

# Navigating the U.S. Insurance Landscape

Insights and strategies for personal insurance

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- Natural disasters impact on home insurance Auto Insurance Impacts
- Large Liability Claims
- Cyber Attacks following natural disasters
- Large Liability Claims
- Insurance litigation updates by region
- Risk Mitigation tips

# Agenda

## Understanding the insurance landscape

- 2024 saw insurance companies focusing on rebalancing portfolios to achieve sustainable profitability
  - Rising rates
  - Stricter coverage terms
  - Increase in self-insurance
- Importance of preparedness
  - Risk mitigation is even more important to protect assets against potential loss

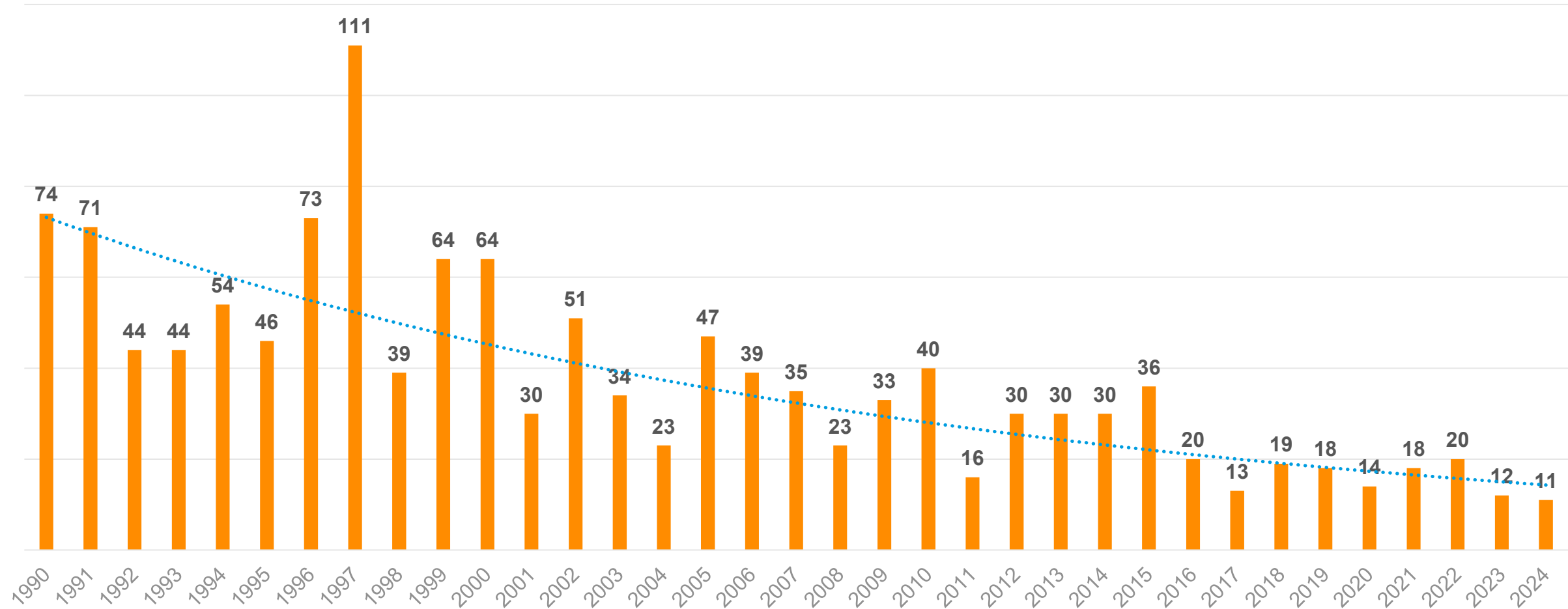
Trend is continuing into 2025



# Natural disasters impacting insurance

Increased frequency of billion-dollar weather disasters

Average number of days between billion-dollar weather disasters in the U.S.





## Convective storms

In 2024, the U.S. experienced 17 severe storm billion-dollar disaster events.

Mitigate Risks



## Earthquakes

U.S. earthquakes leave a wake of home and infrastructure damage to the tune of \$14.7 billion annually.

Mitigate Risks



## Flooding

Since 2019, the U.S. has experienced 11 separate billion-dollar flood events.

Mitigate Risks



## Hurricanes

The U.S. experienced 5 separate billion-dollar hurricane events in 2024.

Mitigate Risks



## Wildfires

Nationally, there were 64,897 wildfires reported in 2024, which burned 8,924,884 acres.

Mitigate Risks



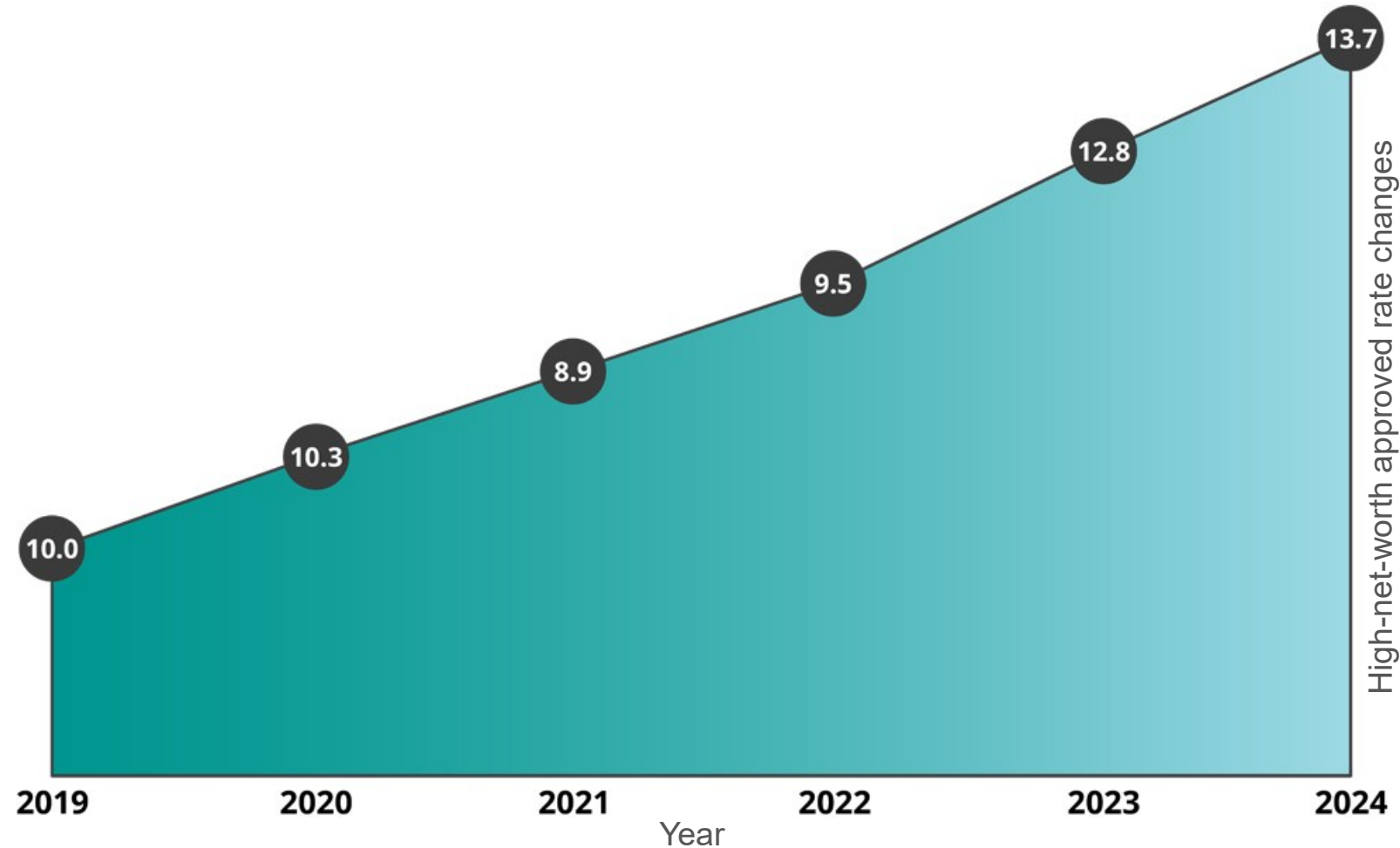
## Winter storms

13 separate billion-dollar winter weather events have occurred in the U.S. since 2000.

Mitigate Risks

# Steep incline for homeowners

High-net-worth rate changes (%)



- 33 states experienced rate increases in 2024
- Carriers in some states issued non-renewal notices
- The emergence of Excess & Surplus market



## The 10 worst zip codes by insurance non-renewals

Some parts of California are becoming essentially "uninsurable" as insurers drop policies due to climate change risk, First Street Foundation said.

Rank	Zip Code	County	number of properties	non-renewals, 2015	non-renewals, 2021	% change in non-renewals
1	92325	San Bernardino	8,591	104	909	776%
2	92352	San Bernardino	10,729	157	1,355	763%
3	92391	San Bernardino	1,998	35	239	582%
4	95709	El Dorado	2,545	42	217	416%
5	92382	San Bernardino	6,516	85	413	385%
6	96146	Placer	2,785	47	225	378%
7	92386	San Bernardino	3,810	70	331	372%
8	92549	Riverside	5,771	54	255	372%
9	92315	San Bernardino	11,083	203	913	349%
10	91390	Los Angeles	8,744	88	393	346%

Table: Aimee Picchi • Source: [First Street Foundation](#) • [Get the data](#)

# The role of risk mitigation

Protect your home and ensure long-term insurability



**Convective storms**



**Earthquakes**



**Flooding**



**Hurricanes**



**Wildfires**

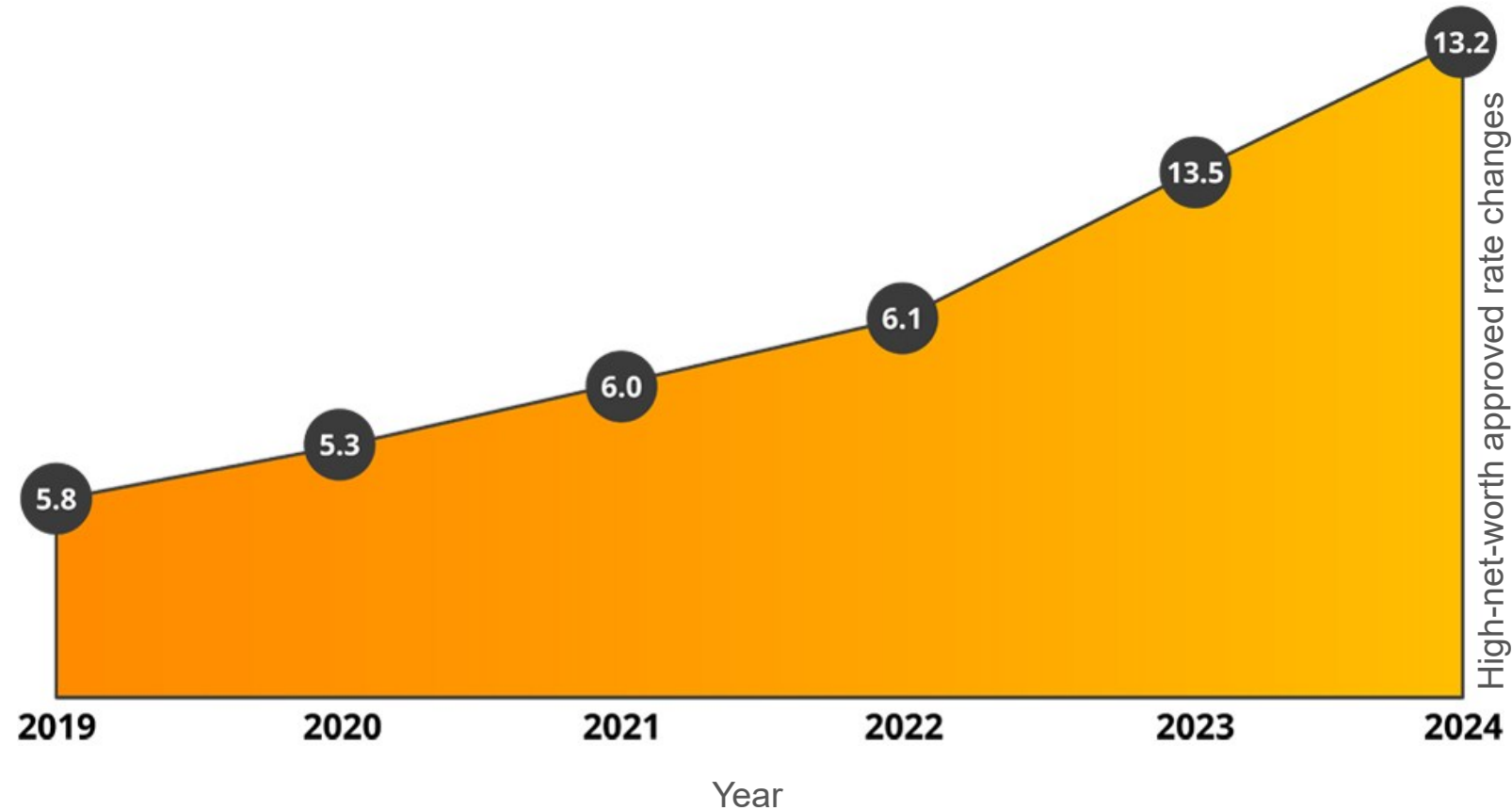


**Winter weather**



# Personal auto insurance climbing too

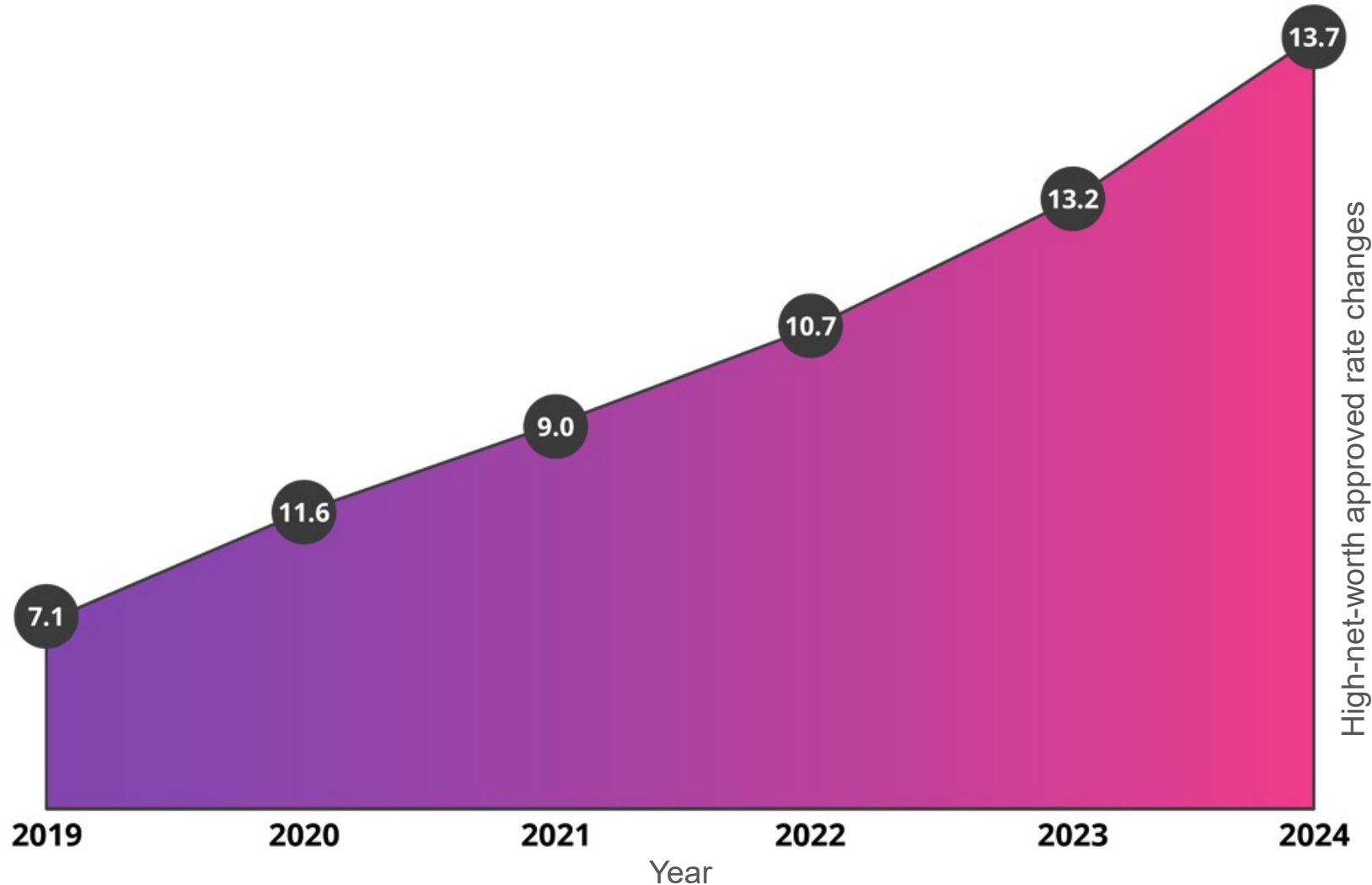
High-net-worth rate changes (%)



- Increased rates due to inflation, material, and labor costs
- Prices are expected to increase by an average of 7.5%

# Rugged terrain for personal liability

High-net-worth rate changes (%)



Marsh & McLennan Agency LLC

- Double-digit increases past three years
- Higher medical costs and increased jury verdicts driving rates
- Nuclear verdicts

# Social Inflation

- Used by insurers to describe the rising costs of claims not tied to overall inflation rates:
  - Increasing litigation costs
  - Broader definitions of liability
  - More plaintiff-friendly legal decisions
  - Larger compensatory awards
- 
- Average jury award is now more than \$2.4M



- 82-year-old woman in GA injured after an incident with neighbors' dog
- Insurance carrier initially offered \$150K

- Suit brings to light the increasing cost of medical and legal expenses
- Legal repercussions of dog ownership



\$4.2M  
Dog  
Bite

- 1994 Jury awarded \$2.4M for McDonald's "hot coffee" in unprecedented verdict
- Fast forward to 2025... \$50 million awarded to a delivery driver after a Starbucks drink spilled in his lap in CA.

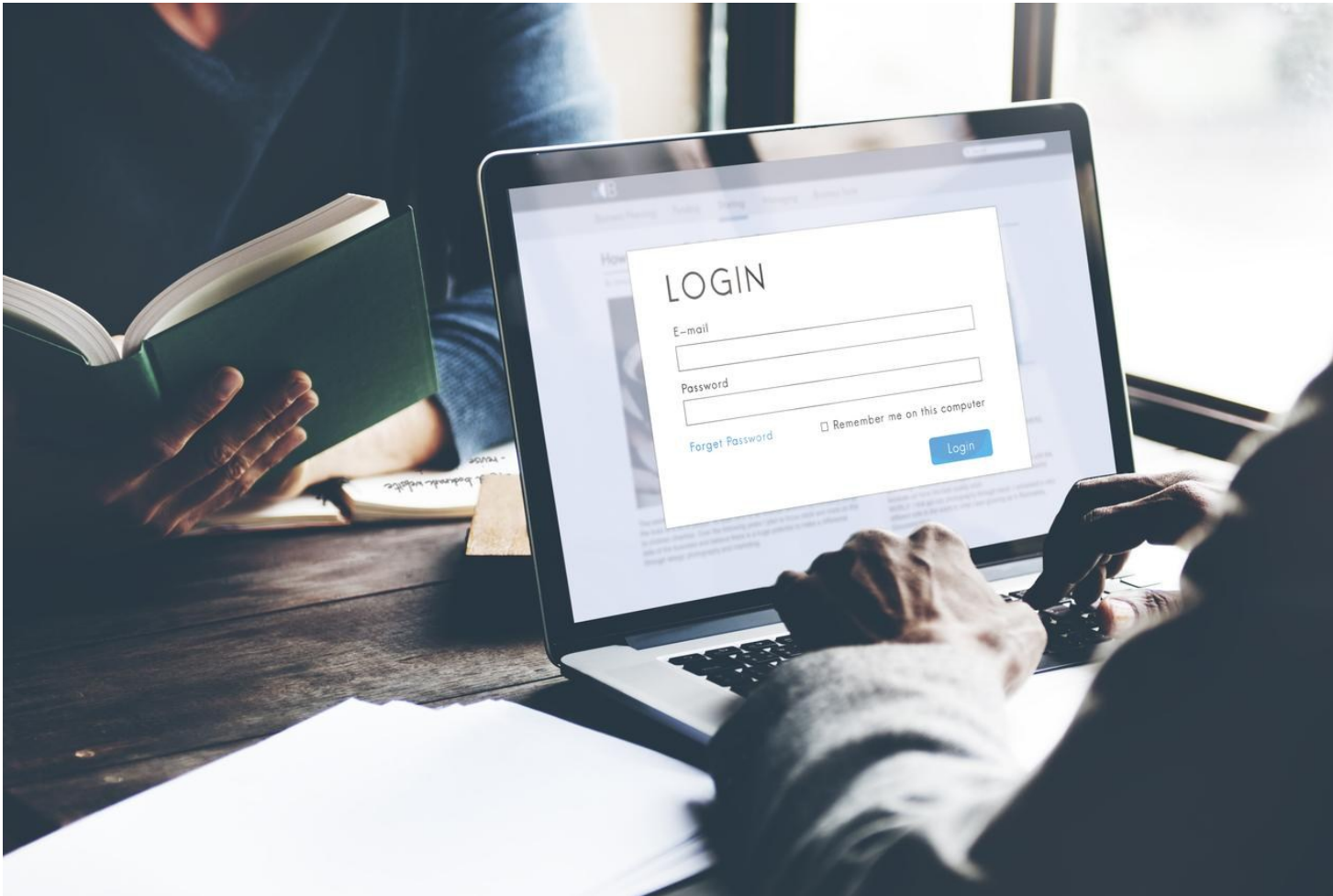


1994 McDonald's  
"Hot Coffee Suit"

Now \$47M more  
expensive!

# Cyber criminals never rest

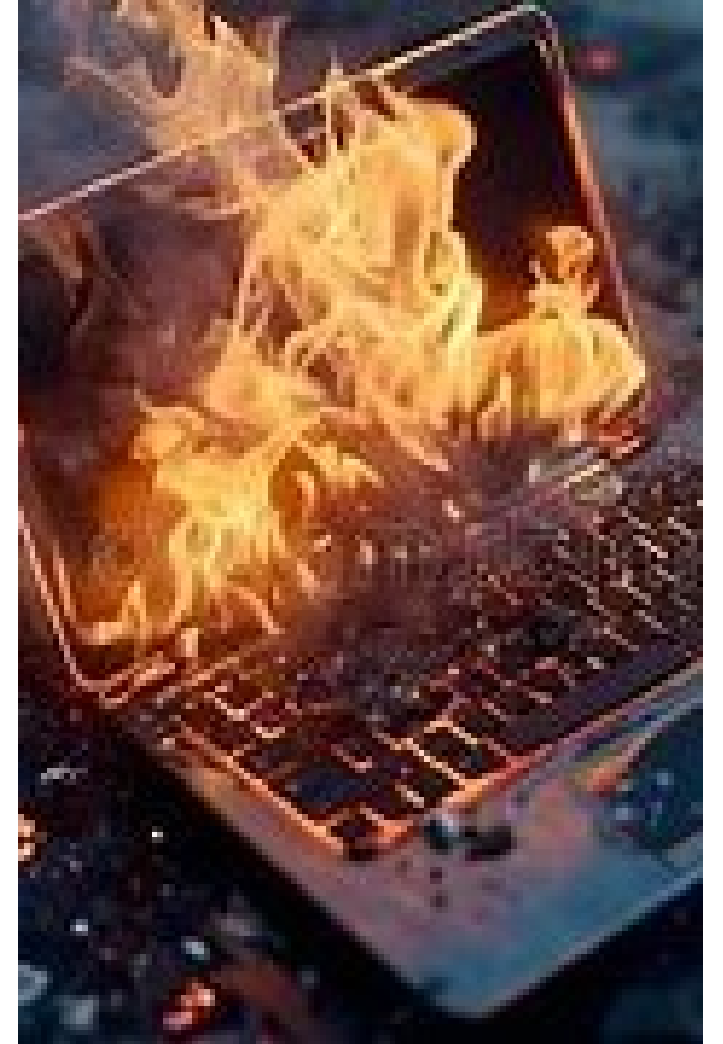
Personal cyber-attacks increase after natural disasters



- Stable cyber insurance market conditions
- Increased choice and higher limits available
- Risks remain significant as criminals evolve

# Cyber attacks following Natural Disasters

- In the aftermath of a disaster, cyber criminals take advantage of the “crisis mindset”
- Backup IT systems may not have as robust protections in place
- Emotional distress leads to greater vulnerability to phishing and social engineering attacks





# Regional and legislative insights

Across the country states are addressing insurance challenges unique to their region



## Riding the Waves of the West Coast Insurance Market

From "Hollywood dreams" to harsh realities:  
Risks homeowners face



## Journey from Oz: The Real Impact of Tornadoes on Insurance in the Midwest

Increased severe weather events leading to higher insurance rates



## Navigating the Storm: Eastern Midwest Insurance Trends Amid Weather...

Illinois, Indiana, and Ohio: Severe weather impacting insurance



## Open the Floodgates: Understanding Insurance Trends in the Northeast

Residents battle threats of natural disasters + rising insurance costs



## Southeastern states confront severe weather and increased rates in 2025

Homeowners and legislators proactively tackle insurance challenges



## When it Rains, it Pours: Helping Mid-Atlantic Homeowners Understand...

Residents in the Mid-Atlantic states face unique weather-related challenges



## Protecting the Peaks

Natural disasters & insurance obstacles throughout the Mountain States



## The Southwest Faces a Dynamic Insurance Landscape in 2025

Southwest insurers are pulling back the reins in due to severe weather



## What's Next for Florida Insurance?

Florida: Learn what could be next to mitigate your risks in 2025.

# The role of reinsurance

Balancing out rates



- Reinsurance is insurance for insurance companies
- Recent decline in reinsurance rates
- Potential for stable premiums

# Thank you!!

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