

2020 Property Insurance Market Key Events & Data (Cost Drivers for 2021)

Worldwide: There was a total of \$210B in Economic losses worldwide that were the result of natural catastrophe. \$89B was covered as an insured loss.

United States: 22 Extreme Weather Events (Tornado, Hurricane, Wildfire)

- Extreme Weather Event defined as losses of \$1b or greater.

Hurricane Season: \$43B in Economic losses (\$26B insured losses)

- Most active season ever (30 named storms)
- 13 reached hurricane status.
- A record 12 made landfall in the U.S.

Florida Domestic:

- There are 50 Florida admitted domestic insurance companies
- Q1-Q3 2020 \$1B in underwriting losses.
 - Double all of 2019

Florida Litigation Issues:

- First Party Claims against property insurance companies
 - From 2013 to 2019 litigated cases rose 27,000 to 89,000 cases
 - Most claims related to water damage or roofing damage.
 - 25 Attorneys have filed nearly 20k lawsuits against property insurance companies in the first 6 months of 2020. 43% of total lawsuits filed against property insurance companies.
 - 1 Firm has submitted as many as 10k at one time.
 - Claims that are litigated increase in cost from an average of under **\$15k** to more than **\$40k**.

2021 Rate Forecast:

- While the market has firmed considerably in 2020 we expect this trend to continue in 2021
- **Why? Rising Reinsurance Cost and Limited Capacity driven by:**
 - Continued Uncertainty related to COVID-19
 - Social Inflation: Higher than normal litigation judgements
 - Developing CAT Loses