

# Why Homeowners Insurance Rates Are on the Rise

Marketplace conditions are impacting all home insurance companies, causing rates to increase across the nation.

## Rising Claim Costs

Weather events, labor shortages and the increase cost of building materials are contributing to the rising costs to settle claims.

## Increasing Building Materials

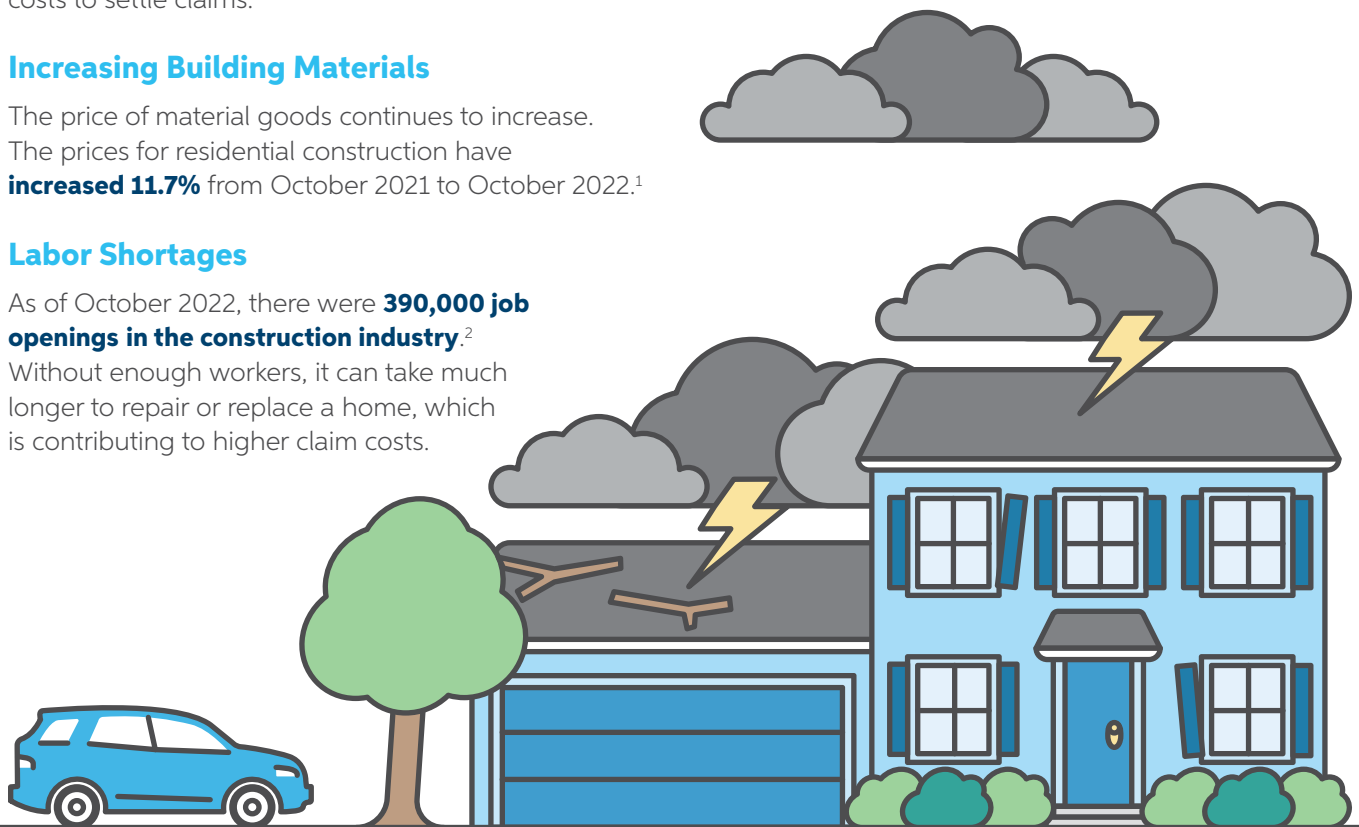
The price of material goods continues to increase. The prices for residential construction have **increased 11.7%** from October 2021 to October 2022.<sup>1</sup>

## Labor Shortages

As of October 2022, there were **390,000 job openings in the construction industry**.<sup>2</sup> Without enough workers, it can take much longer to repair or replace a home, which is contributing to higher claim costs.

## Weather Disasters

In 2022, there were **18 weather/climate disaster events** with losses exceeding one billion each in the U.S.<sup>3</sup>



Sources: <sup>1</sup> U.S. Bureau of Labor Statistics, Table 1. Job opening levels and rates by industry and region, seasonally adjusted, U.S. Bureau of Labor Statistics, August 2022. <https://www.bls.gov/news.release/jolts.t01.htm> <sup>2</sup> NOAA National Centers for Environmental Information (NCEI), U.S. Billion-Dollar Weather and Climate Disasters (2023). <http://www.ncei.noaa.gov/access/billions/>, DOI: 10.25921/stkw-7w73 <sup>3</sup> U.S. Bureau of Labor Statistics, Producer Price Index by Commodity: Inputs to Industries: Net Inputs to Residential Construction, Goods, November 2022. <https://www.bls.gov/ppi/detailed-report/ppi-detailed-report-november-2022.pdf>

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