

40 & FORWARD

EIM[®]



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Chief Executive Officer,
Insurance Information Institute | Public Affairs



Triple-I State of the Industry Key Risks & Opportunities

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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.



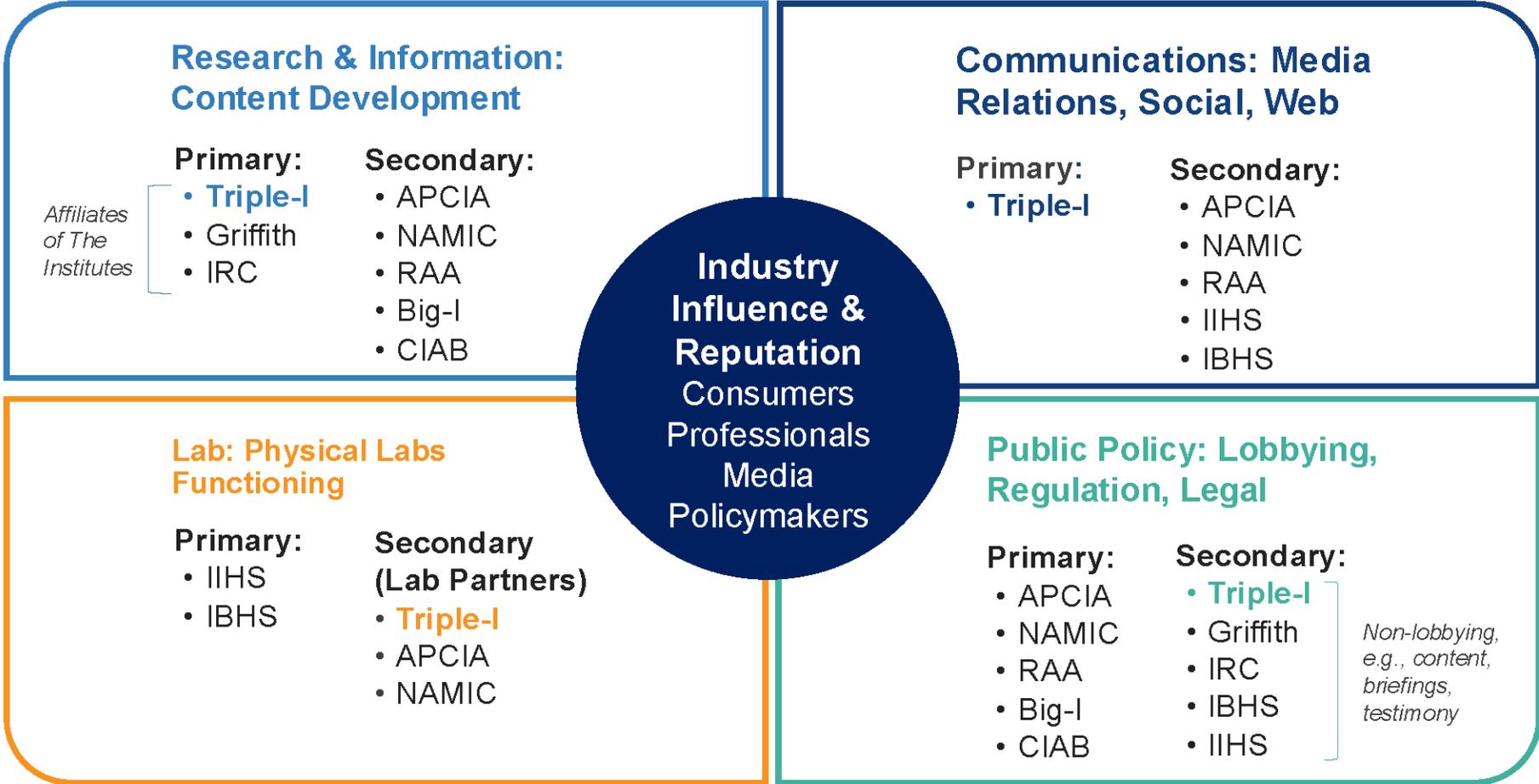
The Company We Keep

Moving insurance and risk management forward through collaboration



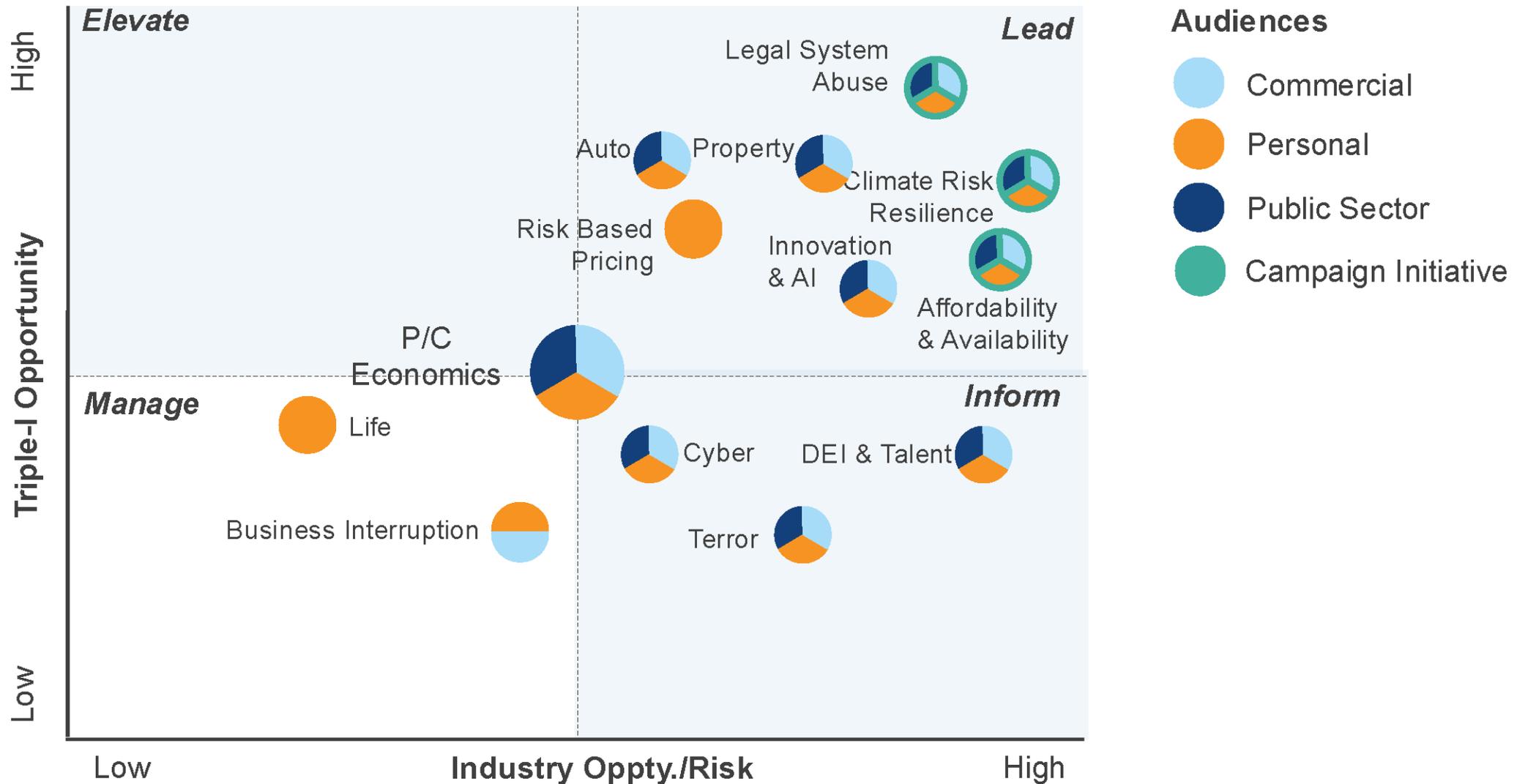
Driving Influence for Insurance Trades

Triple-I plays a supporting and collaborative role in all



Issue Management

Balancing Opportunity & Risk



Economic Drivers of P&C Performance

Insurance Economics By The Numbers



3.0 million... Citizens in the U.S. who are **employed** in a wide variety of careers, from human resource administrators to public relations managers to financial analysts in 2024.



\$7.8 trillion... Cash and invested **assets under management** in 2024, including \$2.4 trillion for the property/casualty (P/C) sector and \$5.6 trillion for the life/annuity sector.



\$791.8 billion... P/C and life/annuity insurance industries contributed **2.7 percent of GDP**.



\$1.1 trillion... P/C policyholder surplus on hand at the end of 2024 **for ensuring individuals and businesses claims are paid**.



\$34.7 billion... **Taxes paid** by the property/casualty and life/annuity insurance industries in the U.S. in 2024 – **\$102 for every citizen**

Key Drivers of Increasing Insurance / Risk Pricing



Replacement Costs & Inflation



Natural Catastrophes



Cost and Availability of Capital



Adverse Underwriting Trends



Legal System Abuse



Regulatory Uncertainty



Geopolitical Risk



Five-Year Replacement Costs Increases 2021-2025



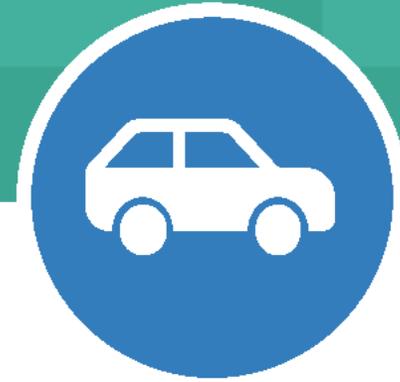
**Commercial
Property**

19%



Homeowners

30%



**Personal and
Commercial Auto**

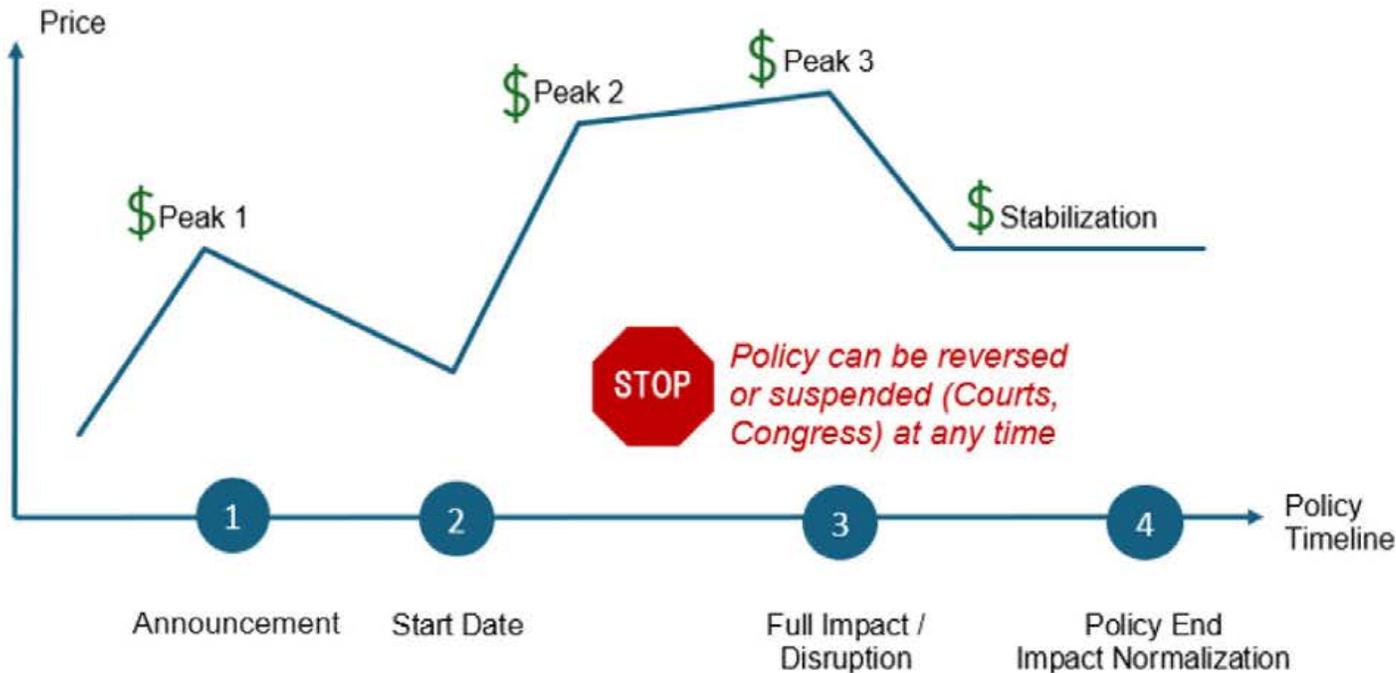
28%

Source: Triple-I, Data; BLS (as of 2024).

How Long Does a Tariff's Impact Last?

Timeline of Tariff Impacts on Costs

(Price of Impacted Goods Throughout Policy Timeline)



Source: Insurance Information Institute, (As of 02/11/2025).

The impact of tariffs and quotas tends to follow a timeline driven by inventories and substitution: announcement, start date and, if applicable, end date.

Typically leading to three peaks in the price of impacted goods:

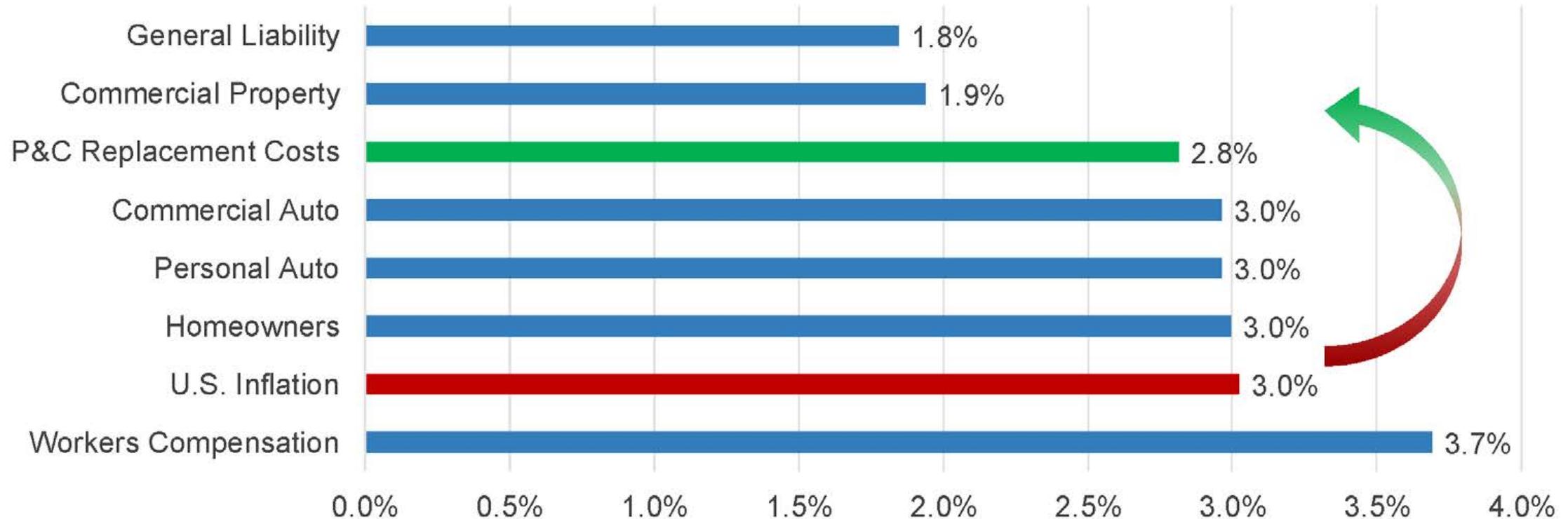
- **Peak 1:** Immediately after announcement
- **Peak 2:** As inventories reach a low
- **Peak 3:** As substitution inventories are depleted
- **Stabilization:** New equilibrium between inventories, substitution, and demand

Members can view the full Economic Outlook on the Triple-I member-only website or contact members@iii.org.

P/C Replacement Costs for Key Insurance Lines

P/C replacement costs are expected to have increased to 2.8% YoY in 2025 from -0.3% YoY in 2024. Key replacement cost drivers include prices for construction materials, used motor vehicles, and vehicle parts.

**P/C Replacement Costs Index for Key Insurance Lines
2025 (YoY%)**

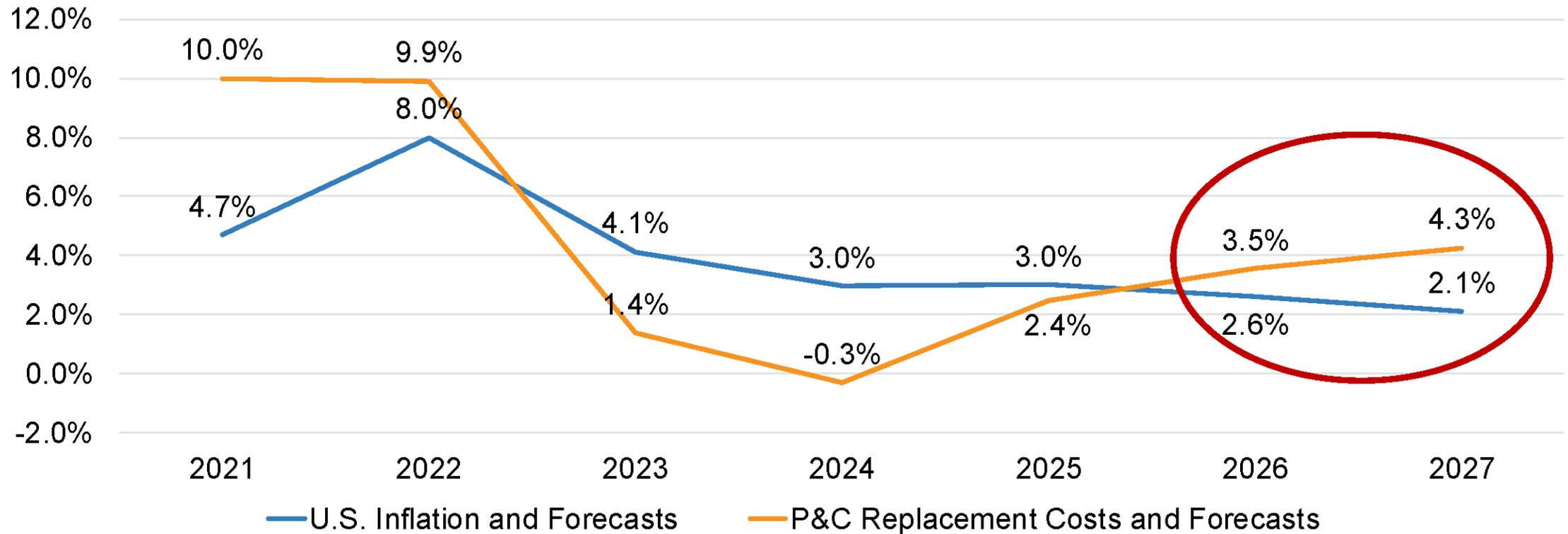


Sources: Insurance data and analysis: Triple-I; U.S. CPI: BLS; (As of 11/17/2025).

P/C Replacement Costs Index and U.S. Inflation

P/C replacement costs are expected to overtake overall CPI in 2026-27, the first time since a post-COVID high, driven by price increases for construction materials, used cars and trucks, and vehicles parts.

P/C Replacement Costs Index and U.S. Inflation Forecasts
(2020 – 2027 YoY%)



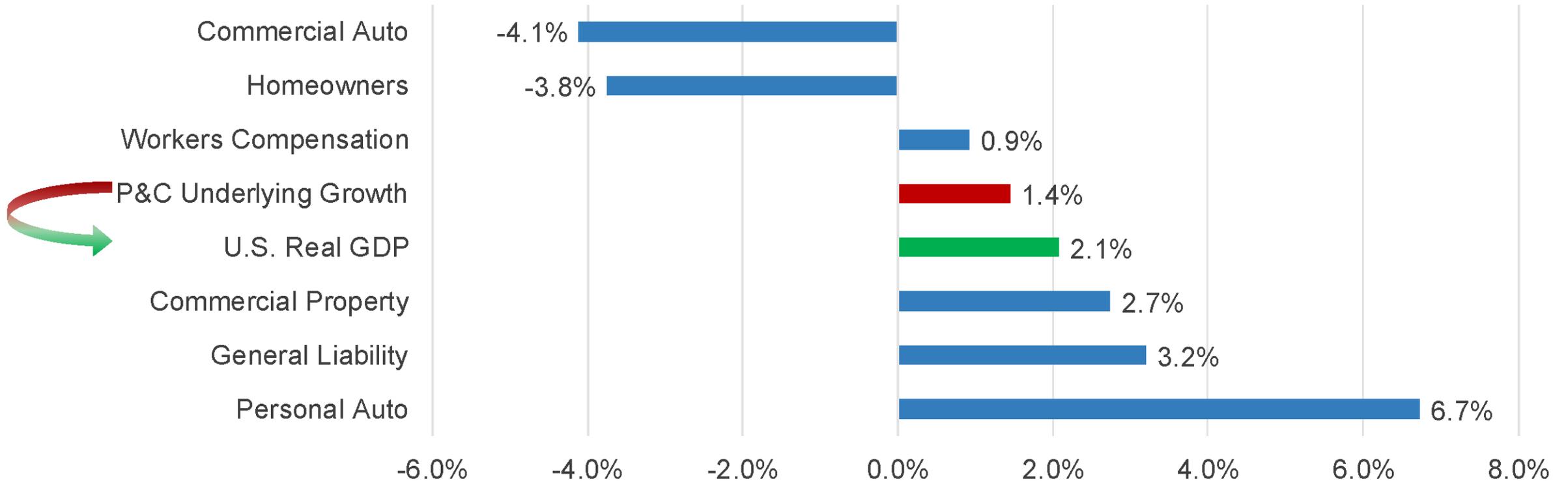
Sources: Insurance data and analysis: Triple-I; U.S. Inflation: BLS (2021-2024) and Federal Reserve Forecast (2025-2027); (As of 11/17/2025).

P/C Economic Growth Index for Key Insurance Lines

Housing starts are expected to have remained stubbornly low in 2025.

Commercial Auto underlying growth is expected to have been the weakest performer.

P/C Economic Growth Index for Key Insurance Lines 2025 (YoY%)

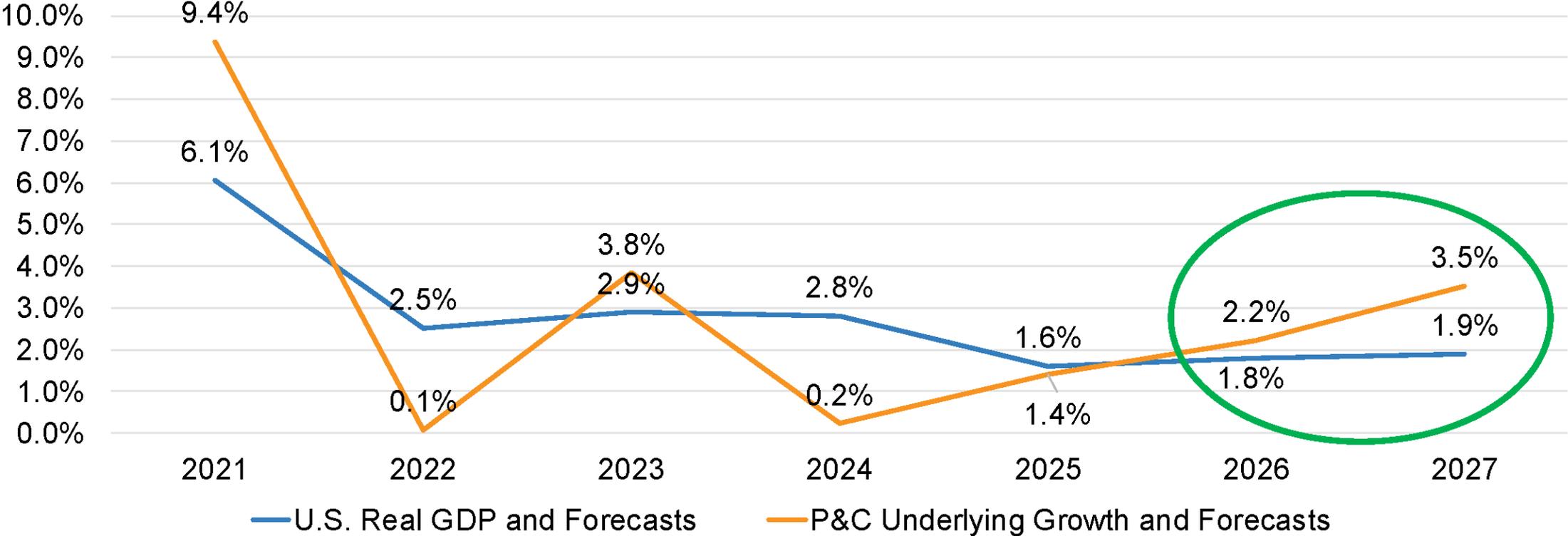


Sources: Insurance data and analysis: Triple-I; U.S. GDP: BEA; (As of 11/17/2025).

P/C Economic Growth Index and U.S. GDP Forecasts

Economic drivers, including premium volume drivers, are expected to rise above overall GDP in 2026-27. This is dependent on mortgage rates decreasing enough to jumpstart housing starts.

P/C Economic Growth Index and U.S. GDP Forecasts
(2020 – 2027 YoY%)



Sources: Insurance data and analysis: Triple-I; U.S. GDP: BLS (2021-2024) and Federal Reserve GDP Forecast (2025-2027); (As of 11/17/2025).

Commercial Auto P&C Economic Drivers

Corporate spending on motor vehicles is expected to recover in 2026-27.

Replacement costs trends are the same as for personal auto.

Commercial Auto P&C Economic Drivers (YoY%)					
	2023	2024	2025	2026	2027
Underlying Growth	21.88%	1.56%	-4.11%	1.60%	1.47%
Heavy Weight Trucks Sales 	6.9%	-4.7%	-19.0%	2.3%	2.5%
Light Trucks Sales	13.7%	3.5%	9.2%	4.5%	4.9%
Motor Vehicle Output Private Fixed Investment	45.0%	5.9%	-2.5%	-2.0%	-3.0%
Replacement Costs	-0.17%	-2.15%	1.85%	2.70%	3.13%
New Vehicles	3.7%	-0.6%	0.4%	2.1%	1.9%
Used Cars & Trucks 	-7.1%	-5.9%	2.8%	3.0%	4.0%
Motor Vehicle Parts & Equipment 	2.9%	0.02%	2.3%	3.0%	3.5%

Sources: Insurance data and analysis: Triple-I; Economic data: BLS, BEA; (As of 11/17/2025).

Colors: green and red represent the positive or negative impact of economic trends on CA specifically - not for the wider U.S. economy.

General Liability P&C Economic Drivers

Resilient consumer spending in brick-and-mortar businesses may increase loss events frequency.

Cost increases for medical commodities in 2026-27 are expected to remain below those for overall CPI and core CPI.

General Liability P&C Economic Drivers (YoY%)					
	2023	2024	2025	2026	2027
Frequency Drivers	0.76%	2.11%	3.20%	3.40%	4.55%
Retail Sales 	2.4%	2.4%	3.8%	5.0%	8.0%
Finance & Insurance Sector	-0.9%	1.9%	2.6%	1.8%	1.1%
Severity Drivers	4.48%	2.78%	1.90%	2.05%	2.05%
Medical Care Commodities 	4.2%	2.1%	0.7%	1.5%	2.0%
All CPI Items Less Food & Energy	4.8%	3.4%	3.1%	2.6%	2.1%

Sources: Insurance data and analysis: Triple-I; Economic data: BLS, BEA; (As of 11/17/2025).

Colors: green and red represent the positive or negative impact of economic trends on GL specifically –not for the wider U.S. economy.

Workers Compensation P&C Economic Drivers

Payroll expected to continue multi-year decrease into 2026-27 which may decrease premium volume economic drivers.

Hourly earnings are expected to continue multi-year decrease in 2026 which decrease economic loss basis drivers.

Workers Compensation P&C Economic Drivers (YoY%)					
	2023	2024	2025	2026	2027
Premium Volume Economic Driver					
Total Non-Farm Payroll 	2.2%	1.3%	1.1%	1.0%	1.0%
Loss Basis Economic Driver					
Average Hourly Earnings All Private Employees 	4.4%	4.0%	3.7%	3.3%	3.5%

Sources: Insurance data and analysis: Triple-I; Economic data: BLS; (As of 11/17/2025).

Above, **green** and **red** represent the positive or negative impact of economic trends on WC specifically – not for the wider U.S. economy.

Underwriting Projection

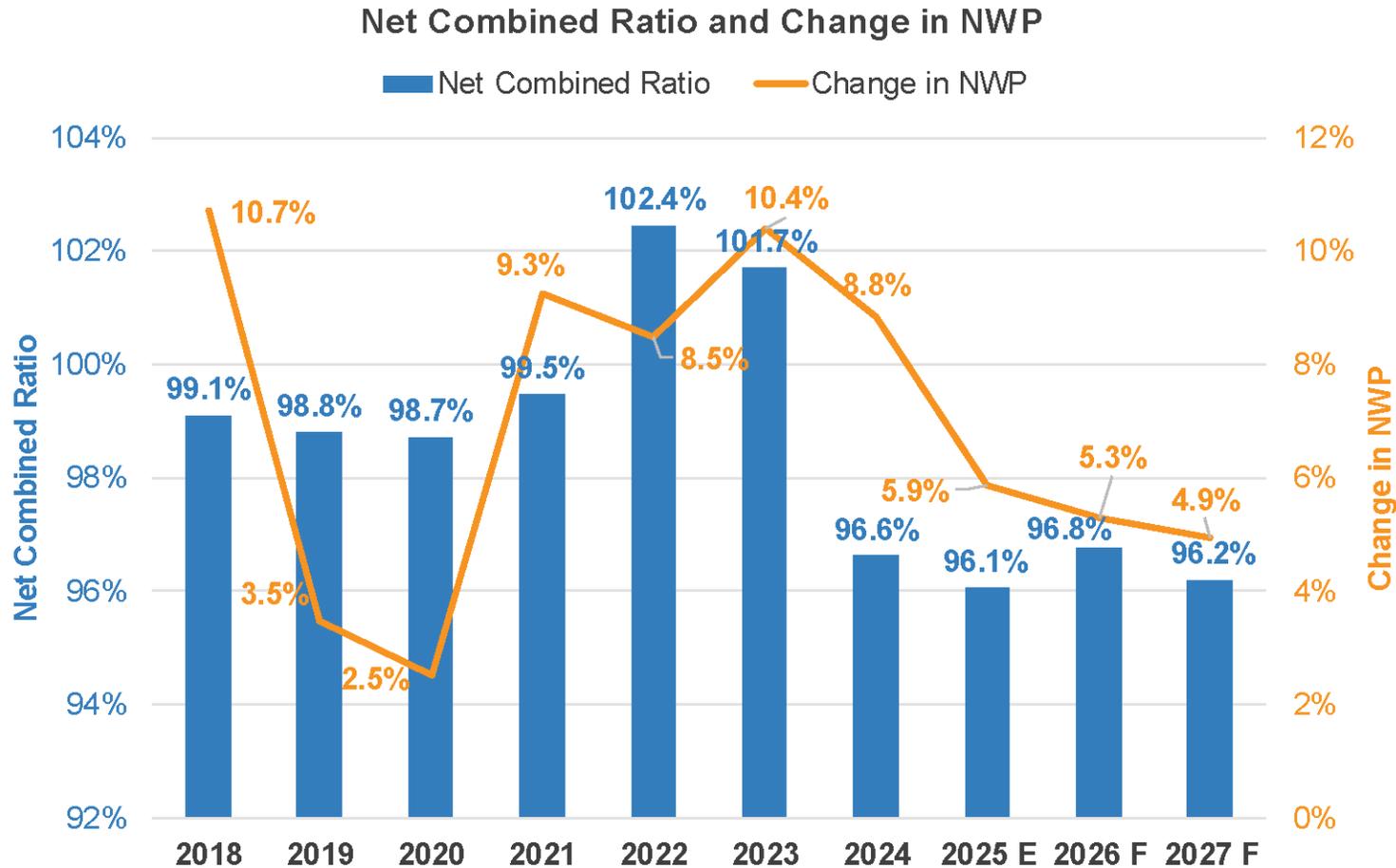
Insurers Rely on Investments – Not Underwriting – for Revenue

Insurance Industry Overall Revenues by Source
2014 - 2025, Dollars in Billion



Source: Analysis: Insurance Information Institute, Data: S&P, As of 09/29/2025

P/C Industry Outlook



- Good News #1: P/C Industry is on-track to achieve its lowest Net Combined Ratio in over a decade.
- Good News #2: No hurricanes made landfall in the U.S. during the 2025 Atlantic hurricane season, the first time since 2015.
- Mixed News #1: Homeowners is on-track to achieve a Net Combined Ratio below 100 despite Q1 Los Angeles fires.
- Bad News: General Liability Net Combined Ratio expectations have increased from a poor performing Q3.

Source: Triple-I, Milliman, and NAIC Statutory Financial Data Through S&P Global Market Intelligence (accessed as of 12/2025)

P/C Industry Trends

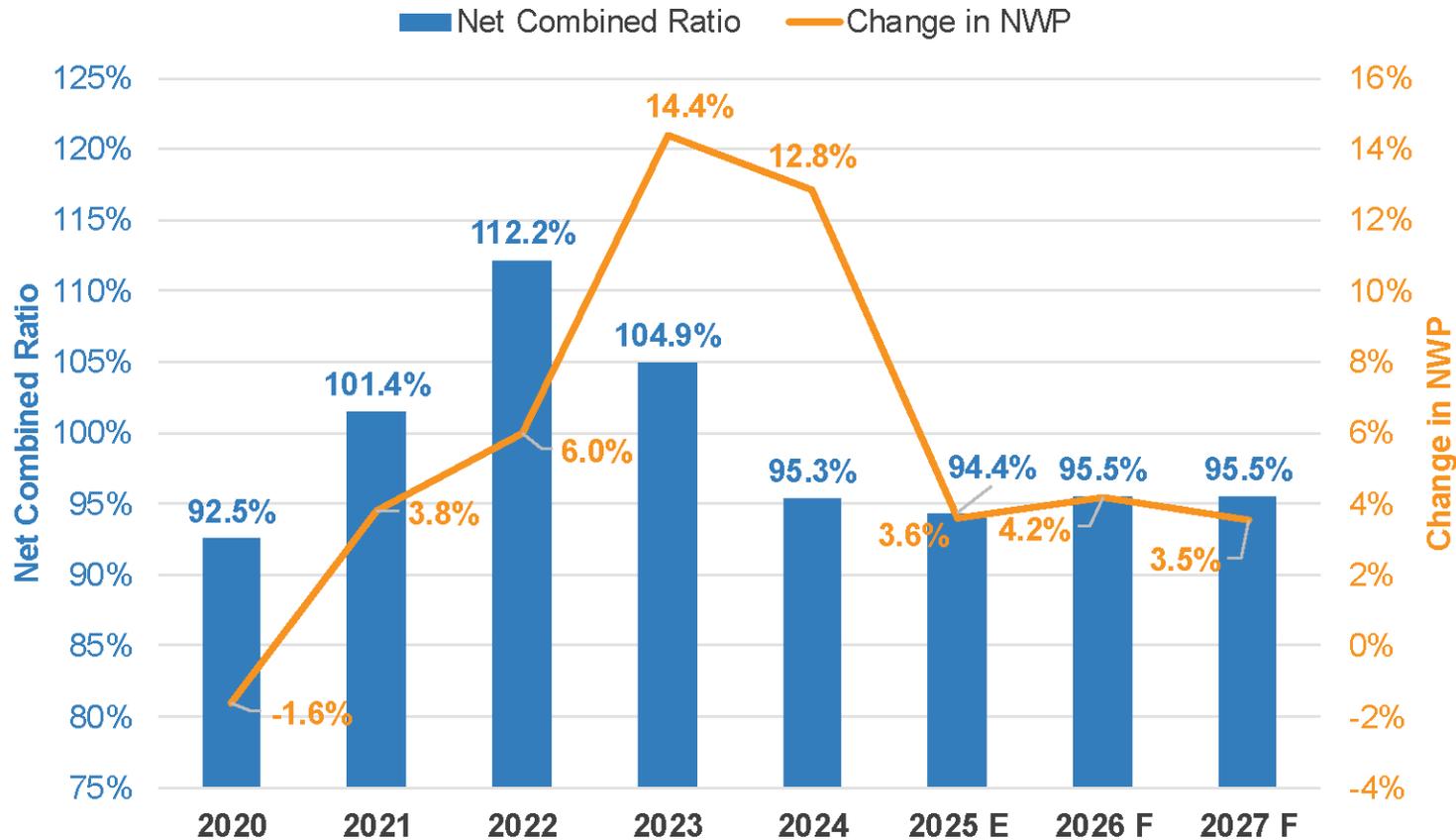
Net Combined Ratio	2020	2021	2022	2023	2024	2025 E	2026 F	2027 F
Personal Lines	96.8%	102.1%	109.9%	106.7%	96.7%	96.0%	96.3%	95.7%
Commercial Lines	100.9%	96.7%	94.8%	96.5%	96.6%	96.1%	97.2%	96.8%
Net Written Premium Growth Rate	2020	2021	2022	2023	2024	2025 E	2026 F	2027 F
Personal Lines	0.0%	5.0%	7.2%	13.8%	13.1%	6.2%	5.4%	4.9%
Commercial Lines	5.4%	14.0%	9.8%	7.0%	4.3%	5.5%	5.1%	5.0%

- Favorable Q3 Homeowners results, historically a quarter with one of the highest loss ratios, lowered the forecasted Net Combined Ratio significantly for 2025, further reducing the gap between the personal lines and commercial lines Net Combined Ratios created by the Los Angeles fires in Q1. Commercial Lines Net Combined Ratio forecast is slightly higher than Personal Lines for the first time since 2020.
- Net Written Premium Growth Rate forecast for Personal Lines is expected to remain higher than Commercial Lines by 0.7 pts in 2025, but close by 2027.

Source: Triple-I, Milliman, and NAIC Statutory Financial Data Through S&P Global Market Intelligence (accessed as of 12/2025)

Personal Auto

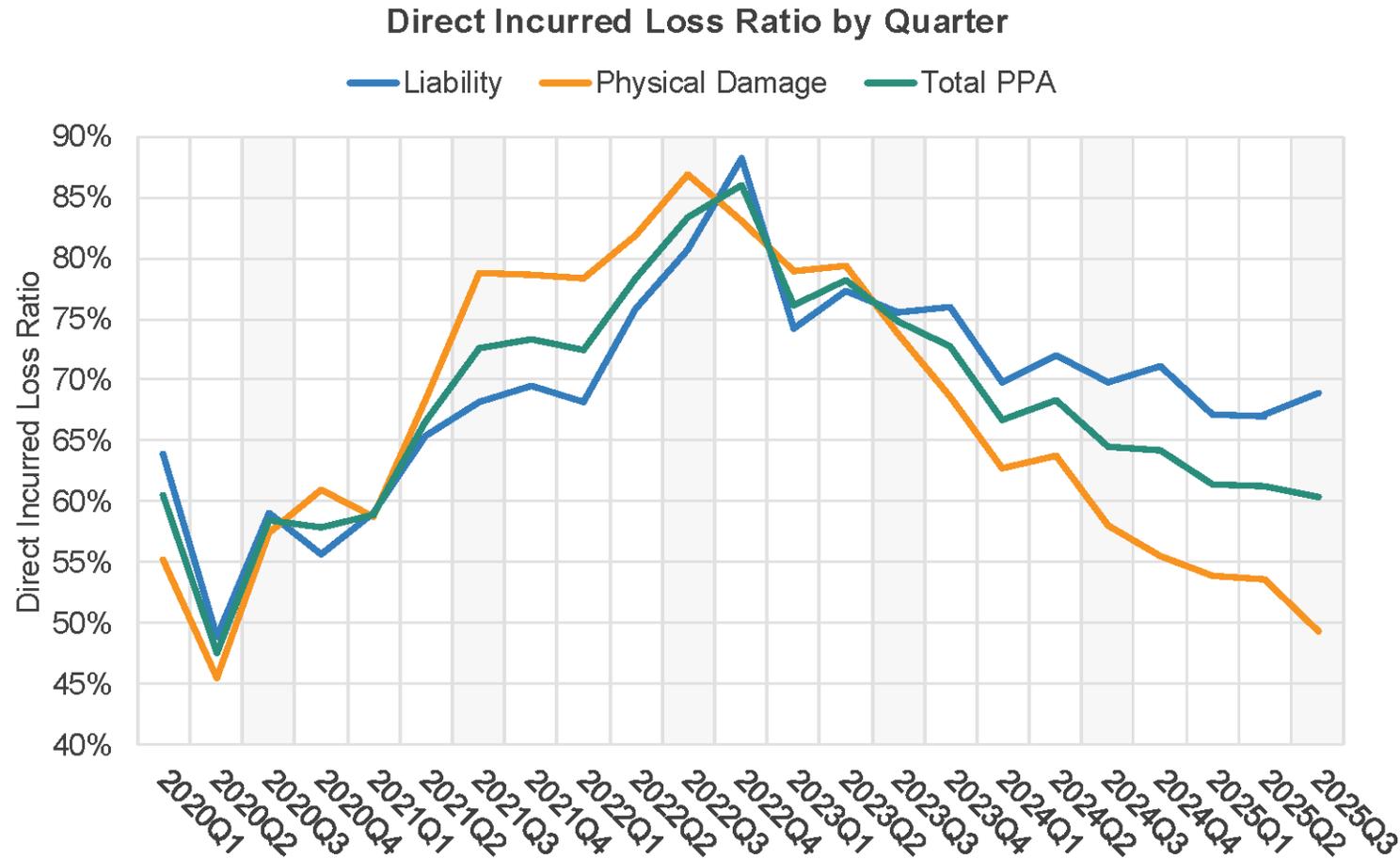
Net Combined Ratio and Change in NWP



- 2025 Net Combined Ratio forecast of 94.4 is 0.9 pts lower than 2024.
- 2025 Net Written Premium growth rate forecast of 3.6% is 9.2 pts lower than 2024, the lowest since 2020.
- Underwriting profitability expected to continue for the foreseeable future.

Source: Triple-I, Milliman, and NAIC Statutory Financial Data Through S&P Global Market Intelligence (accessed as of 12/2025)

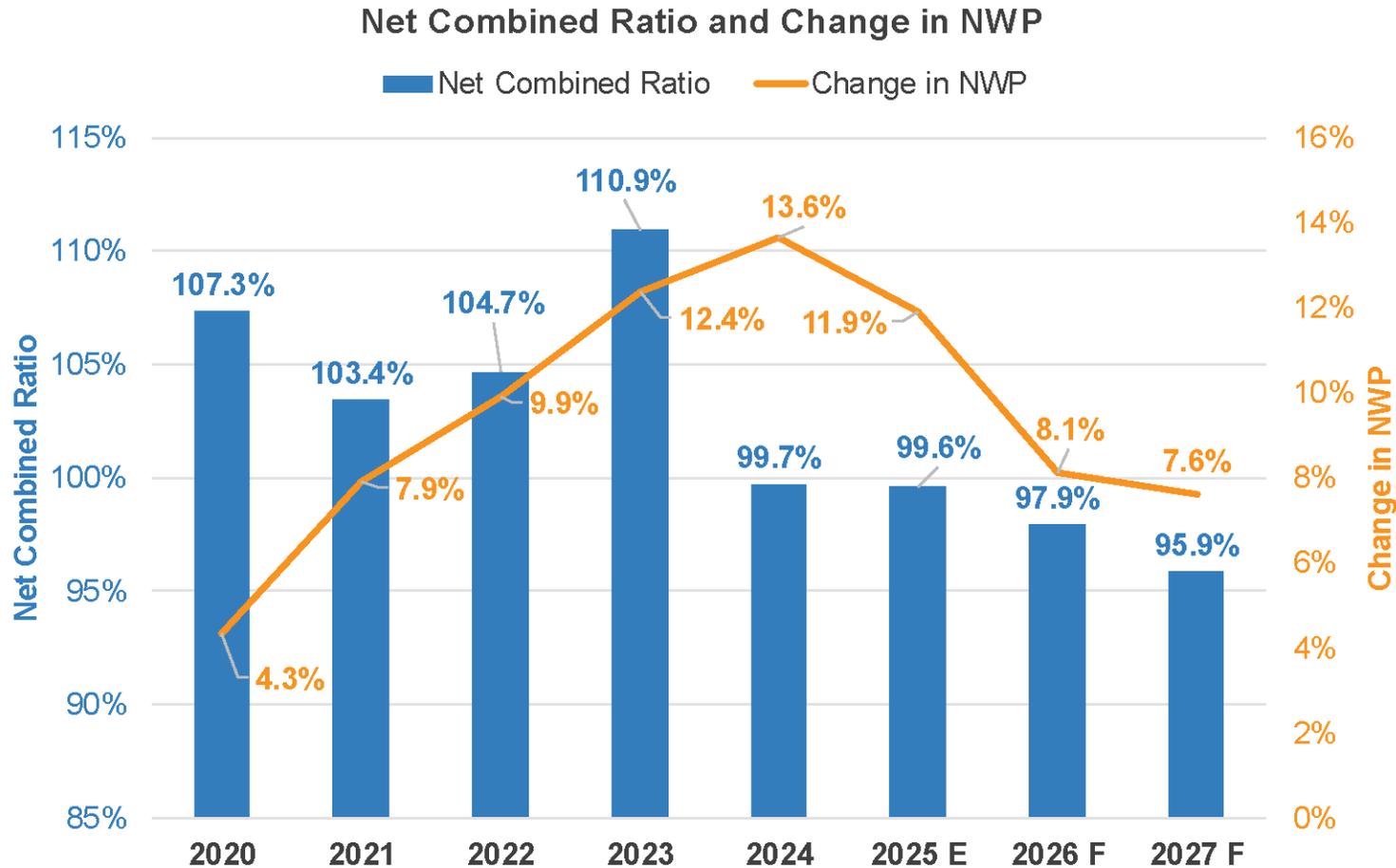
Personal Auto



- 2025 Q3 Direct Incurred Loss Ratio of 60% is 5 points improved from 2024 Q3 and 15 points improved from 2023 Q3. This represents nine quarters of consecutive improvement with the exception of 2024Q2.
- Physical Damage outperformed Liability by 20 pts in 2025 Q3 which is a 6 pt larger difference than Q2 and the largest difference since before 2020.

Source: Triple-I, Milliman, and NAIC Statutory Financial Data Through S&P Global Market Intelligence (accessed as of 12/2025)

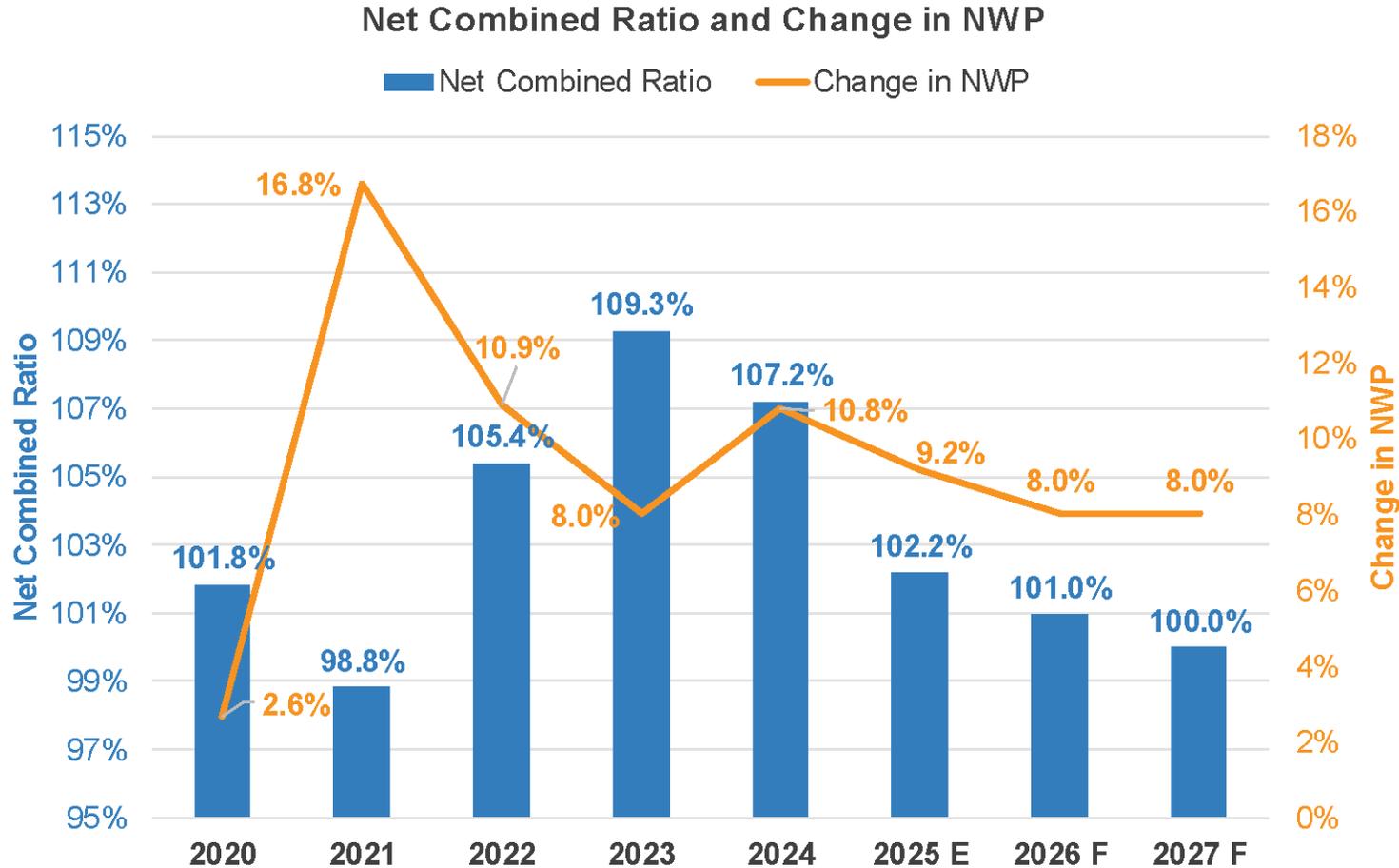
Homeowners



- 2025 Net Combined Ratio forecast of 99.6 is now on par with 2024 despite Q1 Los Angeles fires.
- 2025 Net Written Premium growth rate forecast of 11.9% is slightly lower than 2024 and 2023.
- 2025 Q3 Direct Incurred Loss Ratio of 40.8 is the best Q3 in 15+ years following the best Q2 in 15+ years just after the worst Q1 in 15+ years from the Los Angeles fires.
- Profitability expected in 2026 with projected double-digit NWP Growth in 2025.

Source: Triple-I, Milliman, and NAIC Statutory Financial Data Through S&P Global Market Intelligence (accessed as of 12/2025)

Commercial Auto

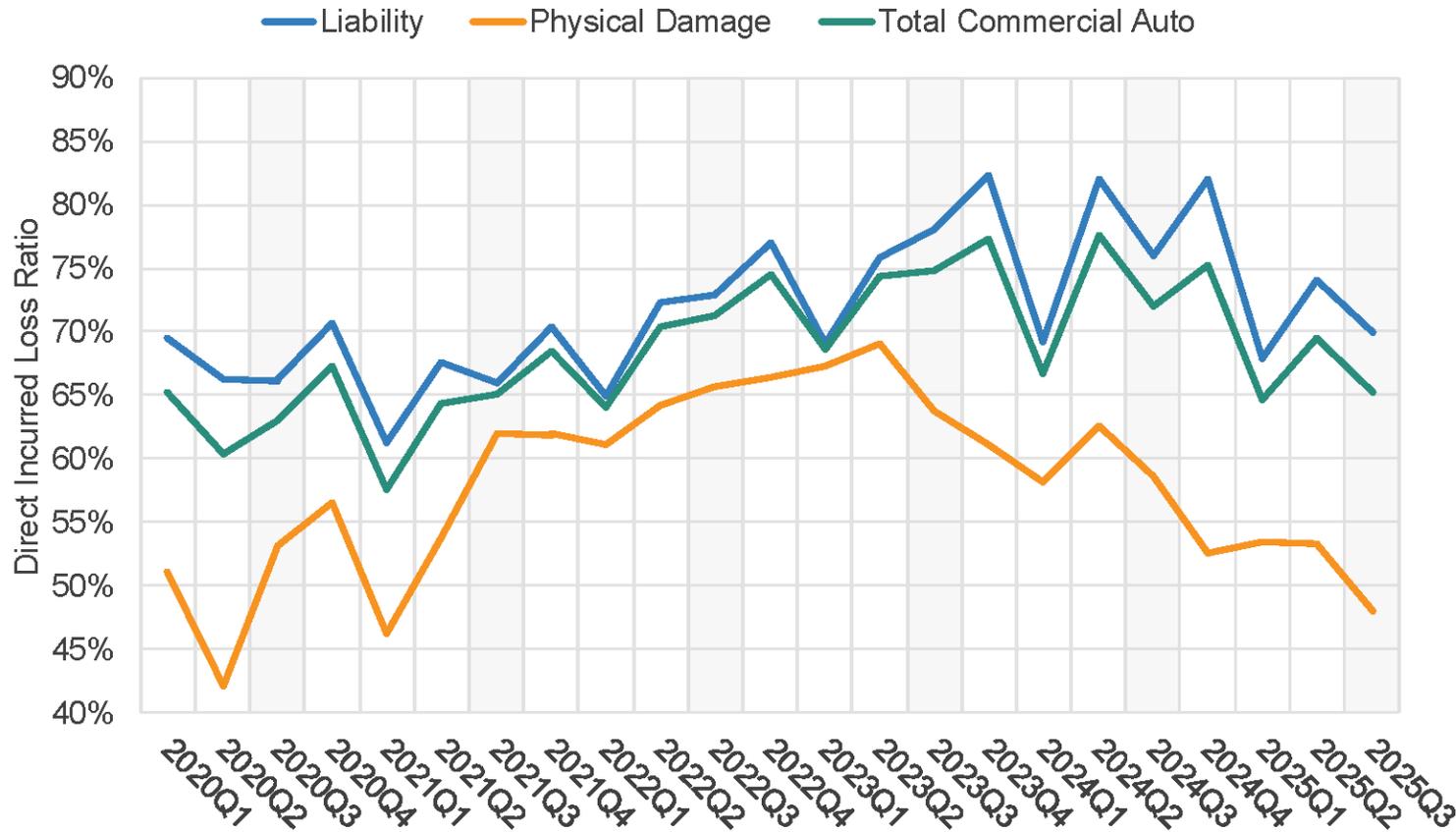


- 2025 Net Combined Ratio forecast of 102.2 is 5 pts improved from 2024.
- 2025 Net Written Premium growth rate forecast of 9.2% is 1.6 pts lower than 2024.
- 2025 - 2027 are forecasted to remain unprofitable despite continuation of near double-digit Net Written Premium growth estimates.

Source: Triple-I, Milliman, and NAIC Statutory Financial Data Through S&P Global Market Intelligence (accessed as of 12/2025)

Commercial Auto

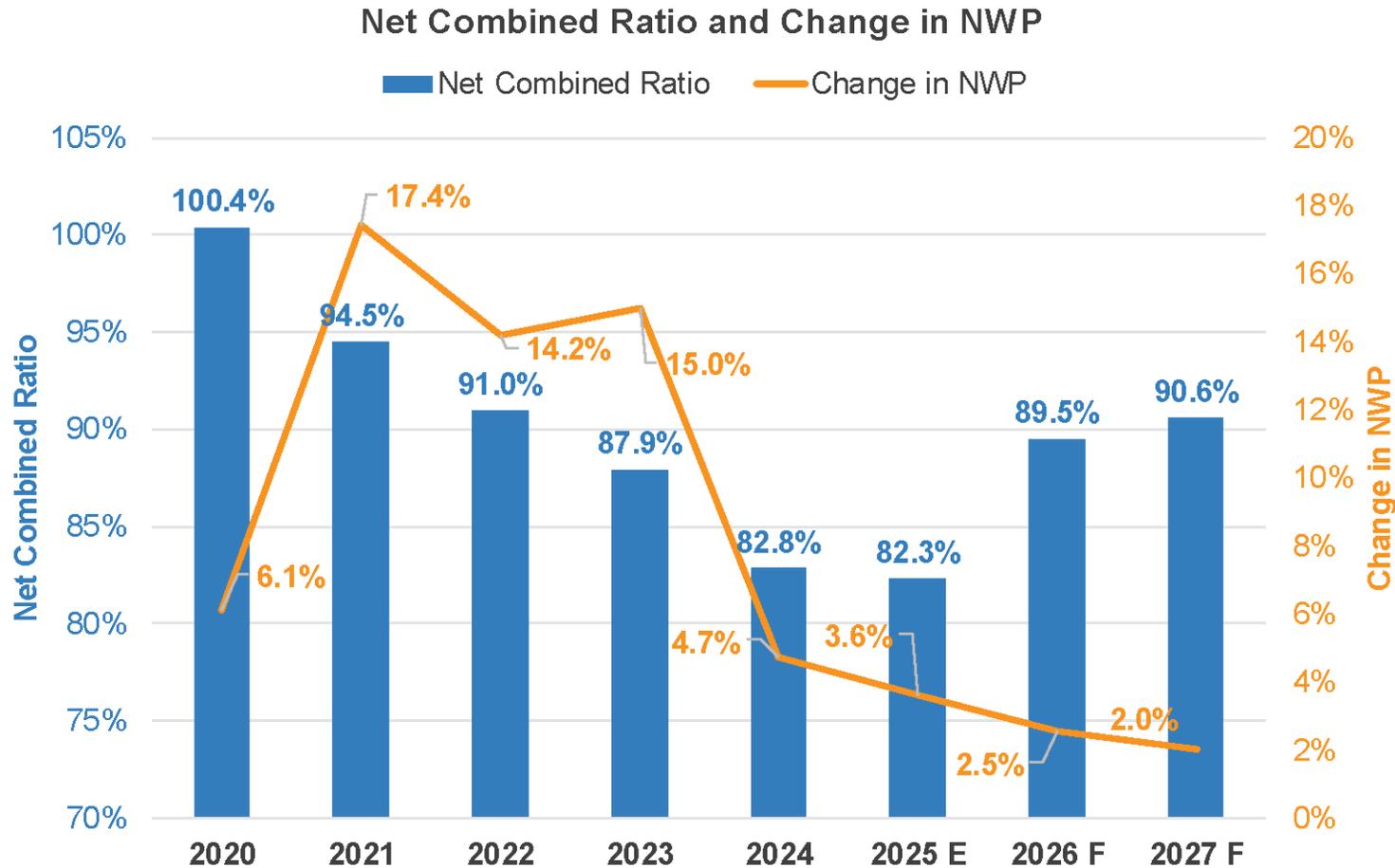
Direct Incurred Loss Ratio by Quarter



- 2025 Q3 Direct Incurred Loss Ratio of 65% was the lowest Q3 since 2021 and nearly 7 pts improved from 2024 Q3.
- Physical Damage has outperformed Liability in every quarter since 2017. 2025 Q3 is the ninth consecutive quarter of double-digit deviation and the second highest during that time at 22 pts difference

Source: Triple-I, Milliman, and NAIC Statutory Financial Data Through S&P Global Market Intelligence (accessed as of 12/2025)

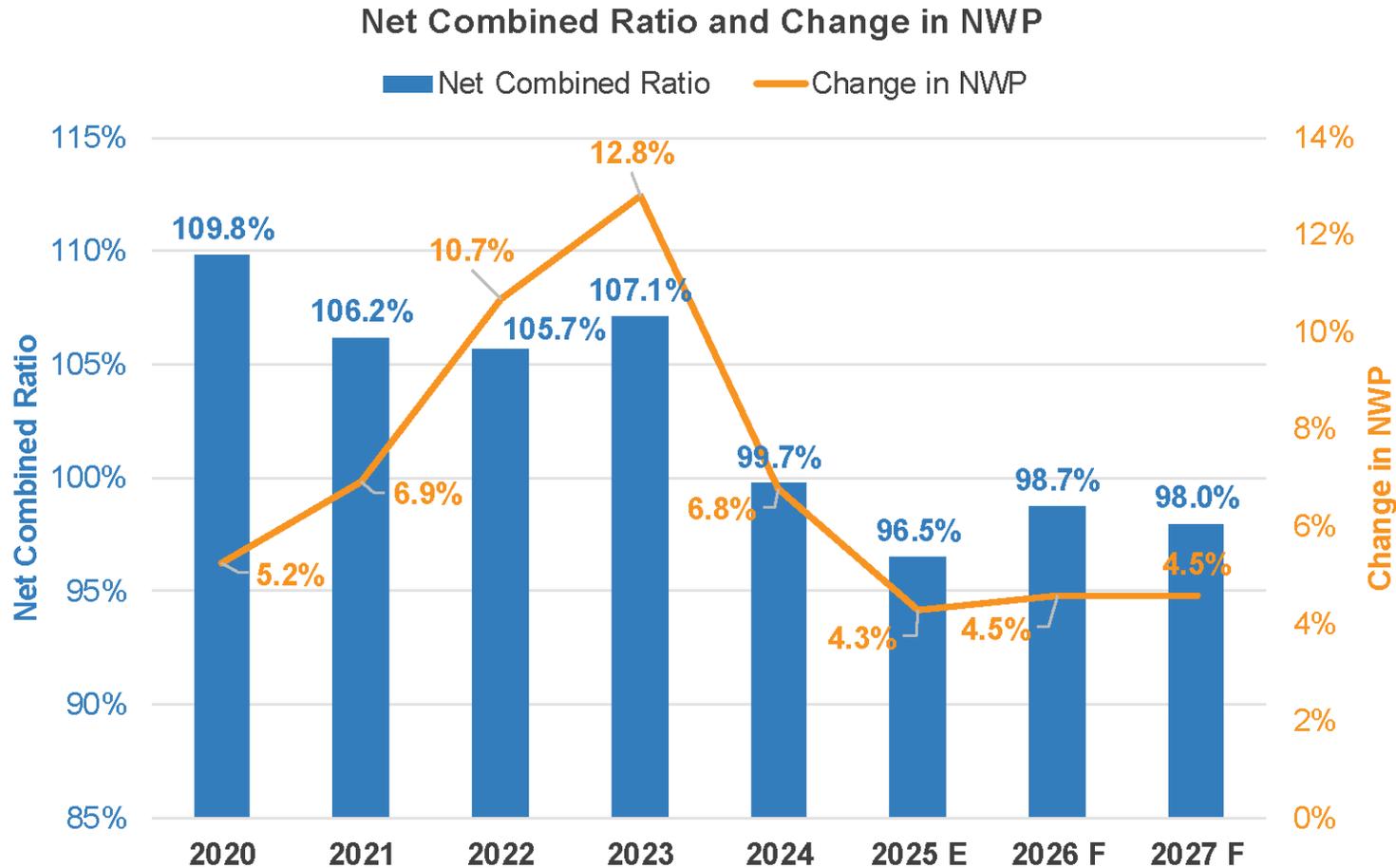
Commercial Property



- 2025 Net Combined Ratio forecast of 82.3 is 0.5 pts lower than 2024 and is now the lowest in 15+ years.
- 2025 Net Written Premium growth rate forecast of 3.6 is 1.1 pts lower than 2024 and the lowest since 2017.
- Favorable underwriting results expected in the forecast years.

Source: Triple-I, Milliman, and NAIC Statutory Financial Data Through S&P Global Market Intelligence (accessed as of 12/2025)

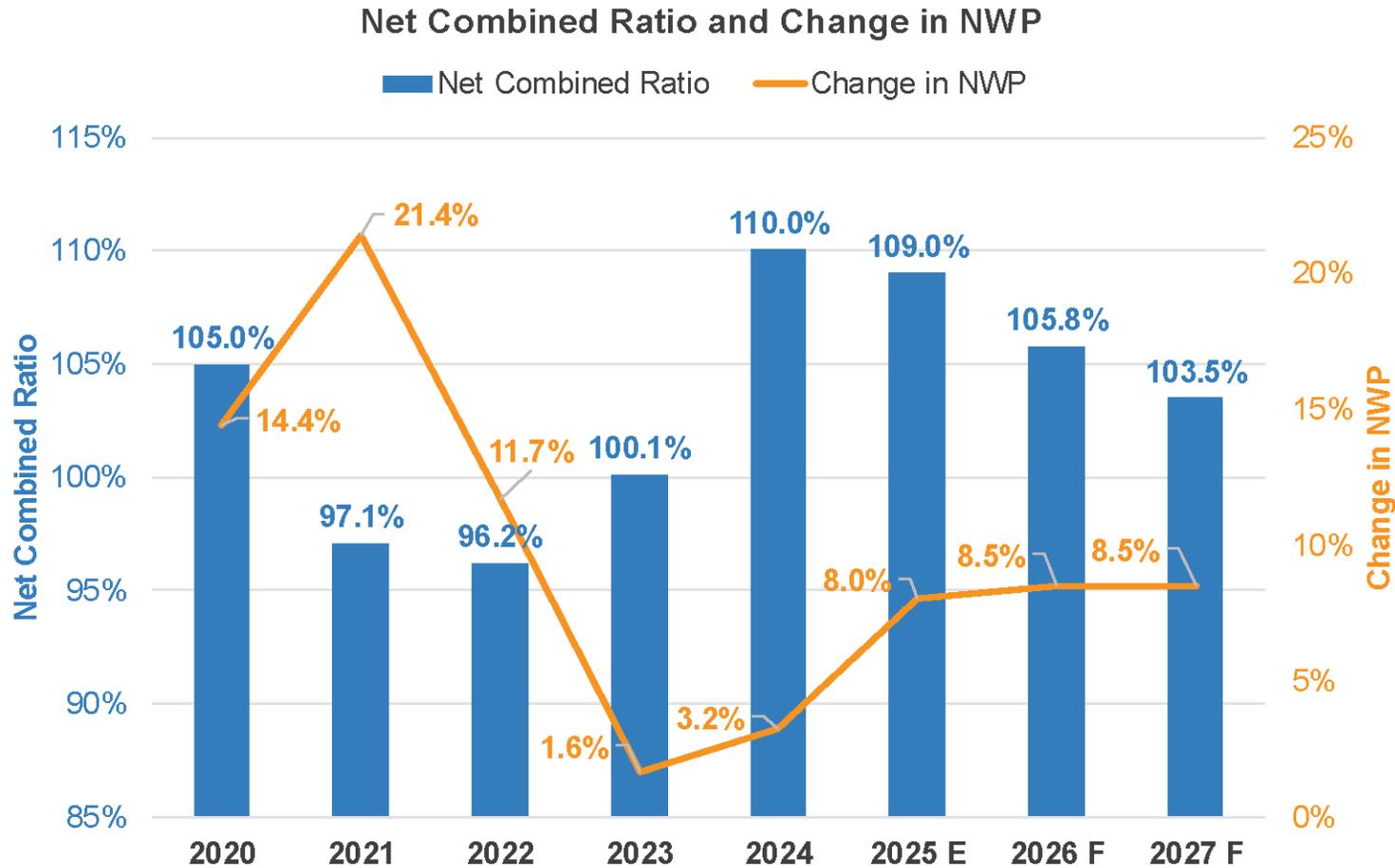
Commercial Multi-Peril



- 2025 Net Combined Ratio forecast of 96.5 is 3.2 pts improved over 2024.
- 2025 Net Written Premium growth rate of 4.3% is 2.5 pts lower than 2024 and the lowest since 2019.
- 2026 NCR forecasted to worsen slightly but remain profitable.

Source: Triple-I, Milliman, and NAIC Statutory Financial Data Through S&P Global Market Intelligence (accessed as of 12/2025)

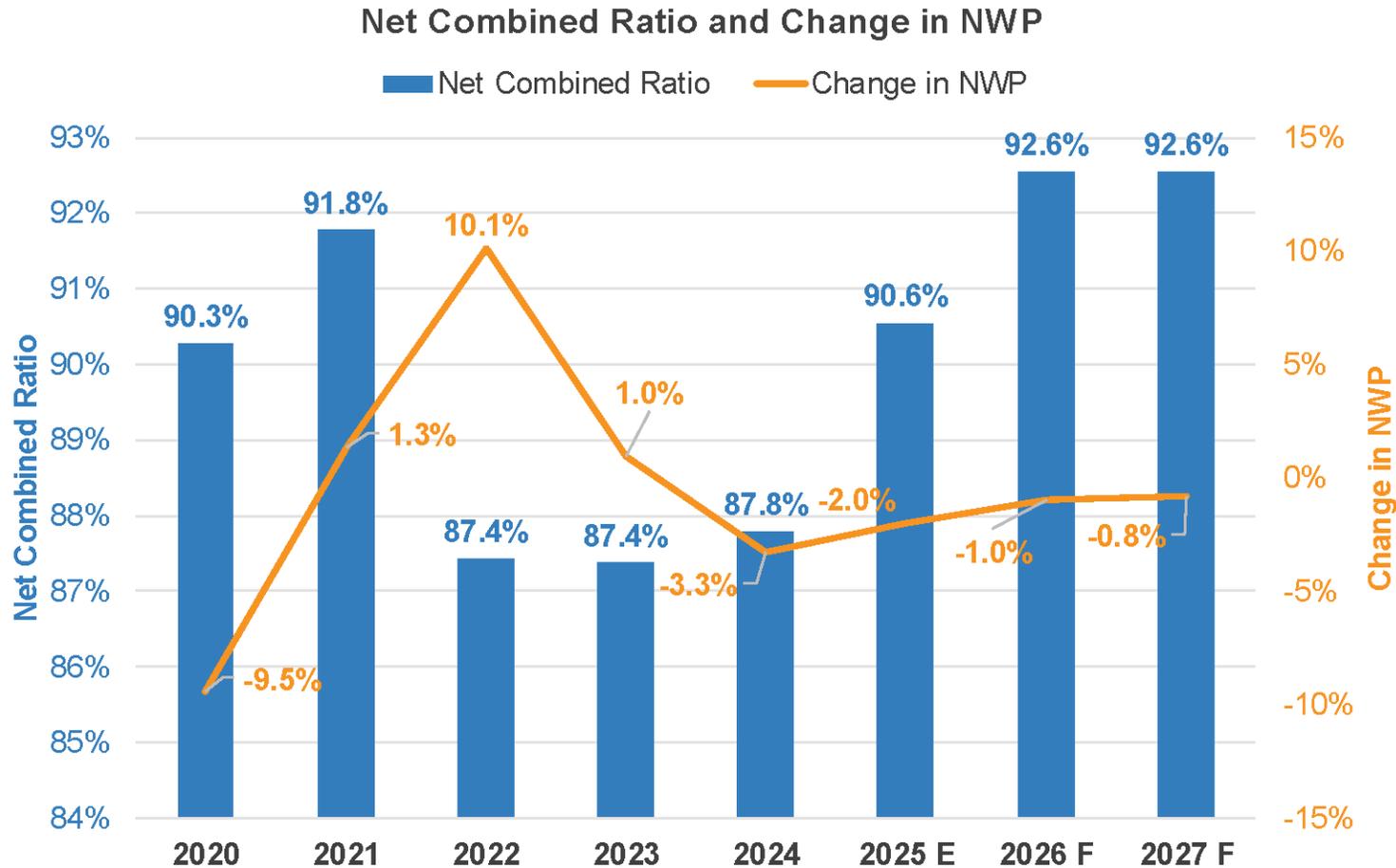
General Liability



- 2025 Net Combined Ratio forecast of 109.0 is 1.0 pts improved over 2024 but remains the 3rd worst performance in 10+ years.
- 2025 Q3 Direct Incurred Loss Ratio of 69.3%, the highest Q3 in the past 15+ years.
- 2025 Net Written Premium growth rate forecast of 8.0% is 4.8 pts higher than 2024.
- NCR is expected to improve in 2026 - 2027 but remain unprofitable.

Source: Triple-I, Milliman, and NAIC Statutory Financial Data Through S&P Global Market Intelligence (accessed as of 12/2025)

Workers Comp



- 2025 Net Combined Ratio forecast of 90.6 is nearly 3 pts worse than 2024 but is the 11th consecutive year of expected underwriting profitability.
- 2025 Net Written Premium growth rate forecast of -2.0% is 1.3 pts higher than 2024. NWP for 2025-2027 expected to remain flat.
- Favorable underwriting results expected for forecast horizon.

Source: Triple-I, Milliman, and NAIC Statutory Financial Data Through S&P Global Market Intelligence (accessed as of 12/2025)

Energy Trends

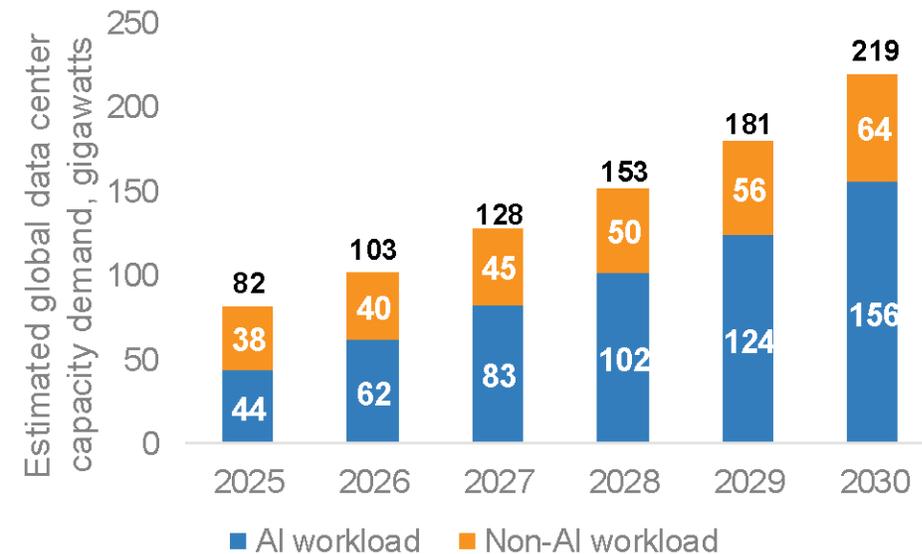
Artificial Intelligence: Funding an Energy Boom

AI uses a lot of energy, accelerating energy development

Key Findings

- Global data center capacity will drive enormous growth through 2030
 - AI workload will more than triple
 - \$5.2 trillion investment in next five years; one-fourth in power generation, transmission, cooling and electrical equipment
- Opportunity: Infrastructure builders can meet hyper scaled energy demand.
- Challenge: Grid weakness, heat management issues could stall growth

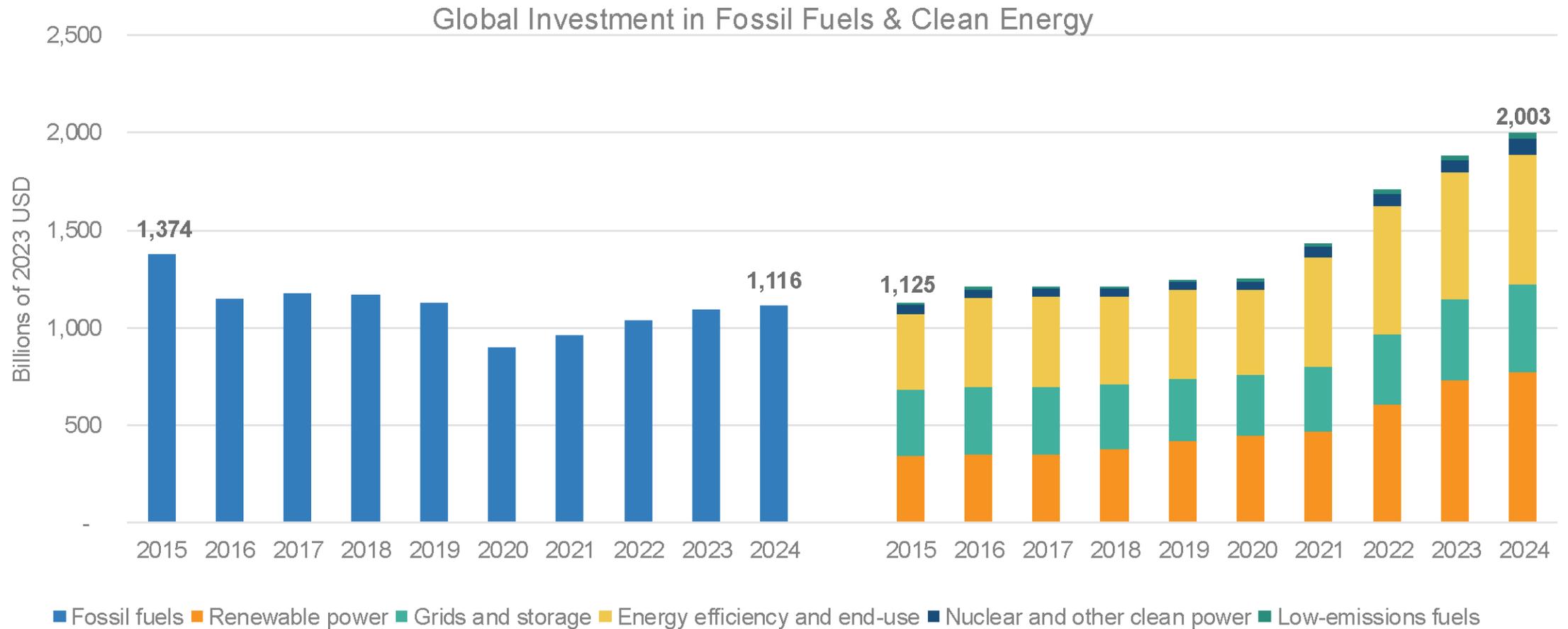
AI's energy needs expected to soar



*Source: McKinsey, "The Cost of Compute: A \$7 trillion race to scale data centers"
<https://www.mckinsey.com/industries/technology-media-and-telecommunications/our-insights/the-cost-of-compute-a-7-trillion-dollar-race-to-scale-data-centers#/>

The Future of Energy: Then . . .

Clean Energy Investment Accelerated in the 2020s



SOURCE: International Energy Agency.

... And Now

Drill, Baby, Drill

Clean Energy Under Trump

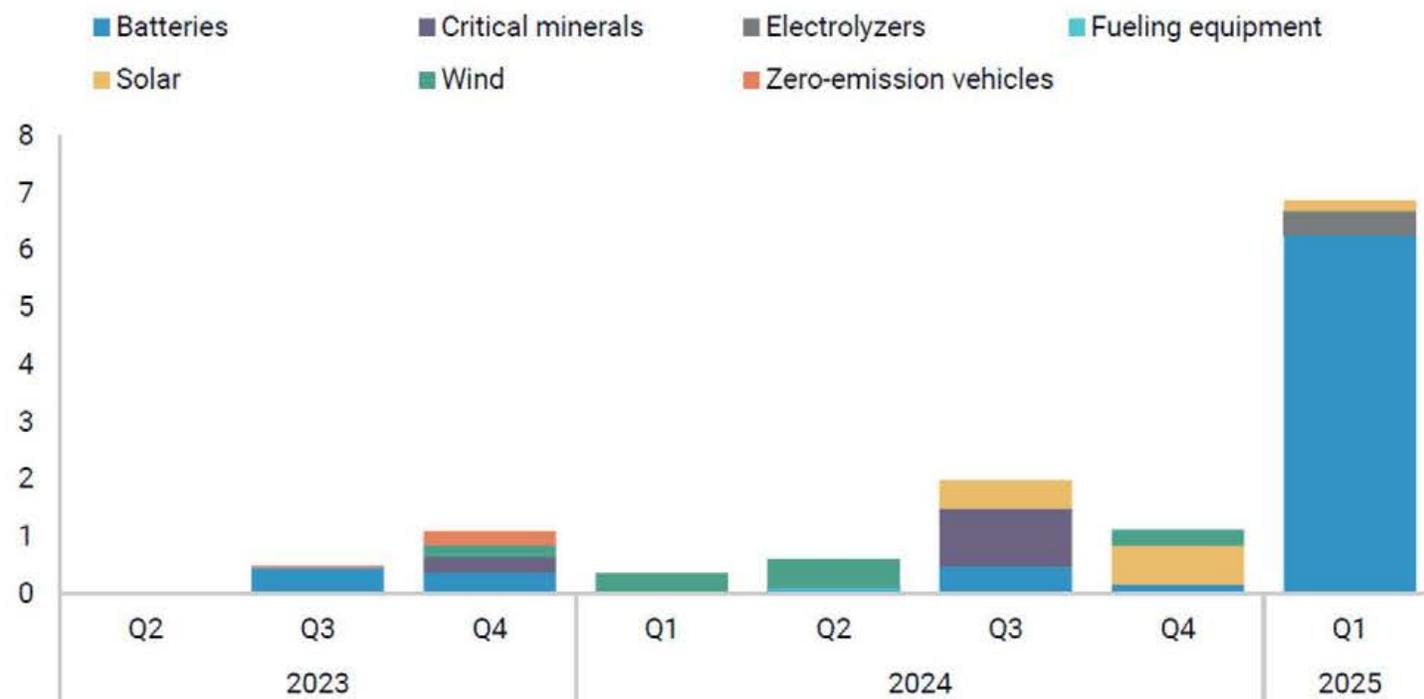
- Pause on funds from Biden-era programs (unblocked by courts)
- Tariffs increase project costs
- Clean-energy credits at risk

Fossil Fuel Under Trump

- Accelerate permits for energy, transmission and mining projects
- Challenge state laws that restrict energy and mining
- Fewer powerplant closings

Cancellations of announced clean manufacturing investments

Billion 2023 USD



Source: Rhodium Group/MIT-CEEPR Clean Investment Monitor

The New Risk Environment

2030 and Beyond



AI: New Energy Demands

- Growth = more exposures to write
- Direct-to-tech model: where does the liability lie?

Renewables: Unique Risks

- Fossil fuels – older facilities, mechanical breakdown
- Solar – nat cats (hail, flood)
- Wind – equipment failure
- BESS (battery farms) – fire, environmental degradation

Key Industry Risks & Opportunities

Risks & Opportunities



Affordability & Availability

“Triple-I Best U.S. Insurance Markets Index”

Top Five Honorable Mentions

Illinois Homeowners’ Insurance: Affordable, Accessible, and Essential

Rising premiums are a challenge nationwide, but coverage affordability in Illinois is better than the national average.



Climate Risk & Resilience



Legal System Abuse



Artificial Intelligence



Risk-Based Pricing



Geopolitical Risk

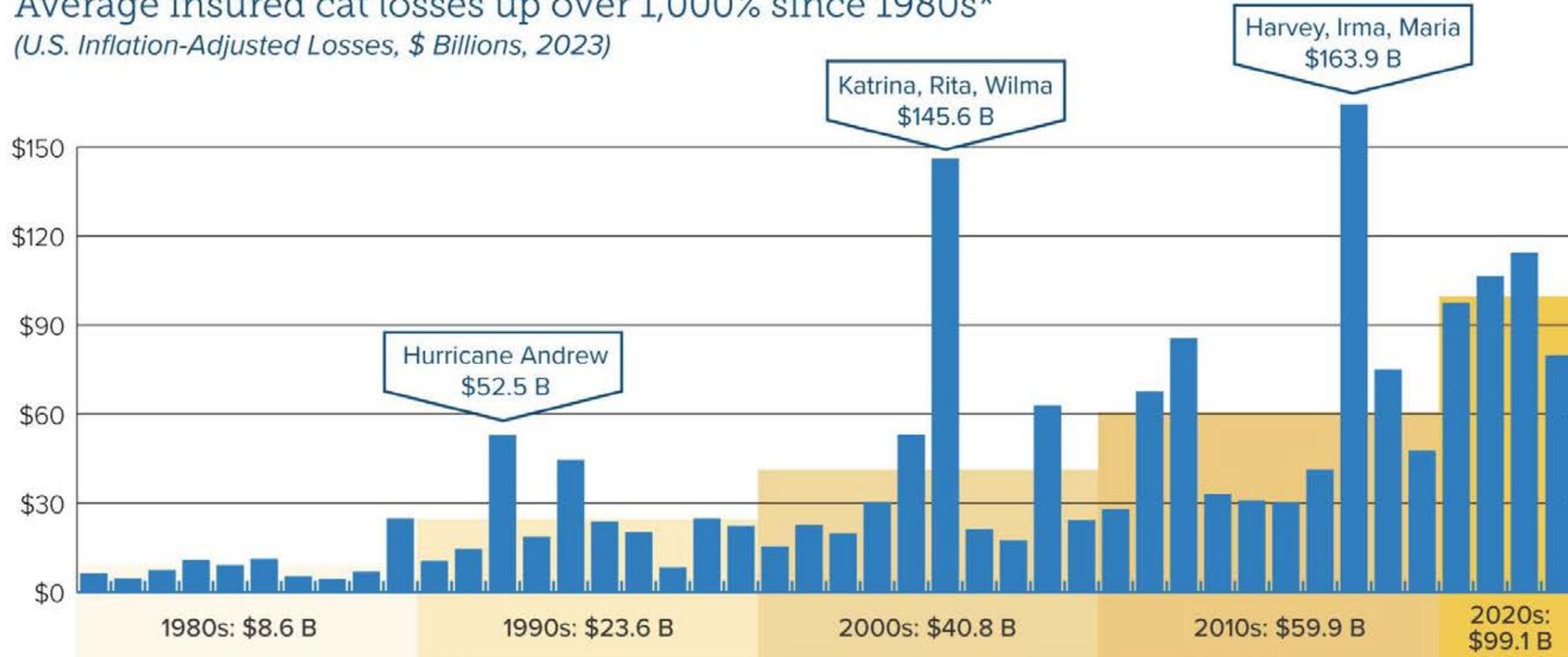


Economic Inflation

Triple-I Climate Resilience Consortium

U.S. Catastrophe Losses Steadily Climbing

Average insured cat losses up over 1,000% since 1980s*
 (U.S. Inflation-Adjusted Losses, \$ Billions, 2023)



*Includes insured losses from all natural perils.

Source: Aon (Catastrophe Insight)

Long before “climate risk” was commonly discussed, Hurricane Andrew (1992) and Northridge earthquake (1994) were the industry’s call to mitigate the severity of natural catastrophes

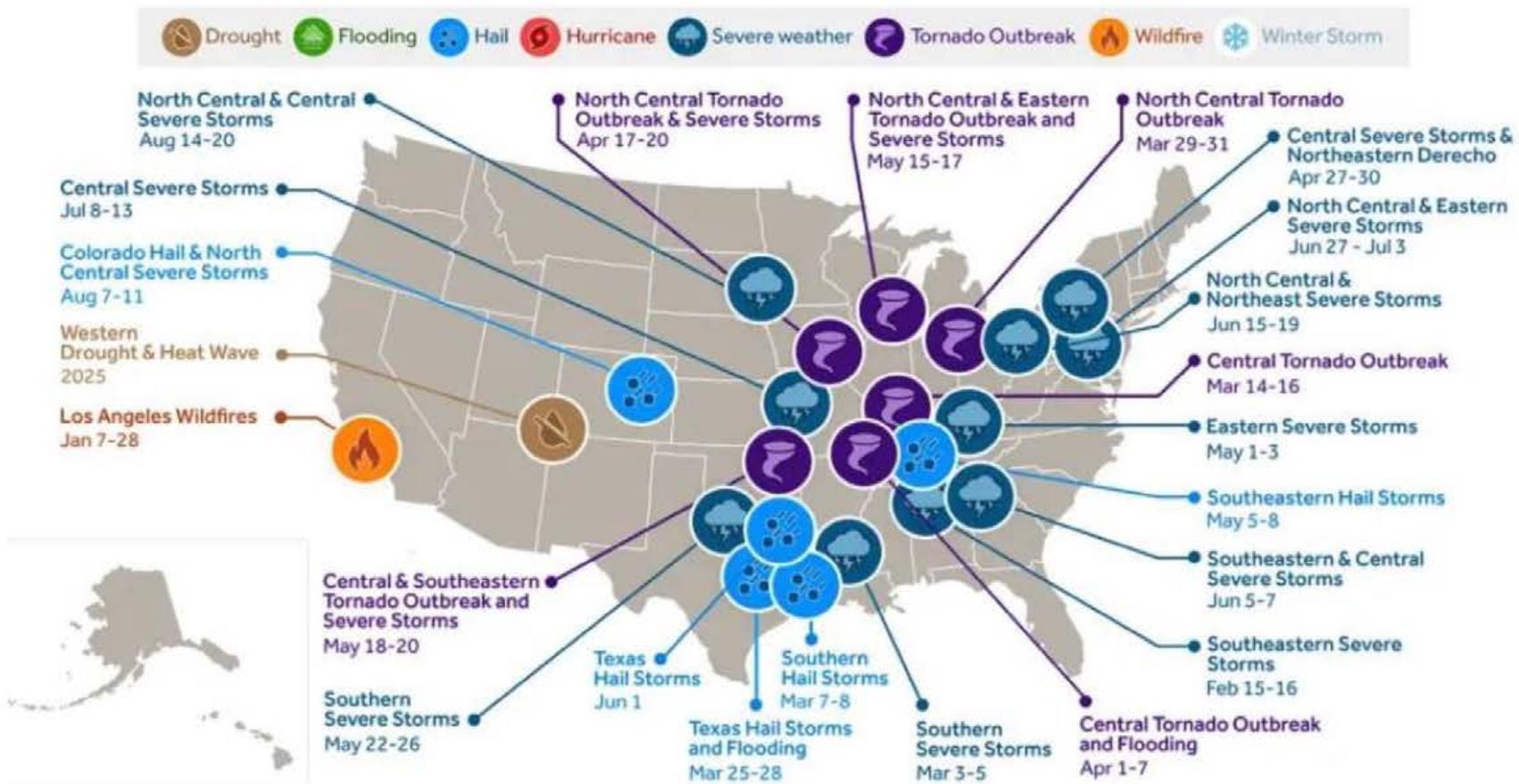
“Quiet?” Record Catastrophe Years on the Rise

2023: 28 \$Billion+ disasters – RECORD

2024: 27 \$Billion+ – 2ND

2025: 23 \$Billion+ = \$115B Total Cost

U.S. 2025 Billion-Dollar Weather & Climate Disasters



This map shows the approximate location for each of the 23 separate billion-dollar weather and climate disasters that impacted the United States from January-December of 2025.

CLIMATE CENTRAL

Source: [2024: An active year of U.S. billion-dollar weather and climate disasters | NOAA Climate.gov](https://www.noaa.gov/news/2024-an-active-year-of-u.s.-billion-dollar-weather-and-climate-disasters)

Key Drivers of Climate Risk

Multiple Drivers Compound Climate Risk

- More homes and businesses being built in harm's way
- Replacement costs increasing faster than overall inflation
- Rising global surface temperatures
- Legal system abuse

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

	Population Change* (M)	Median Home Value ** (%chg)
Fastest-growing	(2010-2020)	(2010-2022)
1 Texas	4.00	123%
2 Florida	2.73	72%
3 California	2.28	56%
4 Georgia	1.02	84%
5 Washington	0.98	88%
Greatest decline		
1 Connecticut	0.31	17%
2 Vermont	0.00	46%
3 Mississippi	-0.06	68%
4 Illinois	-0.18	24%
5 West Virginia	-0.59	64%

*Population Change 2010 to 2020 Decinial Census

**Change 2010 to 2022 Median Home Value, ACS

Triple-I's Climate Risk Objective

Our future depends on resilience

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 solutions.
- Balance long-term (carbon) and short-term (physical infrastructure) risks.
- Integrate new public-private collaboration options.



Predict
&
Prevent

Enter Resiliency Consortium

Unlike other efforts, the consortium* brings together research, standard-setting, and action-oriented partners to deliver unified and scalable solutions



* Organizations shown are representative of founding members of Resiliency Consortium (not exhaustive)

First Step: February 2025, Dallas, TX

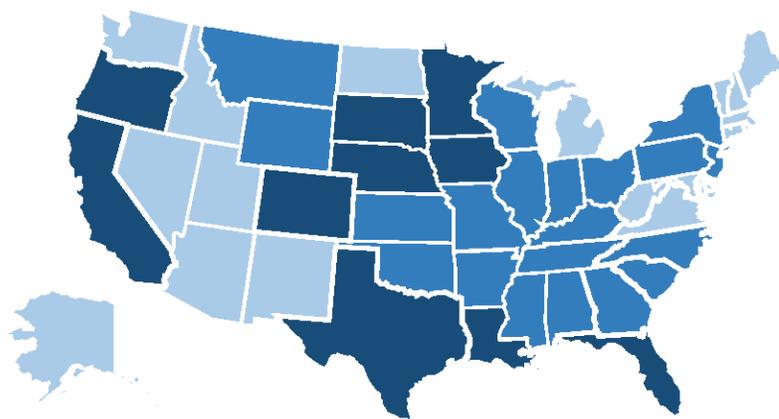
Bring Together Diverse Stakeholders Across Economic Ecosystem



Why Dallas?

Rising catastrophe losses are impacting communities across the U.S.

Property Catastrophe Levels Nationally by Loss / DPW



CAT Level	High (Top 10)	Mid (11-30)	Low (31-51)
Total DPW	\$54B	\$55B	\$26B
Loss / DPW	88%	28%	11%

Source: PwC Research, Conning, S&P, National Centers of Environmental Information, data from 2017-2021



Texas serves as the proving ground for scalable resilience

Why Dallas Was Selected as the Pilot Market

- High Climate Risk Exposure
- Diverse Population & Housing
- Supportive Infrastructure
- Scalability

Sizing the risk in Dallas

90%

of Dallas homes at high risk of hail*

3M

Number of homes across DFW

\$48B

Roof replacement cost for 80% of homes**

* Risk exposure according to analysis conducted by CoreLogic

** Assumes a \$20,000 replacement cost per roof

The Dallas Resiliency Consortium involves 18-month phased approach to launch four targeted initiatives

Phase 1: Program Governance & Planning (Months 1-3)

Finalize the program's governance structure, secure initial funding, develop a formal action plan for Texas Resiliency program

Phase 2: Deployment of 4 Targeted Initiatives (Months 4-15)



Resilience Score



"100 Roofs"



Awareness Campaign



Community Resilience Fund

Phase 3: Expansion & Future Roadmap (Months 16-18)

Evaluate pilot initiative outcomes, develop a strategy for scaling the program across Dallas and to other cities

The Resiliency Investment Lifecycle



Triple-I Legal System Abuse Awareness Campaign & Research

Defining Legal System Abuse

A tailored definition to enable actionable outcomes

What Is It?

Policyholder or plaintiff attorney practices that increase costs and time to settle insurance claims to the detriment of policyholders.

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

Why Does It Matter?

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

What Can Be done?

- Increase and inform understanding of its dangers
- Foster legislative and judicial reform
- Mandate transparency of TPLF

Quantifying a ~\$230-280 Billion Problem

Triple-I and Casualty Actuarial Society published fifth edition of combined impact of inflationary trends on liability insurance

“While general economic inflation is an important factor, legal trends, ranging from litigation financing to larger jury verdicts, have amplified costs well beyond what the CPI-U would suggest.”

James Lynch, FCAS, MAAA, Study Co-Author



Source: Analysis by Insurance Information Institute

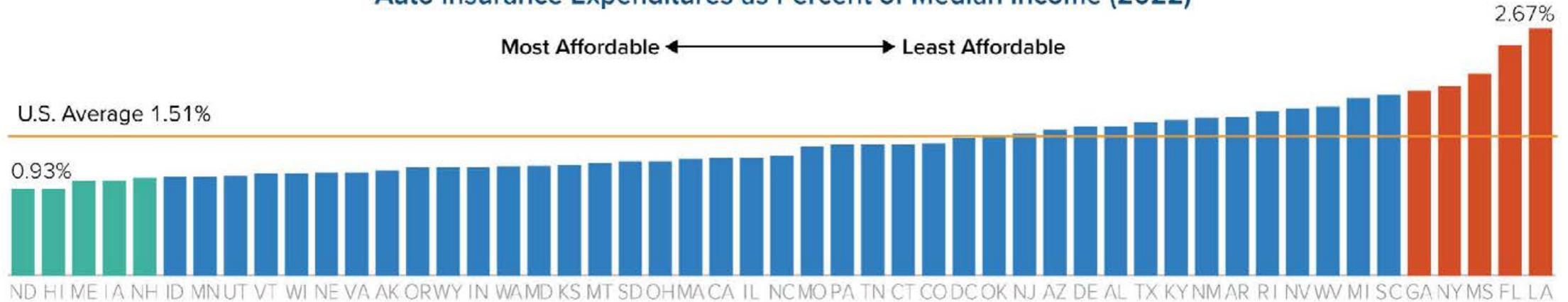
Key Findings 2015-2024 (billions)

- Personal Auto Liability: \$91.6 – \$102.3 (vs. \$76.3 — \$81.3 — 2013-2024)
- Commercial Auto Liability: \$52.0 – \$70.8 (vs. \$42.7 — \$55.8 — 2013-2024)
- Other Liability: \$83.4 – \$103.3
- Product Liability: \$4.6 – \$4.8
- TOTAL: \$231.6 – \$281.2

*Triple-I and Casualty Actuarial Society analysis of National Association of Insurance Commissioner (NAIC) data, Lynch, J., Nibbelin, W, October 2025

Legal System Abuse & Insurance Premium

Auto Insurance Expenditures as Percent of Median Income (2022)



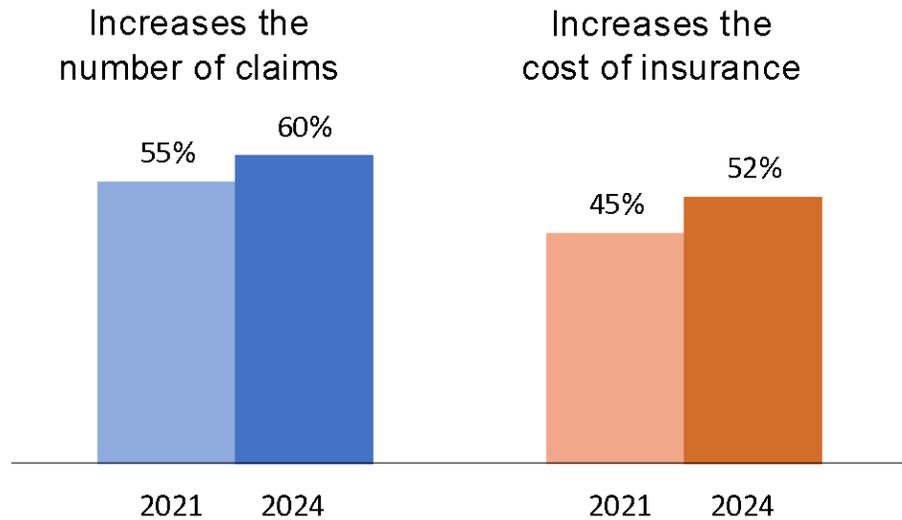
Homeowners Insurance Premiums as Percent of Median Income (2021)



Source: Insurance Research Council

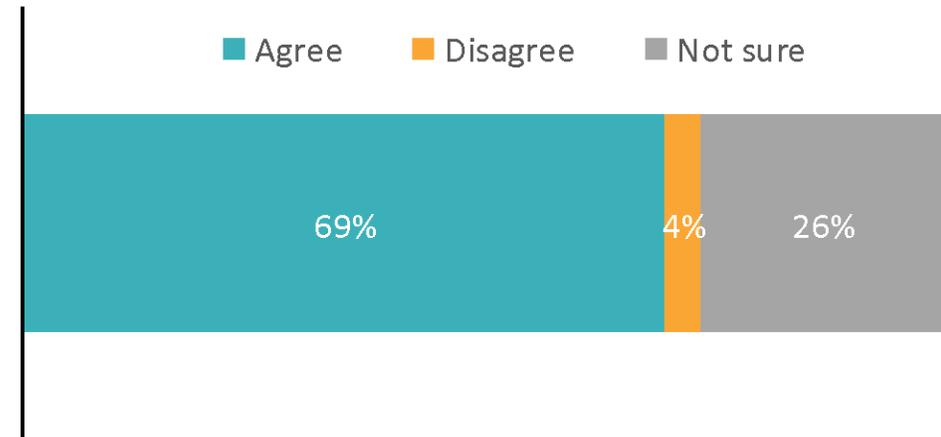
Public Opinions on Attorney Involvement in Insurance Claims Evolving

Perception of Attorney Advertising's Effect on Litigation and Cost of Insurance



Opinions on Need for Transparency in Litigation Financing

Participants in a lawsuit should be informed when outside investors are financing the litigation

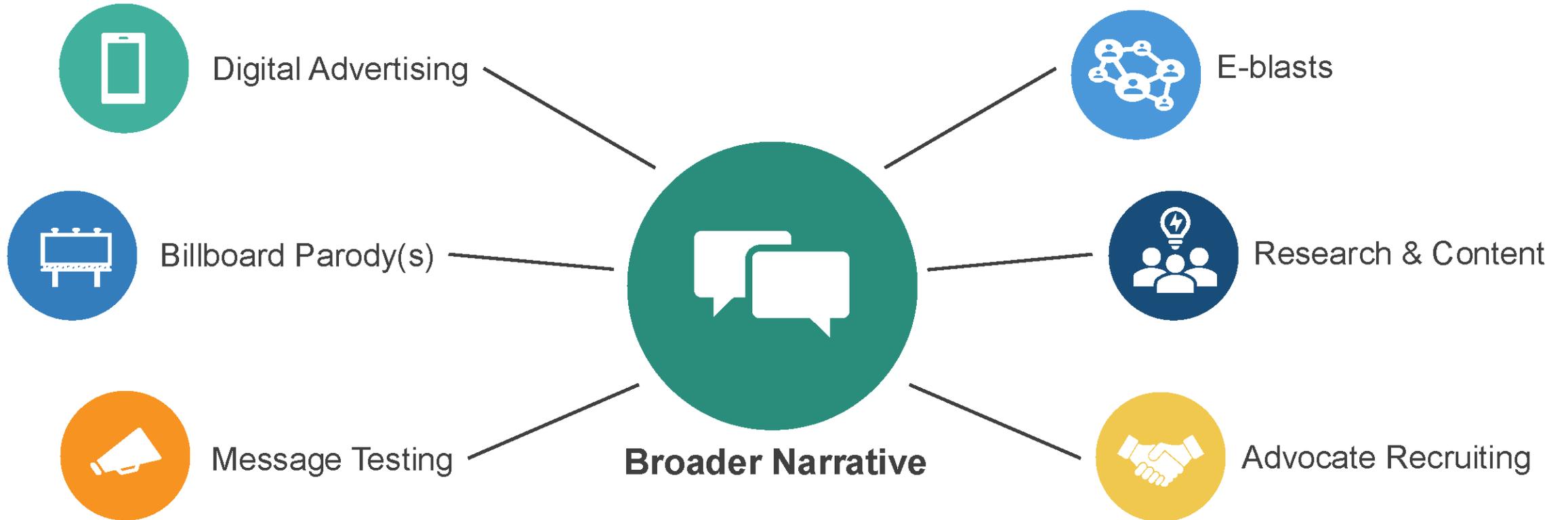


Most Believe Attorney Ads Increase Claims, Lawsuits and the Cost of Insurance

Source: Insurance Research Council

Triple-I Tactical Approach

“Surround Sound” Approach with Consistent, Effective Vernacular



Words Matter...

Triple-I framed the narrative by conducting:

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

**Social
Inflation**

VS.

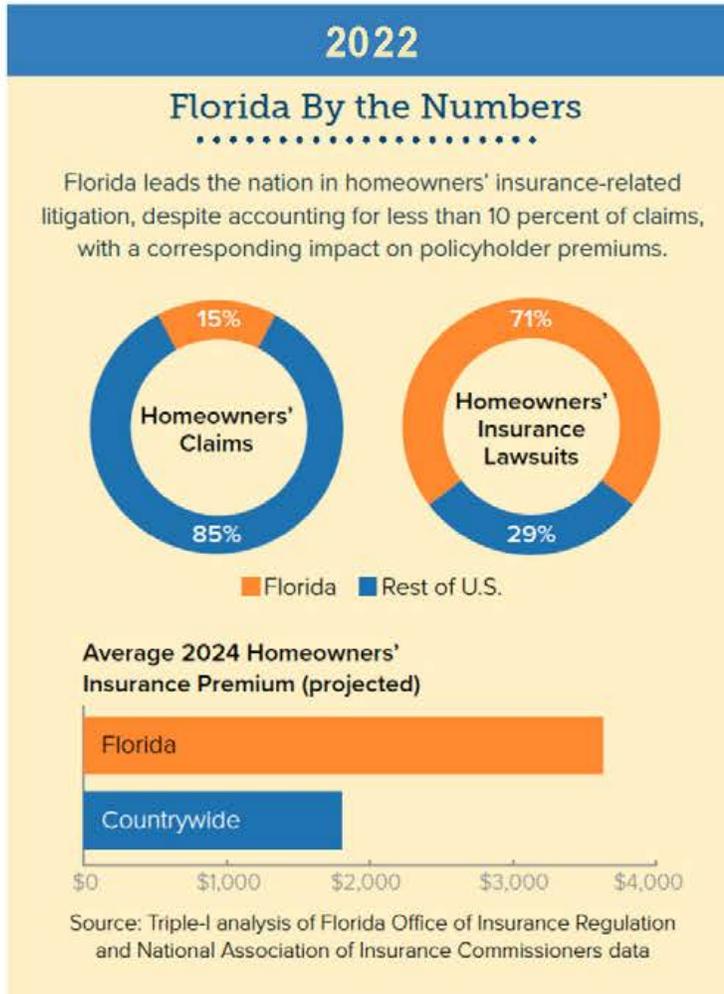
**Legal System
Abuse**

VS.

Legalized Fraud

Legal Reform Can Settle Market Crisis(es)

Hurricane Ian Sent a Jarring Final Message to Florida About Insurance Stability

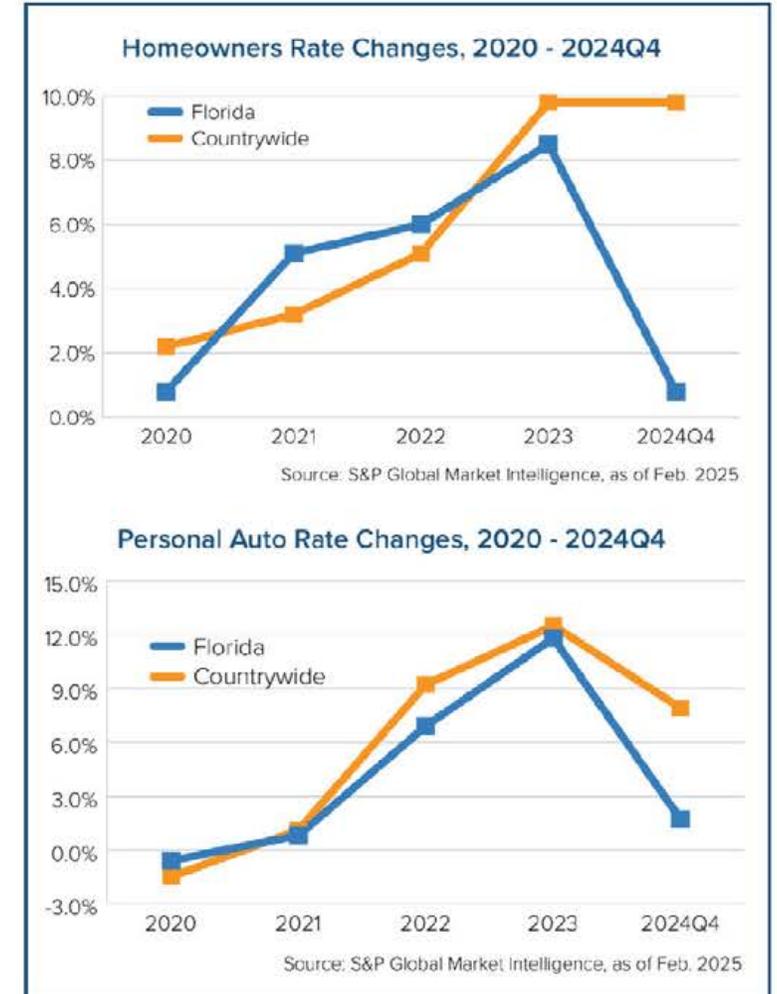


ELIMINATE

One-way attorney fees

Assignment of Benefits, aka "Legalized Fraud"

Limit damages and liability



2025 State Campaigns: Georgia, Louisiana & Florida



Tactical Formula Working Double-Digit Ad Engagement & Award-Winning Campaigns Signal Consumers Are Listening



Billboards in Atlanta and Baton Rouge



Digital "Billboard Attorney" Ads in Bus Stops & Urban Panels



Microsite with States Econ. Facts & Letter Writing Tool



Digital Ads and Target Social Media



Trends and Insights: Louisiana Insurance Market

More Reform Needed to Stem Legal System Abuse

Recent legislation in 2024 and a pending House bill would require insurance companies to disclose more information about their legal system abuse claims, including the number of lawsuits filed, the amount of settlements paid, and the number of attorneys involved. This transparency is crucial for consumers to make informed decisions about their insurance coverage.

Trends and Insights: Georgia Insurance Affordability

Personal auto insurance is becoming less affordable in Georgia.

The average annual premium for personal auto insurance in Georgia increased by 10% in 2024, reaching \$1,200. This increase is primarily driven by rising costs for legal system abuse, which has led to higher rates for claims handling and legal defense.

Three New Issues Briefs on Georgia, Louisiana, and Florida

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Trends and Insights: Florida Premium Rates Stabilize

Florida's premium rates are showing signs of stabilization.

After a period of significant increases, Florida's premium rates for personal auto insurance have stabilized in 2024. This is due to a combination of factors, including regulatory changes and a more balanced legal system.

Three New Issues Briefs on Georgia, Louisiana, and Florida

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Latest 2025 Content

Legal System Abuse and Attorney Advertising for Mass Litigation: State of the Risk

Key Findings

- \$2.5 billion in legal services provided in 2024, up from \$2.3 billion in 2023.
- Research suggests legal advertising increases the number of plaintiffs in mass litigation.
- Product liability cases averaged as the single largest group of MFLs, with other case types having decreased 2023-2024.
- Third-party litigation funding market size in 2024 hit \$2 billion and 7 jurisdictions have enacted or are considering disclosure requirements.

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Attorney Advertising

Consumer Toolkit

A Consumer Guide
How legal system abuse impacts you

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Review of Motor Vehicle Tort Cases Across the Federal and State Civil Courts

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Vehicle Tort Cases

Liability Inflation

What is legal system abuse?

How does legal system abuse impact consumers?

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Increasing Inflation on Liability Insurance - Impact as of Year-End 2024

by
Jim Lynch, FCAS, MAAA
William Nibbelin

Four Common Tactics of Legal System Abuse

3 Phantom Damages

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2026 Line-Up

Continue with What Works; Explore New Campaigns and States



Collaboration

Top-Down, Bottom-Up

- Quarterly Trades Meetings
- “No Name” LSA Planning Meetings
- Outside Industry Trades



Communications

*New Focus Area &
Next Target State(s)*

- The Big Business of US Law
- High-risk Jurisdictions Billboard Campaigns
- Reform States Billboard Campaigns

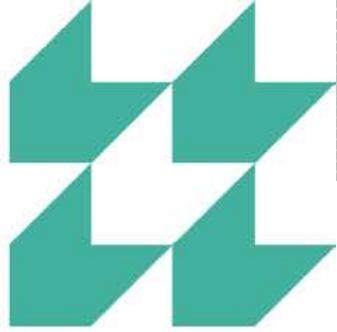


Research

*Two Major Research
Studies in Progress*

- International Tort [publishing 2026Q1]
- Attorney and Litigation Involvement [publishing 2026Q1]

Summary



- Industry performing well and coming out of severe inflation years post COVID.
- Geopolitical risks are potential challenge and need to monitor.
- Climate risk resilience is an opportunity for industry to lead.
- Legal system abuse is an evolving plague and requires greater focus and effort.

Questions?

Thank You!

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seank@iii.org



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