

Insurance Hard Market Timeline

Natural disasters and market impacts lead to increasing commercial property premium rates in the U.S.

2017 Hurricane Season Is the Costliest on Record for the U.S.



2017 | Costliest Year on Record for Natural Disasters
Just 16 events cause over \$306.2B in damages

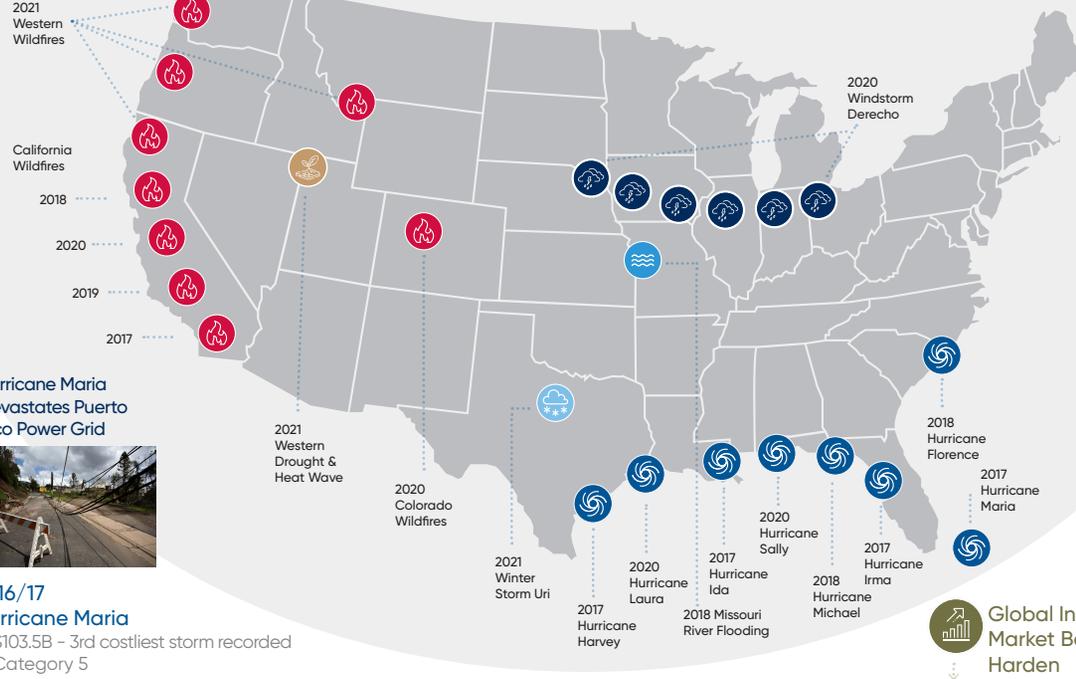
8/17/17 Hurricane Harvey
• \$143.8B - 2nd costliest storm recorded
• 29 trillion gallons of rainfall in TX and LA, most significant in U.S. history

Hurricane Maria Devastates Puerto Rico Power Grid



9/16/17 Hurricane Maria
• \$103.5B - 3rd costliest storm recorded
• Category 5

Natural Disaster Locations in the U.S. for 2017-2021



WORLDWIDE

2019-2021 COVID-19 Pandemic
2017-2021 Hardening Market

Winter Storm Uri Overwhelms Texas Energy Sources



2/13/21 Winter Storm Uri
\$24.5B in damages

Global Insurance Market Begins to Harden

2022 | Predictions

- Interest rate increases will continue to rise through the end of the year
- Carrier investment return will ease rate of increase for premiums
- Record global weather events will continue to impact market conditions
- NOAA predicts above-normal hurricane season
- Supply chain issues will continue pressure on replacement costs

2017 2018 2019 2020 2021 2022



2017 California Wildfires



8/30/17 Hurricane Irma
• \$57.5B - 6th costliest storm recorded
• Category 5



2018 California Wildfires



8/31/18 Hurricane Florence
• \$26.9B
• Category 4



10/17/18 Hurricane Michael
• \$28B
• Category 5
• Strongest hit to panhandle



COVID-19 Pandemic
• Greater losses than 9/11
• Worldwide uncertainty about full impact on insurance and the world



2020 California & Colorado Wildfires



8/10/20 Midwest Derecho
• \$12.1B
• 770 miles in 14 hrs
• 140 mph winds



2021 Western Wildfires



8/26/21 Hurricane Ida
• \$76.5B - 5th costliest storm recorded
• Category 4



2021 | 3rd Costliest Year on Record
With 20 events, this is the 7th consecutive year with 10 or more separate billion-dollar events.

2016 | Soft Market Peak
Consumers enjoy low prices and carriers compete to pay commissions.

2018 | Market Hardening Begins
Supply and demand issues increase as capacity tightens due to natural catastrophes

2019 | Social Inflation Rises
Social factors cause greater claims costs due to:
• More claims flooding courts and higher jury awards
• Broader definitions of coverage
• Use of public adjusters
• Changing views on social responsibility

2020 | Reinsurance Costs Rise & Interest Rates Very Low
Florida insurers see rate increases of 20%+, some as high as 60%. Investment return remains low so carriers reduce their risk.

2020 | Most Events to Date
A new record is set with 22 billion-dollar events this year.