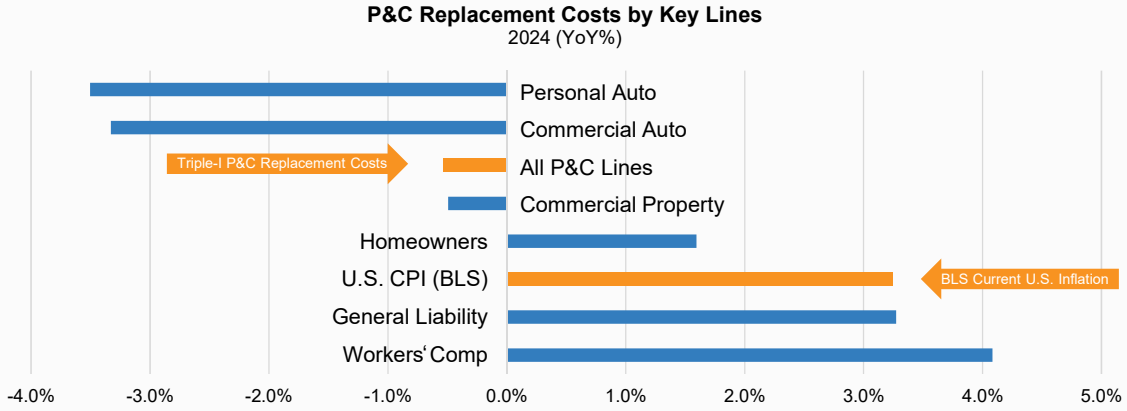
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P&C Replacement Costs by Key Lines

P&C Replacement Costs for 2024 remain below overall U.S. inflation.

Confirms earlier Triple-I expectations and forecasts.



Source: P&C Replacement Costs: Triple-I; CPI: BLS (as of 06/26/2024)
Insurance Economics & Underwriting Projections | 07-23-2024

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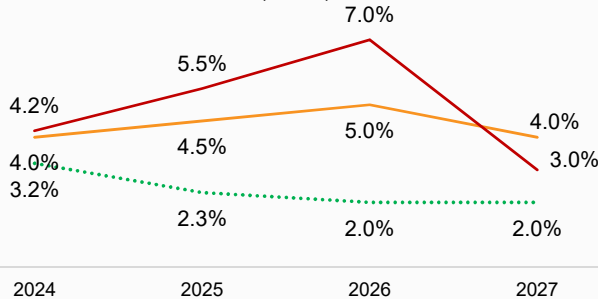


Chart of the Week 07 15 2024

Major Geopolitical Risk Event in 2024 Could Push Inflation to 5.0% and P&C Replacement Costs to 7.0% by 2026



Geopolitical Risk: Inflation and P&C Replacement Costs Impact (YoY%)



Using the Fed's inflation forecast as baseline, Triple-I stress tested P&C replacement costs for geopolitical risks. The results were as follows:

- The impact would create a three-year inflationary cycle, peaking in 2026
- Overall inflation would increase to 5.0%
- P&C replacement costs would increase to 7.0%
- Prices of construction materials, vehicles, and food would bear the brunt of the impact

Stress tests included Russian embargo of gas exports, Chinese blockage of Taiwan, and cutoff of international shipping lines.

Triple-I members can access the full report on our website.

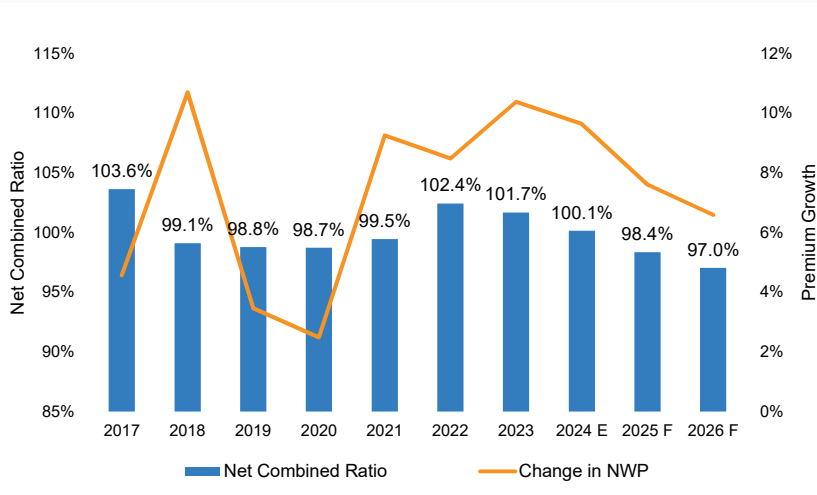
Source: Insurance Information Institute As of 07/15/2024

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Underwriting Projection

P&C Industry Outlook Net Combined Ratio and Change in NWP



- Good News #1: Favorable first quarter in line with initial full year 2024 Net Combined Ratio
- Good News #2: Personal Auto Net Combined Ratio improved slightly from prior estimates and on track to achieve profitability in 2025
- Bad News #1: Commercial Auto expectations remain unchanged and continues to remain unprofitable through at least 2026
- Bad News #2: General Liability now expected to be slightly unprofitable in 2024

Sources: NAIC Statutory Financial Data through S&P Global Market Intelligence
Analysis (as of 6/22/2024); Insurance Information Institute; Milliman

P&C Industry Trends

Net Combined Ratio	2019	2020	2021	2022	2023	2024 E	2025 F	2026 F
Personal Lines	98.8%	96.8%	102.1%	109.9%	106.7%	102.7%	99.5%	97.1%
Commercial Lines	98.8%	100.9%	96.7%	94.8%	96.5%	97.3%	97.0%	96.9%

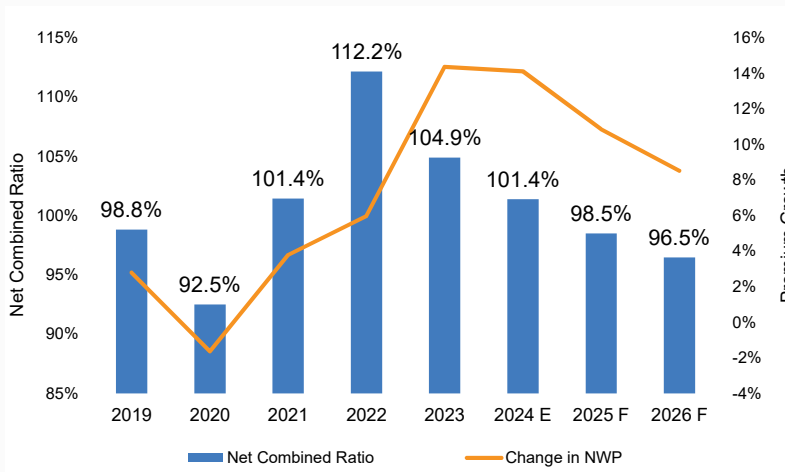
Net Written Premium Growth Ratio	2019	2020	2021	2022	2023	2024 E	2025 F	2026 F
Personal Lines	3.3%	0.0%	5.0%	7.2%	13.8%	13.8%	10.6%	8.4%
Commercial Lines	3.7%	5.4%	14.0%	9.8%	7.0%	5.3%	4.2%	4.4%

- Overall picture from prior quarter remains the same with Commercial Lines performing better than Personal, but gap is closing
- Commercial Lines 2024 Net Combined Ratio remained unchanged despite shifts in Commercial Property (-1 pt), Workers Comp (-1 pt), and General Liability (+1 pt)
- Net Written Premium Growth Rate for Personal Lines is expected to continue to surpass Commercial Lines by over 8% points in 2024

Sources: NAIC Statutory Financial Data through S&P Global Market Intelligence
Analysis (as of 6/22/2024); Insurance Information Institute, Milliman



Personal Auto Net Combined Ratio and Change in NWP

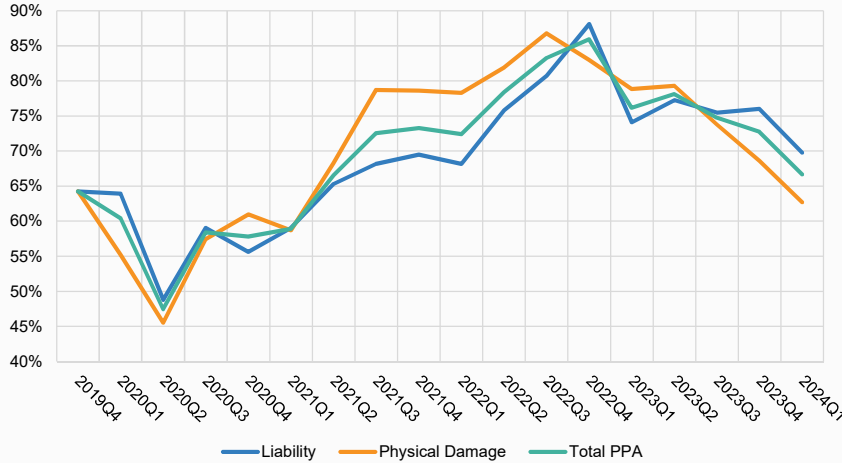


- 2024 Net Combined Ratio of 101.4 is 3.5 points better than 2023
- 2024 Net Written Premium growth rate of 14.1% is the second highest in over 15 years (and on par with the 14.4% experienced in 2023), reflecting the continuation of rate increases needed to offset inflationary loss costs
- Underwriting profitability expected in 2025 and 2026, with NWP Growth of 10.9% in 2025

Sources: NAIC Statutory Financial Data through S&P Global Market Intelligence
Analysis (as of 6/22/2024); Insurance Information Institute, Milliman



Personal Auto Direct Incurred Loss Ratio by Quarter



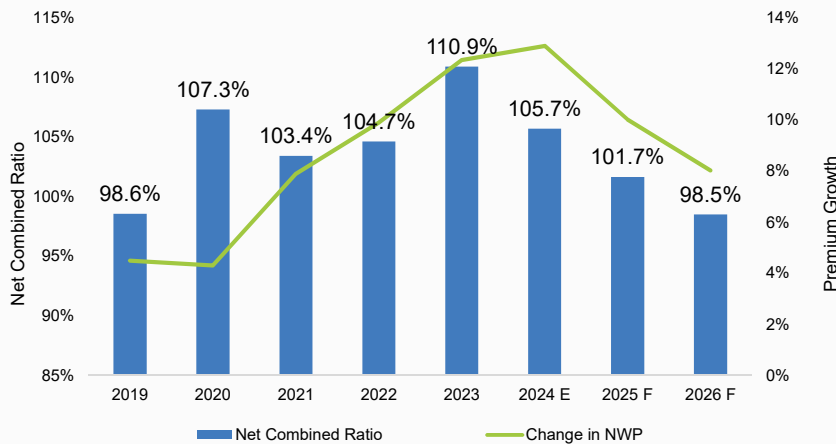
- 2024 Q1 Direct Incurred Loss Ratio of 67% is 9 points improved from 2023 Q1 and 5 points improved from 2022 Q1
- Physical Damage outperformed Liability in Q1 2024 for the second consecutive quarter by 7 pts

Sources: NAIC Statutory Financial Data through S&P Global Market Intelligence
Analysis (as of 6/29/2024); Insurance Information Institute, Milliman

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Homeowners Net Combined Ratio and Change in NWP



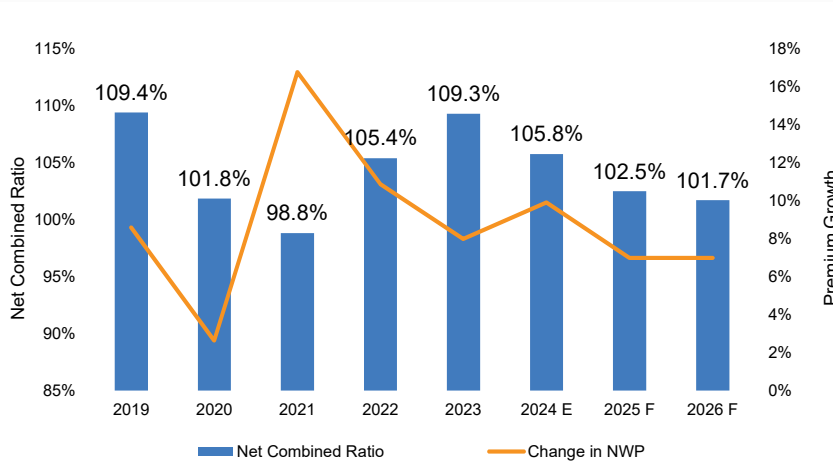
- 2024 Net Combined Ratio of 105.7 is a 5.2 pt improvement over 2023
- Expected 2024 Net Written Premium Growth Rate of 12.9% is highest in over 15 years, slightly higher than 12.4% experienced in 2023, reflecting a continuation of rate increases needed to offset inflationary loss costs
- Profitability is expected in 2026 with continued expected double-digit NWP Growth of 10% in 2025

Sources: NAIC Statutory Financial Data through S&P Global Market Intelligence
Analysis (as of 6/29/2024); Insurance Information Institute, Milliman

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Commercial Auto Net Combined Ratio and Change in NWP



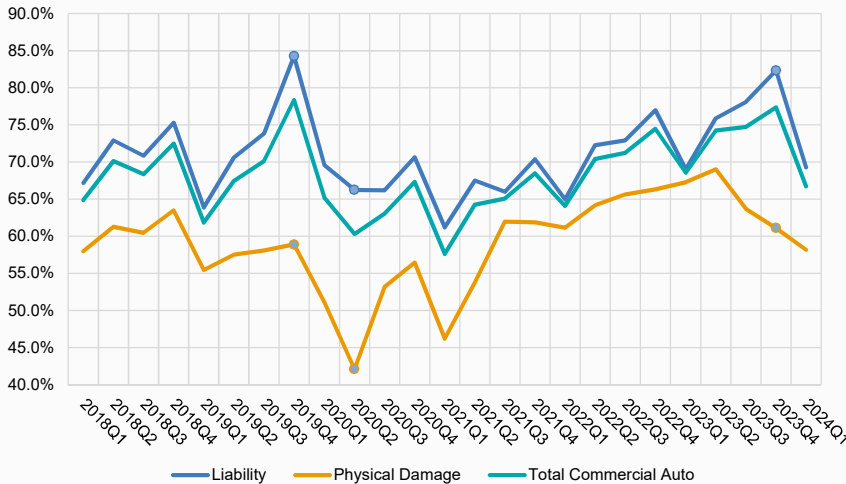
- 2024 Net Combined Ratio of 105.8 is 3.5 pts of improvement over 2023 and remains unchanged from prior estimate
- 2024 Net Written Premium growth rate is expected to increase 0.5 pts to 9.9% from prior estimate and nearly 2 pts higher than the experienced growth in 2023
- 2025 and 2026 are expected to remain unprofitable

Sources: NAIC Statutory Financial Data through S&P Global Market Intelligence
Analysis (as of 6/22/2024); Insurance Information Institute; Milliman

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Commercial Auto Direct Incurred Loss Ratio by Quarter



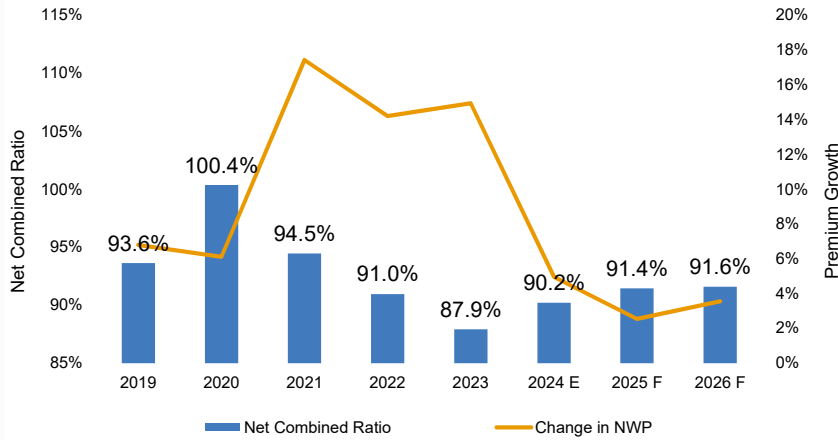
- 2024 Q1 Direct Incurred Loss Ratio of 67% is 2 points improved from 2023 Q1
- Physical Damage has outperformed Liability in every quarter since 2017, and 2024 Q1 is the third consecutive quarter of double-digit deviation. 2019Q4, 2020Q2, and 2023Q4 all deviated by 20+ pts.

Sources: NAIC Statutory Financial Data through S&P Global Market Intelligence
Analysis (as of 6/22/2024); Insurance Information Institute; Milliman

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Commercial Property Net Combined Ratio and Change in NWP



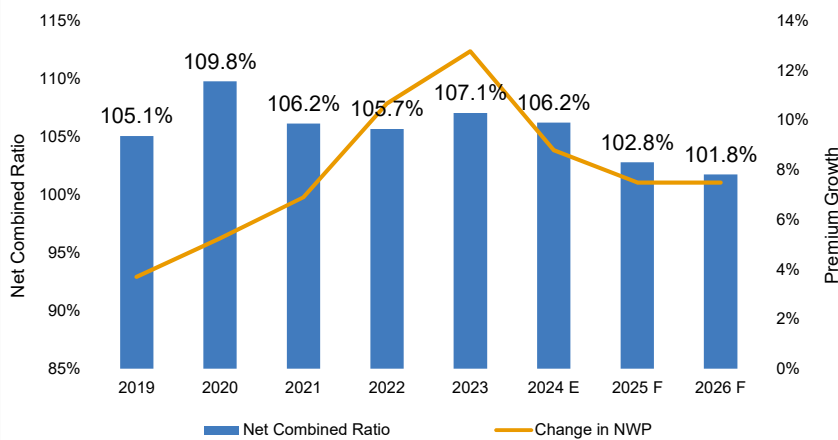
- 2024 Net Combined Ratio forecast at 90.2, representing a 1.3 pt improvement from prior quarter estimate
- 2024 Net Written Premium growth rate forecast at 5%, 2 pts lower than prior quarter estimate and 10 pt drop from 2023
- Favorable underwriting results expected in the forecast years with slowing premium growth rates

Sources: NAIC Statutory Financial Data through S&P Global Market Intelligence
Analysis (as of 6/22/2024); Insurance Information Institute, Milliman

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Commercial Multi-Peril Net Combined Ratio and Change in NWP



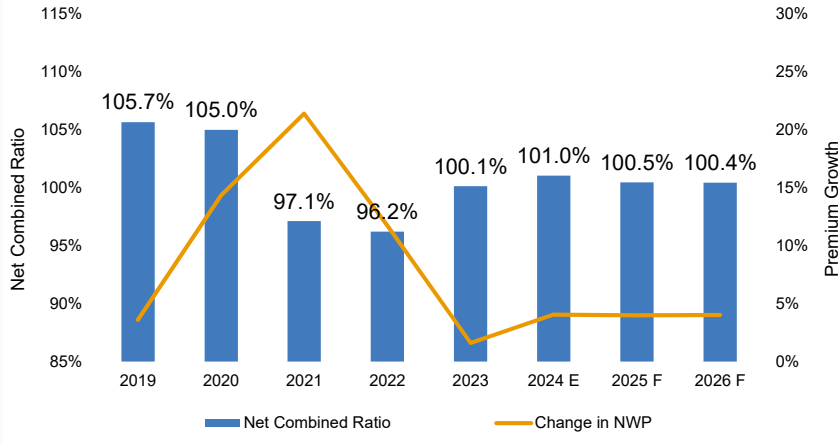
- Expected 2024 Net Combined Ratio of 106.2 is 1 point better than 2023 and matches the average over the 8 years since 2015 - the last profitable year for this line (94.7)
- 2024 Q1 Direct Incurred Loss Ratio of 52% matches the 15-year average
- 2024 Net Written Premium growth rate expected to slow to 8.8%, 1.2 pts lower than prior estimate
- 2025 and 2026 are expected to remain unprofitable

Sources: NAIC Statutory Financial Data through S&P Global Market Intelligence
Analysis (as of 6/22/2024); Insurance Information Institute, Milliman

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General Liability Net Combined Ratio and Change in NWP



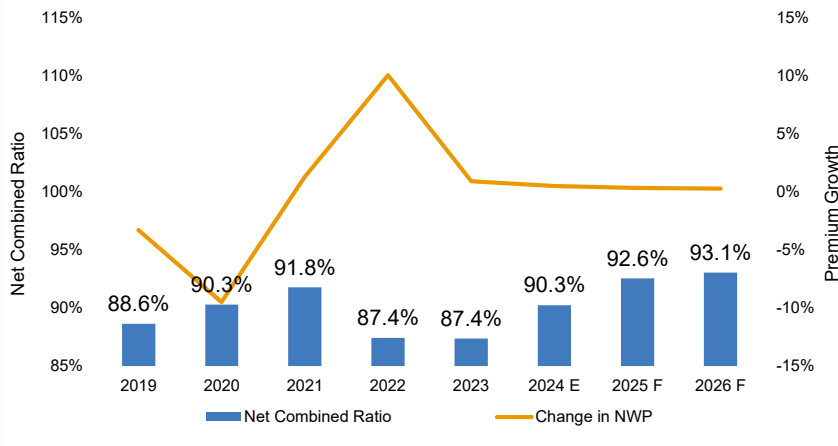
- 2024 Net Combined Ratio of 101 is 1 pt worse than actual 2023 experience
- Net Combined Ratio increase relative to prior estimate due to performance of Other Liability Occurrence.
- 2024 Net Written Premium growth increased 1.3 pts to 4% and expected to remain at 4% for 2025 and 2026

Sources: NAIC Statutory Financial Data through S&P Global Market Intelligence
Analysis (as of 6/22/2024); Insurance Information Institute, Milliman

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Workers' Comp Net Combined Ratio and Change in NWP



- 2024 Net Combined Ratio expectation of 90.3 is nearly 1 pt improved from prior estimates and remains the 10th consecutive year of expected profitability
- 2024 Net Written Premium growth rate of 0.5% is 1.5 pts lower than prior estimates. NWP Growth for 2025 and 2026 expected to remain flat.
- Favorable underwriting results expected for forecast horizon

Sources: NAIC Statutory Financial Data through S&P Global Market Intelligence
Analysis (as of 6/22/2024); Insurance Information Institute, Milliman

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Focus on Renewable Energy

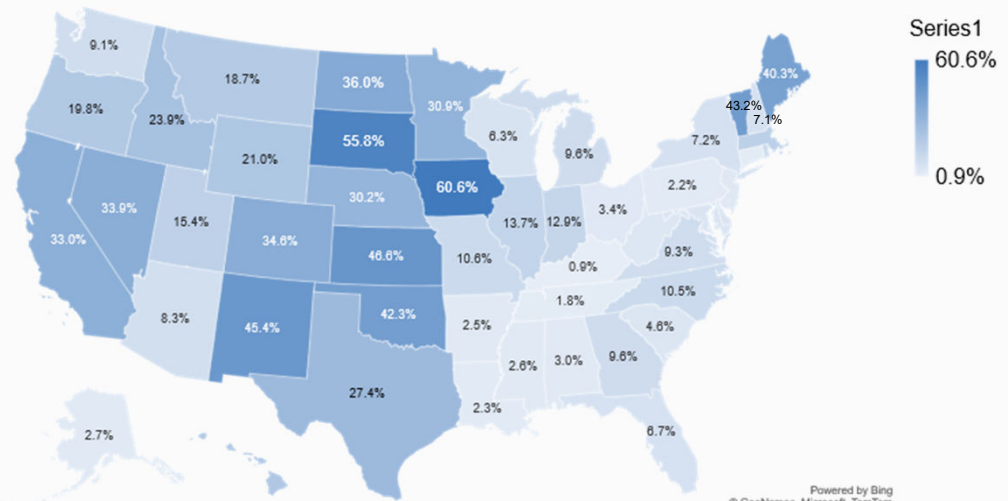
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Renewables Growing As Share of All Power Generation US and All States 2023

By The Numbers:

- ~15% U.S. Avg. Share
- ~31% Avg. Annual Growth Rate



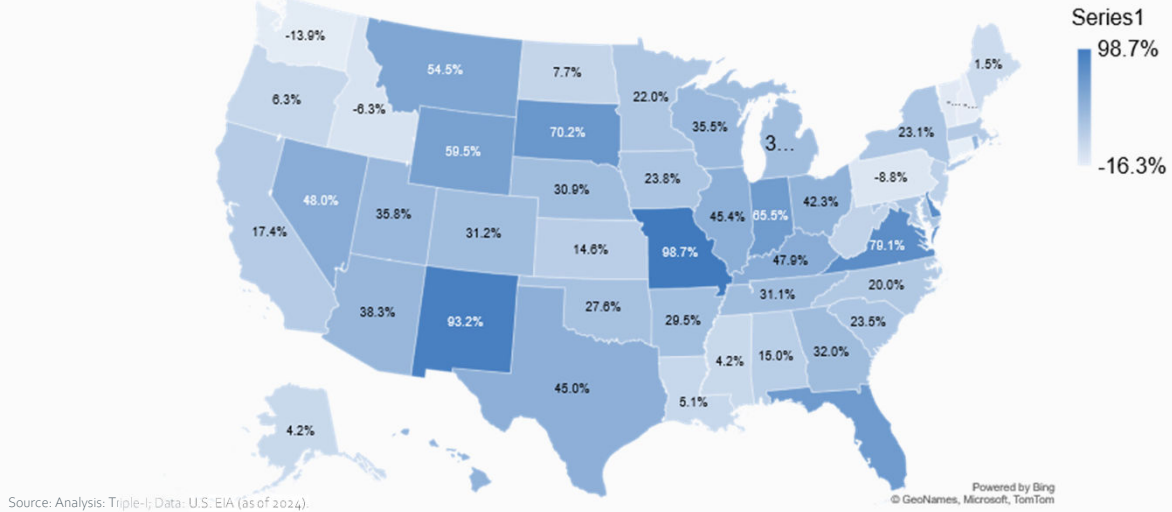
Source: Analysis: Tipler | Data: U.S. EIA (as of 2023).

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Renewables Growth A-Political, But Policy Driven US and All States 2020-2023 (Yo3Y%)

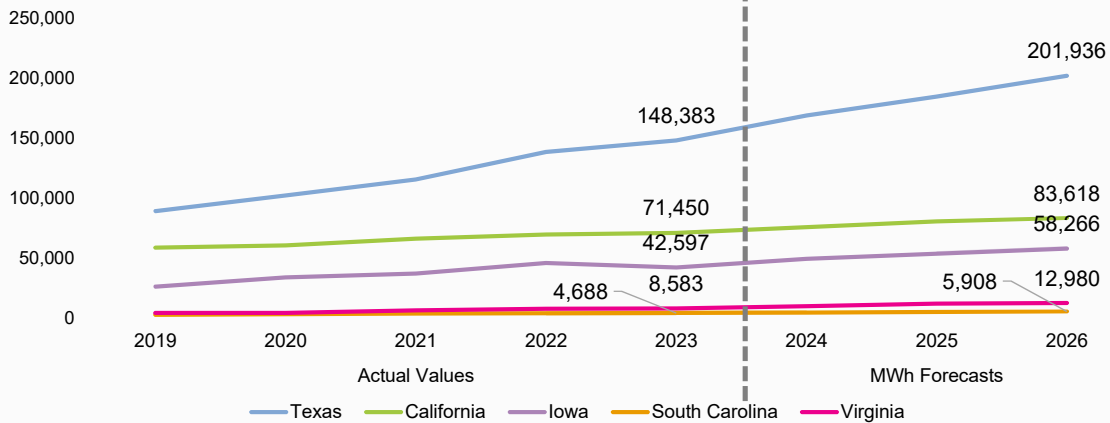


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Texas, California & Iowa Leading Output SC & VA plus Largest 3 States by Generation: Actual and Forecast

All Renewables Power Generation: Key States Actual and Forecast 2019 to 2026 (Thousands of MWh)



Source: Generation Data (actual): U.S. EIA; Generation Forecast: Triple-I (as of 2024).

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Insurance & Renewables



Image source: DALL-E

- Renewables continue to grow faster than traditional generation sources
- Recent legislation is accelerating the race to renewables
- For insurers, exposure growth will increasingly focus on renewable and battery sources
- Renewables have distinct risk profiles, require more specialized carriers and brokers

Key Industry Risks & Opportunities

Risks & Opportunities

Economic Inflation

Insurance rates climb from fires, COVID, inflation, worker shortage
Aug 12, 2022 | Updated Fri, Aug 12, 2022 9:51 PM



Countering inflation: How US P&C insurers can build resilience

Artificial Intelligence

A news site used AI to write articles. It was a journalistic disaster.

The tech site CNET sent a chill through the media world when it tapped artificial intelligence to produce surprisingly lucid news stories. But now its human staff is writing a lot of corrections.

Microsoft/OpenAI (ChatGPT, DALL-E)

Climate & Resilience

Inflation Reduction Act could curb climate damages by up to \$1.9 trillion, White House says



Legal System Abuse

The Defense Bar Must Push Back On Social Inflation



Risk-Based Pricing

Risk-Based Pricing Benefits

- Price reflects risk, helps align premium paid with risk assumed
- Expands availability of coverage
- Promotes a competitive marketplace

Geopolitical Risk

2024: Four Billion People go to the Polls
 Ranking geopolitical risk of key elections around the world

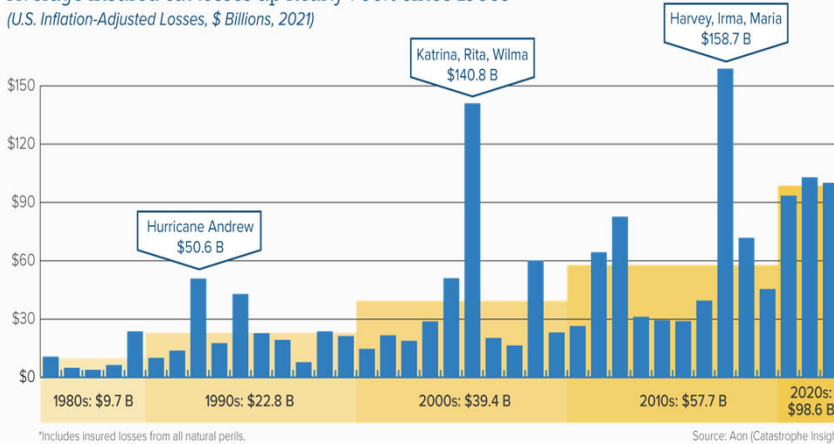


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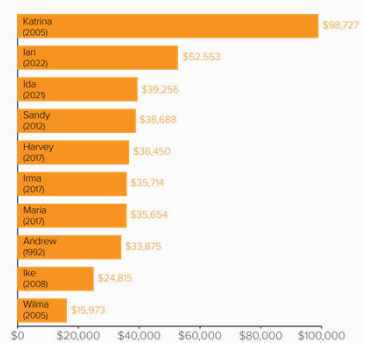


U.S. Catastrophe Losses Steadily Climbing

Average insured cat losses up nearly 700% since 1980s*
 (U.S. Inflation-Adjusted Losses, \$ Billions, 2021)



10 Costliest U.S. Hurricanes



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. Based on insured losses in 2022 dollars. Adjusted for inflation by Aon using the U.S. Consumer Price Index.

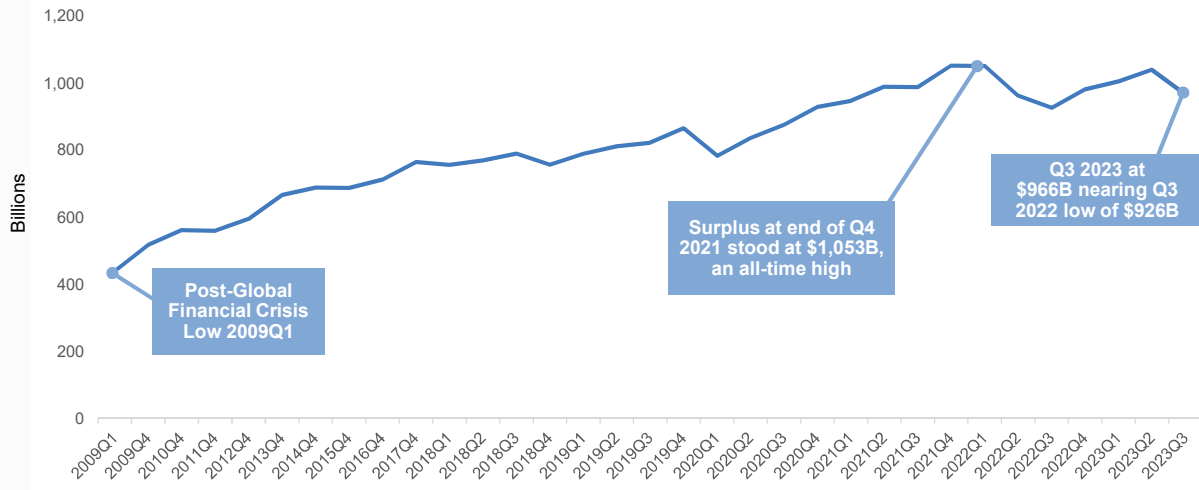
Risk transfer is essential, but just one tool in the resilience toolkit alongside risk modeling, technology, public policy, finance, and science

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P&C Financials Strong Despite Market Volatility & UW Losses

P&C Quarterly Policyholder Surplus 2009Q1-2023Q3

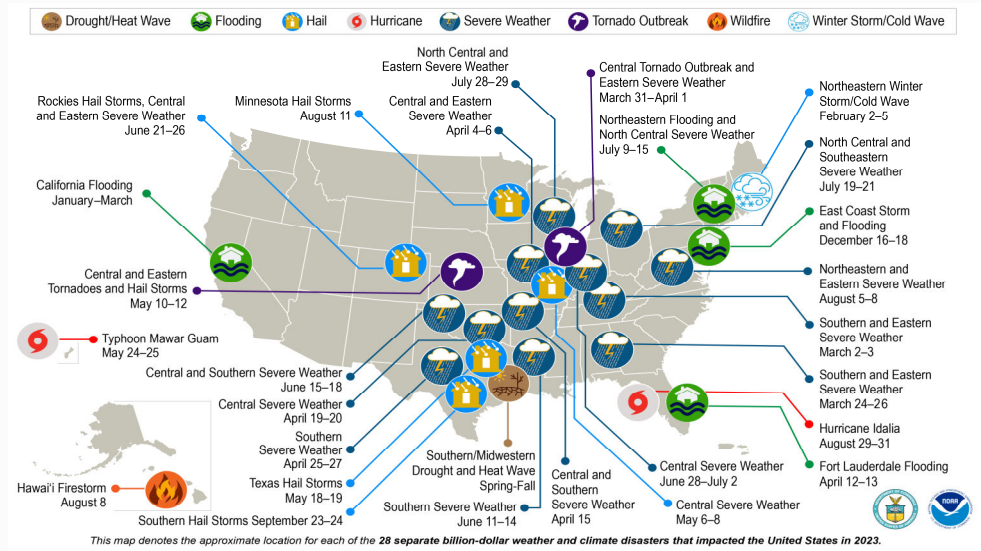


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US 2023 Billion-Dollar Weather and Climate Disasters

- Record 28 billion-dollar events in 2023
- Prior record was 22 events in 2020
- \$93B total cost in 2023
- Record more than \$50B in severe convective storms through Q3



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Increasing Wildfire Risk / Living In Harm's Way

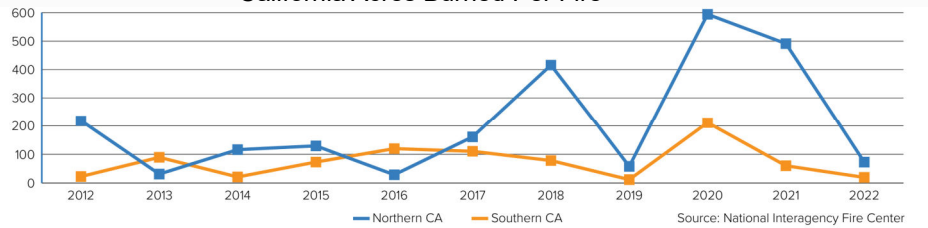
Top 8 of State's Largest Wildfires (Acres Burned) Have Occurred Since 2017

Top 20 Largest California Wildfires

FIRE NAME (CAUSE)	DATE	COUNTY	ACRES	STRUCTURES	DEATHS
1 AUGUST COMPLEX (Lightning)	August 2020	Mendocino, Humboldt, Trinity, Tehama, Glenn, Lake, & Colusa	1,032,648	935	1
2 DIXIE (Powerlines)	July 2021	Butte, Plumas, Lassen, Shasta & Tehama	963,309	1,311	1
3 MENDOCINO COMPLEX (Human Related)	July 2018	Colusa, Lake, Mendocino & Glenn	459,123	280	1
4 SCU LIGHTNING COMPLEX (Lightning)	August 2020	Stanislaus, Santa Clara, Alameda, Contra Costa, & San Joaquin	396,625	225	0
5 CREEK (Undetermined)	September 2020	Fresno & Madera	379,895	858	0
6 LNU LIGHTNING COMPLEX (Lightning/Aeron)	August 2020	Napa, Solano, Sonoma, Yolo, Lake, & Colusa	363,220	1,491	6
7 NORTH COMPLEX (Lightning)	August 2020	Butte, Plumas & Yuba	318,935	2,352	15
8 THOMAS (Powerlines)	December 2017	Ventura & Santa Barbara	281,893	1,060	2

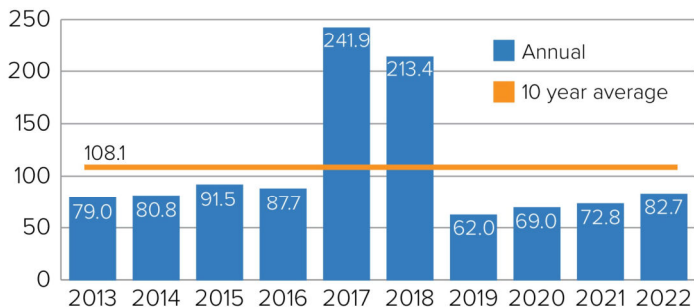
Increase in N. Calif. Acres Burned Potential Signal of Increased Development in WUIs

California Acres Burned Per Fire



California's Problem: Proposition 103 Underwriting Can't Keep Up With Losses

California Homeowners Insurance Combined Ratio



Proposition 103

- Prospective Modeling Can't Be Used
- Reinsurance Can't Be Priced In
- Increases over 7% - Consumer Group Intervention



Triple-I's Climate Risk Objective

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

- Recognize insurance and its role
- Remove the politics – focus on the solutions
- Be responsible about the low carbon transformation
- Balance out the long-term (carbon) and short-term (physical infrastructure) risks
- Institute public policies and government spending projects
- Integrate new public-private collaboration options



Advancing The Climate Risk Discussion

Triple-I is actively informing how insurance is leading the resilience dialogue

Published Content

- **Consumer Awareness Survey** in collaboration with Munich Re
- Wrote/edited the Insurance Chapter in the National Institute of Building Sciences' (NIBS) **Roadmap to Resilience**
- Contribute to Milwaukee Municipal Sewerage District Flood Mitigation **Research Brief**
- State of the Risk **Issues Briefs** on Flood, Hurricanes, Convective Storms, Wildfires

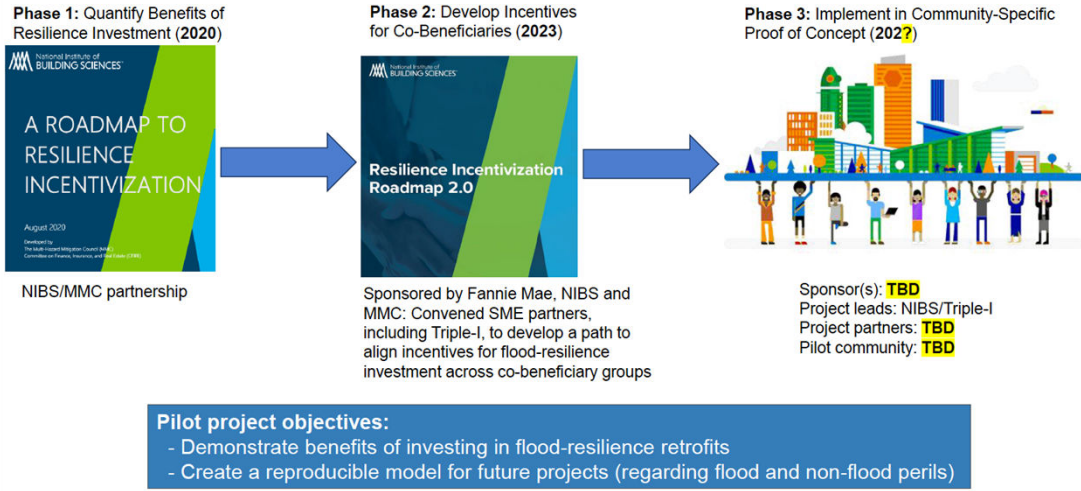


Resilience Accelerator Hub

- **Community Resilience Ratings** added two more years of experience

Next Step: One-The-Ground Action

Triple-I & PwC is actively engaged in building on-the-ground community resilience program



Defining Legal System Abuse

What Is It?

Exploits litigation when a disputed claim could have been resolved without judicial intervention.

- Shadowed Third-Party Litigation Funding (TPLF)
- Exploitative Plaintiff Advertising — “The Billboard Effect”
- Increasing Plaintiff Attorney and Contingency Fees
- Eroding Caps on Damages

Why Does It Matter?

- Claimants receive less
- Higher costs for for all consumers and businesses

What Can Be done?

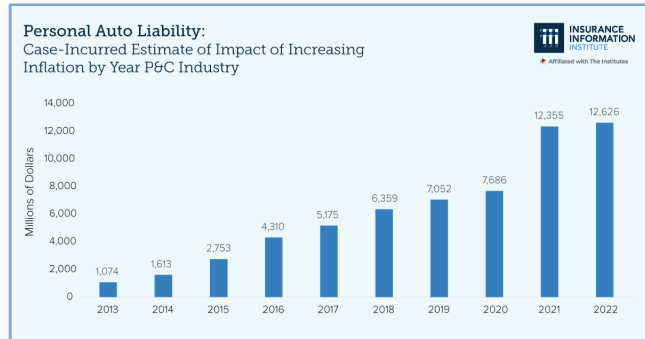
- Increase and inform understanding of dangers
- Foster legislative and judicial reform
- Create transparency on TPLF

Impact of Increasing Economic + Social Inflation

Triple-I quantified the combined impact of inflationary trends on auto liability – personal and commercial combined

Key Findings

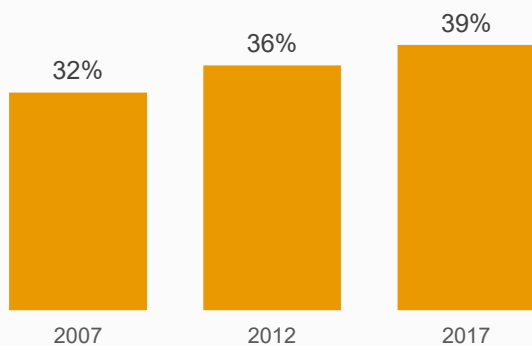
- Economic and social inflationary trends contributed to **increased claims** by an estimated **\$96-105B** from 2013 to 2022
 - Personal auto estimated at **\$61B**, or **6.5%** of loss and DCC
 - Commercial auto estimated at **\$35-44B**, or **19-24%** of loss and DCC
- Both lines experienced claim settlement patterns slowdown in 2020-2021 and subsequent speed-up in 2022



*Triple-I analysis of National Association of Insurance Commissioner (NAIC) data. [Impact of Increasing Inflation on Personal and Commercial Auto Liability Insurance](#), Jim Lynch, Dave Moore, Dale Porfilio, September 2023

Attorney Involvement is Growing Steadily

No-fault PIP Claims with Attorney Involvement Nationwide



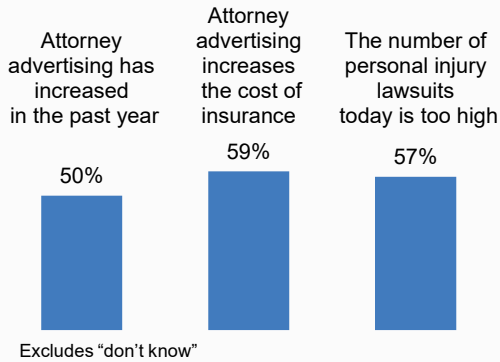
No-fault laws were designed to reduce litigation, but upward trend continues

Leading states as of 2017: FL at 55%, NY at 47%, NJ at 46%

Source: Insurance Research Council

Attorney Involvement and Litigation

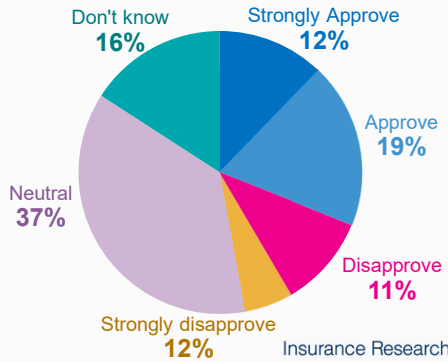
Consumers understand connection between attorney advertising and insurance costs



Source: Public Attitudes on Litigation Trends and the Role of Attorneys in Auto Insurance Claims | Insurance Research Council (insurance-research.org)

Opportunities for education about Third-Party Litigation Funding

Attitude Toward Litigation Financing



Insurance Research Council

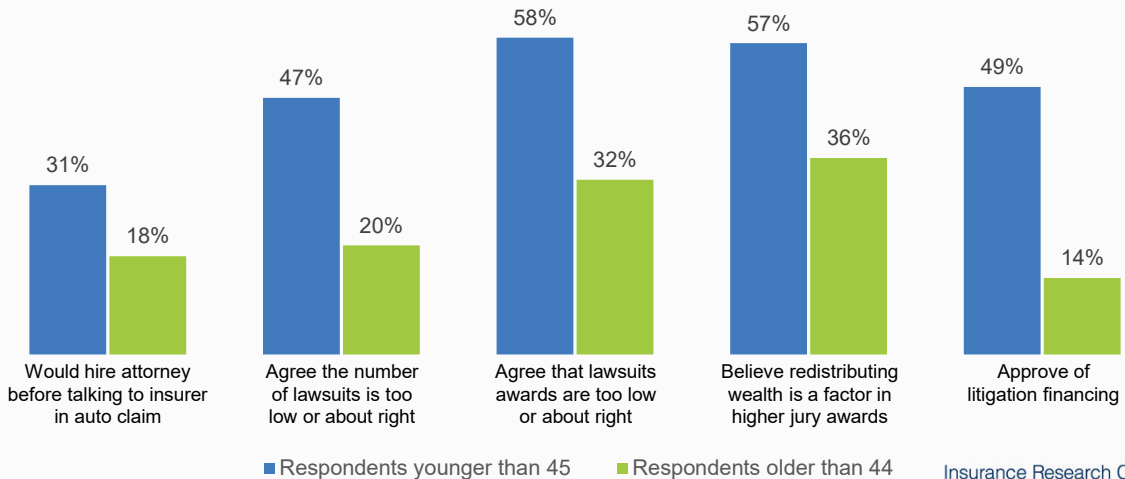
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Attorney Involvement and Litigation

Younger consumers have very different attitudes towards attorneys and litigation



Source: Public Attitudes on Litigation Trends and the Role of Attorneys in Auto Insurance Claims | Insurance Research Council (insurance-research.org)

Insurance Research Council

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Triple-I Taking on Legal System Abuse

Echo Industry Lobbying Trades State-Based Initiatives While Shining Light on TPLF

- 80% increase [website](#) views
- 200%+ increase media citations
- 7k+ subscribers to legal system abuse [email alerts](#)
- Research, insights, videos and communications to media, consumer, industry, and members
- Testimony in NY and OH
- Targeted social media campaigns
- Message testing and polling



2024 Proactive Triple-I Thought Leadership

- Focus on “Battleground” States: GA, LA, MI, TX, FL
- Develop & Launch TPLF Transparency Campaign
 - Message testing with ILR and APCIA
 - Apply finding to thought leadership and state campaigns
- Build Coalition with APCIA, NAMIC, RAA, CIAB, Big-I
 - Lobbying Trades: On-the-ground government affairs and legal tactics
 - Triple-I: Research and Communications “Echo Chamber” e.g., briefings, fact sheets, editorial boards, Rapid Response, targeted email and digital advertising, testimony
- Leverage Other Industries and Groups
 - American Tort Reform Association, U.S. Chamber of Commerce Institute for Legal Reform, National Association of REALTORS, Triple-I Non-Resident Scholars, American Trucking Associations

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Words Matter...

To better understand sentiments around key issues impacting the industry, it’s imperative to gauge how stakeholders, as well as consumers, engage with words and phrases.

We can begin to frame the narrative by conducting the following:

- **Polling:** Analyzes key demographics and message resonance on key issue
- **Message Testing:** Understand how different verbiage performs among different audiences
- **Surveys:** Provide insights into how consumers and stakeholders feel around various inflection points (i.e. Legislation, news, local events)

**Social
Inflation**

VS.

**Legal System
Abuse**

VS.

**Legalized
Fraud**

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Message Testing: TPLF

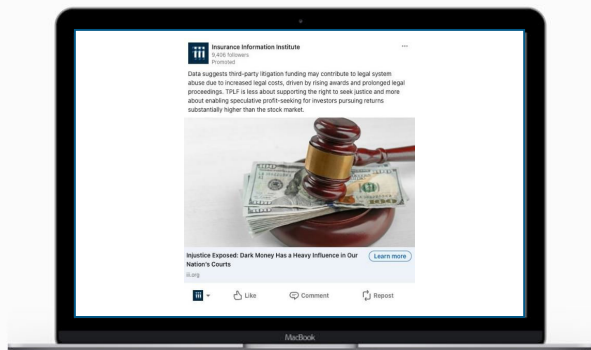
- To determine what resonates among consumer and industry stakeholder audiences, Triple-I conducted a message testing campaign on the topic of third-party litigation funding through Facebook and LinkedIn
- Run Dates: January 22 – February 9, 2024
- The ads on LinkedIn were served to insurance industry stakeholders, while the ads on Facebook were served to general voters and concerned citizens

Takeaways:

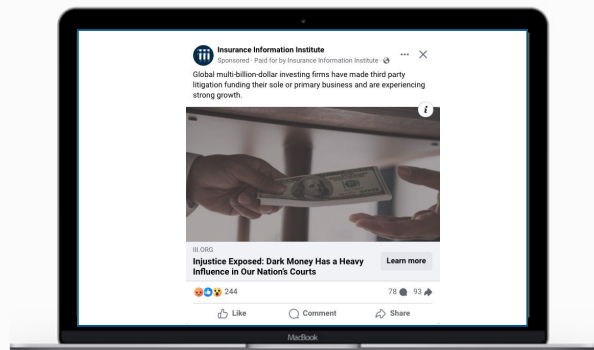
- Headline copy that made mention of ‘dark money’ performed best on both platforms, resulting in the highest overall CTR on both Facebook and LinkedIn
- Body copy that referenced “global multi-billion-dollar investing firms...” performed best among consumers (Facebook) while body copy that focused on “data” performed best among industry stakeholders (LinkedIn)

Top Performing Ads (TPLF)

LinkedIn Top Performing Ad



Facebook Top Performing Ad



Looking Ahead



Georgia

Summary

- Increasing risk in the world is driving more attention to insurance
- Industry and economic challenges resulting from COVID still active but may be at inflection point
- Industry has significant opportunity to lead through disruption and control dialogue — while they are listening...

Thank You!
Questions?



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