



**NAMIC**

NATIONAL ASSOCIATION OF  
MUTUAL INSURANCE COMPANIES

*SHAPING OUR MUTUAL FUTURE*®

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**NAMIC PRESENTATION**  
ARKANSAS JOINT INSURANCE & COMMERCE  
COMMITTEES

MARCH 12, 2024

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# NAMIC MEMBERSHIP AT A GLANCE



**1,450**  
NAMIC  
Member  
Companies



**\$391B**  
Represented in  
Annual  
Premiums



**7 of Top**  
U.S. P/C  
Companies  
Among  
Membership



**56**  
%  
Of the U.S.  
Auto Insurance  
Market



**68**  
%  
Of the U.S.  
Home  
Insurance  
Market



**31**  
%  
Of the U.S.  
Business  
Insurance  
Market



# ARKANSAS



**56**

Of the AR Auto  
Insurance  
Market



**68**

Of the AR  
Home  
Insurance  
Market



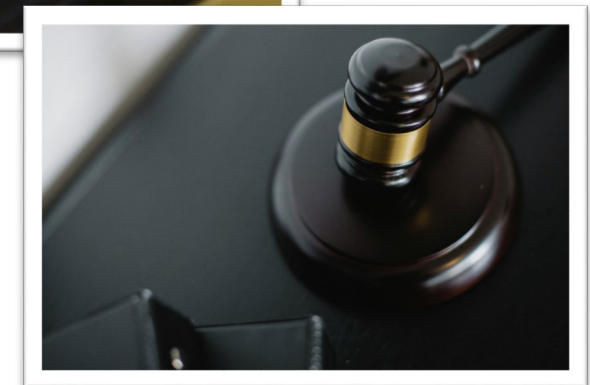
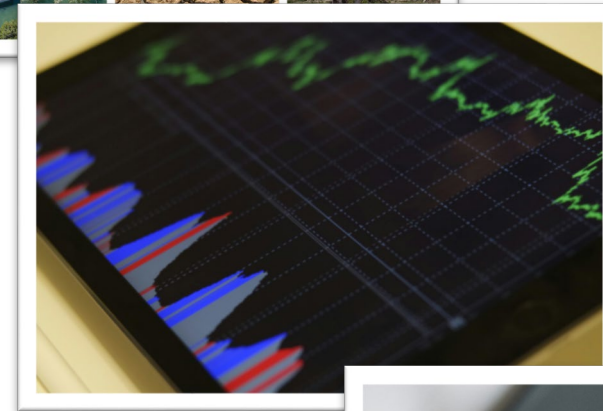
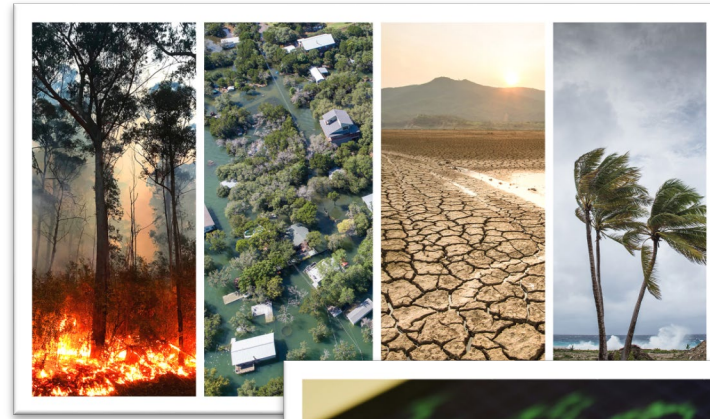
**38**

Of the AR  
Business  
Insurance  
Market




# FACING A "NEW ERA OF RISK"

- Several pressures are converging on the industry all at once:
  - Extreme Weather
  - Inflation & Economic Pressures
  - Rising Reinsurance Costs
  - Litigation Abuse






# INSURANCE INDUSTRY TURBULENCE DRAWS NATIONAL ATTENTION



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FINANCE · INSURANCE


**4 more insurers are leaving California after Allstate and State Farm cut back due to wildfire risk**




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**Another insurer leaving Louisiana; 36,000 affected**


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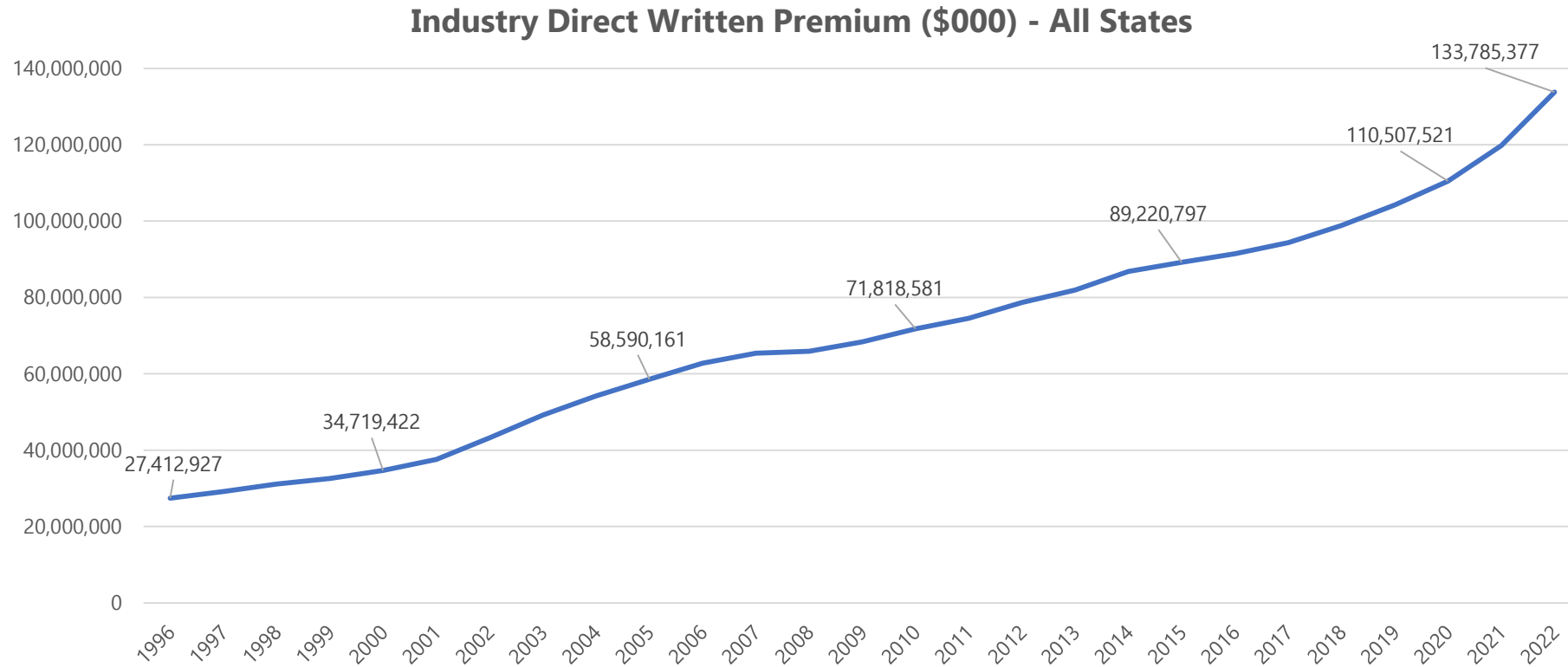
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**Farmers Insurance is leaving its business in Florida**

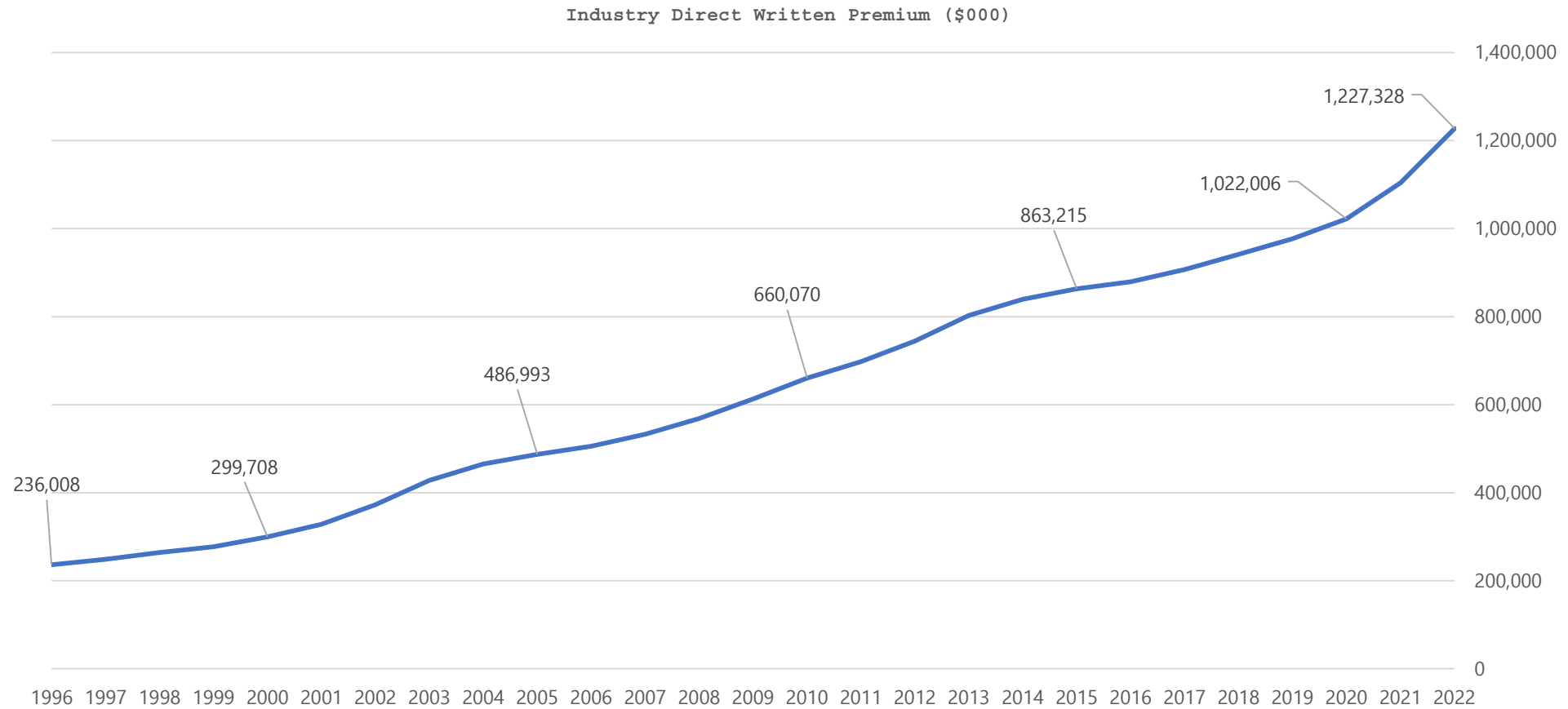


# U.S. HOMEOWNER PREMIUMS





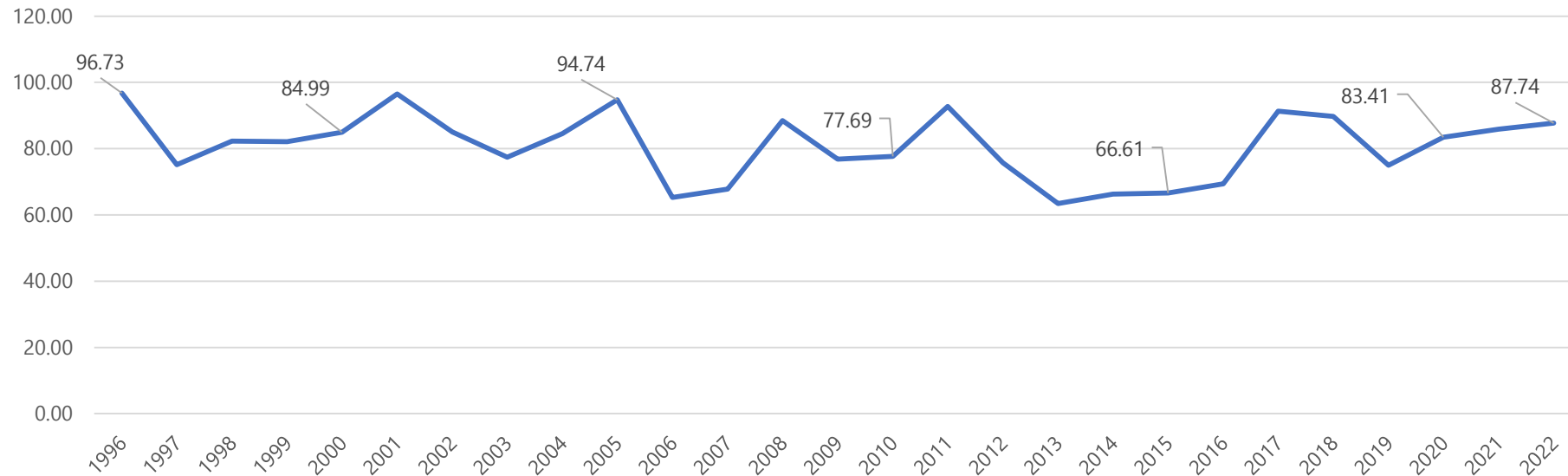
# ARKANSAS HOMEOWNER PREMIUMS





# U.S. COMBINED RATIOS

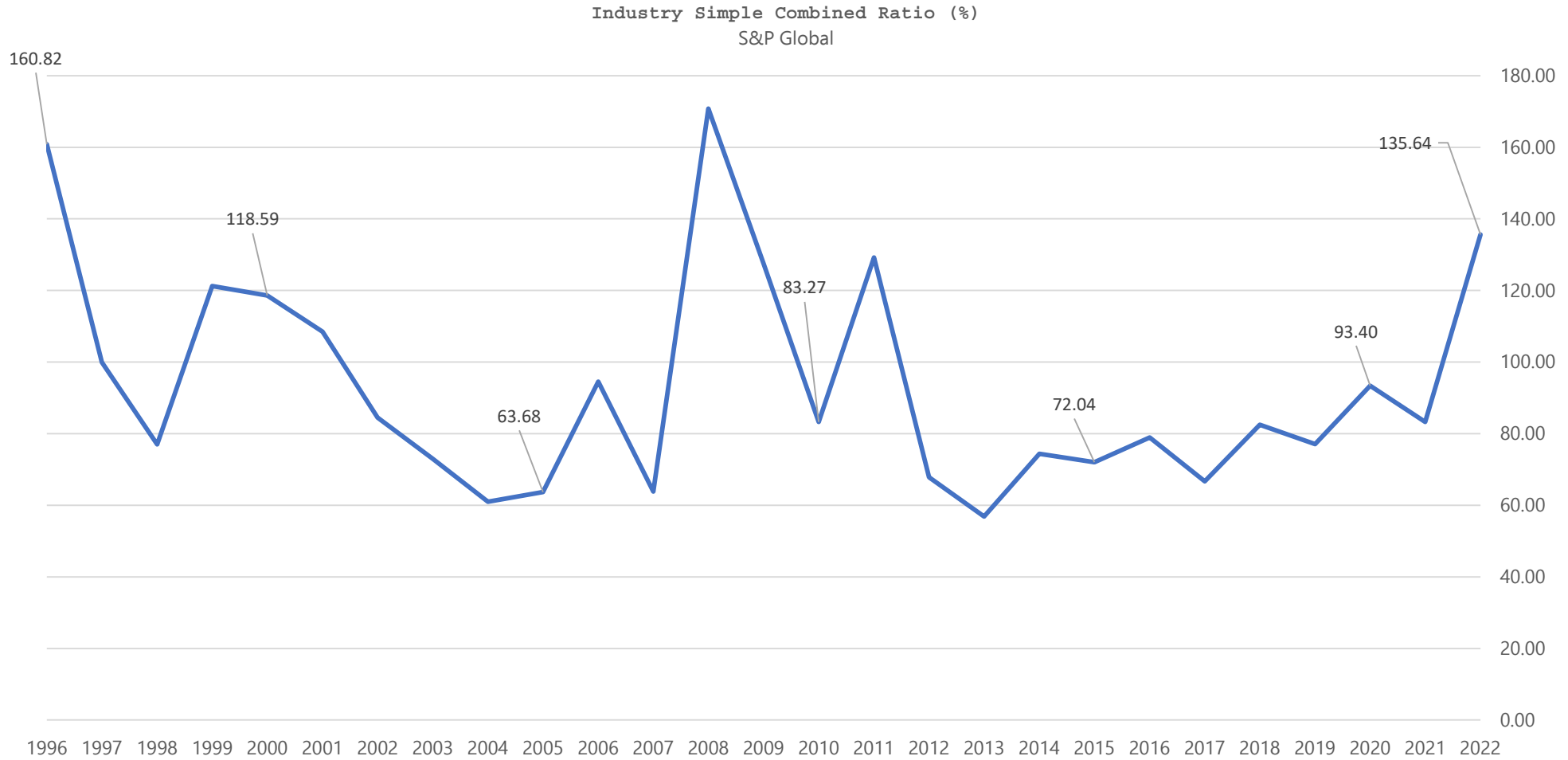
**Industry Simple Combined Ratio (%) - All States**  
S&P Global





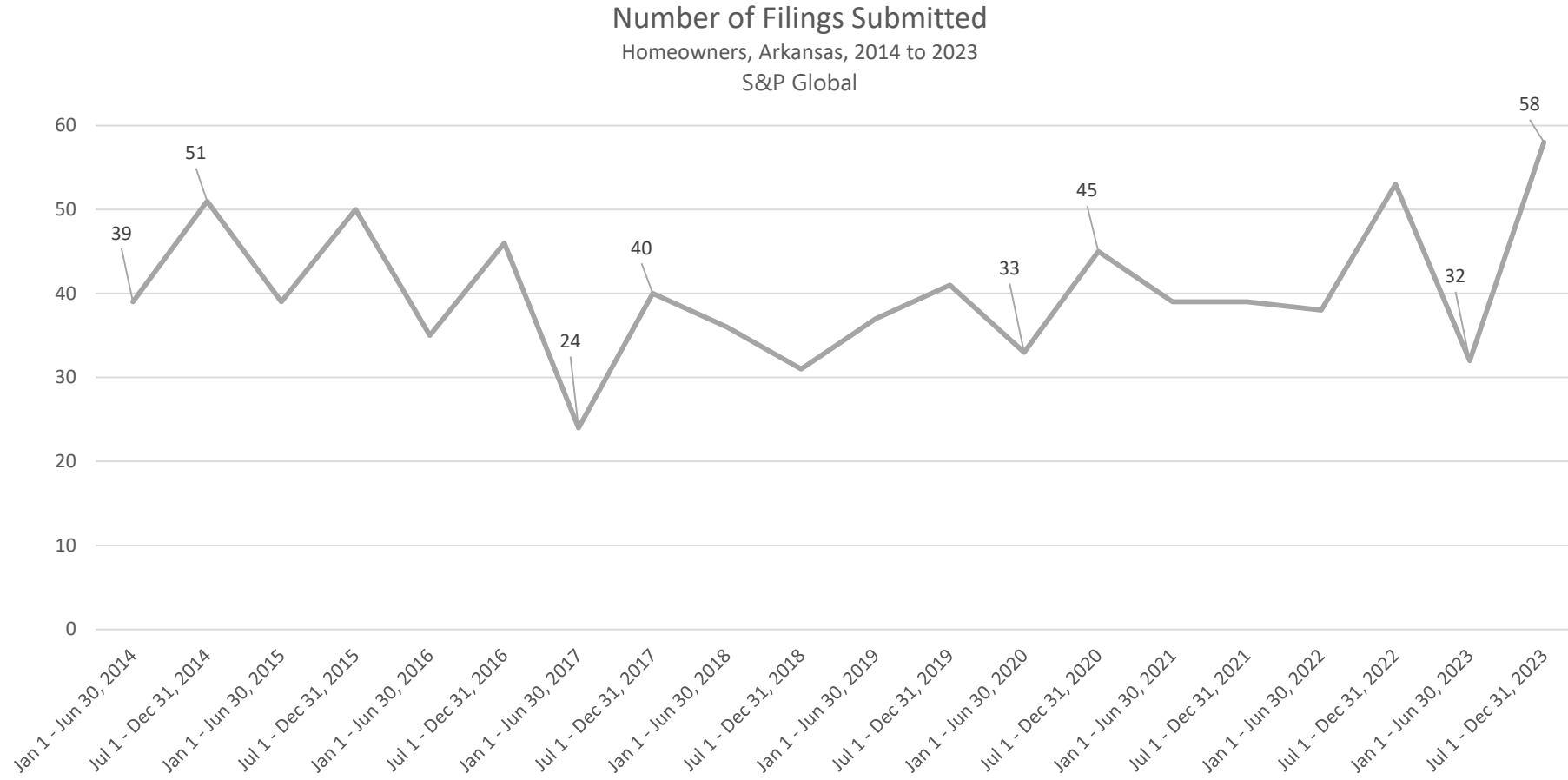


# ARKANSAS COMBINED RATIOS





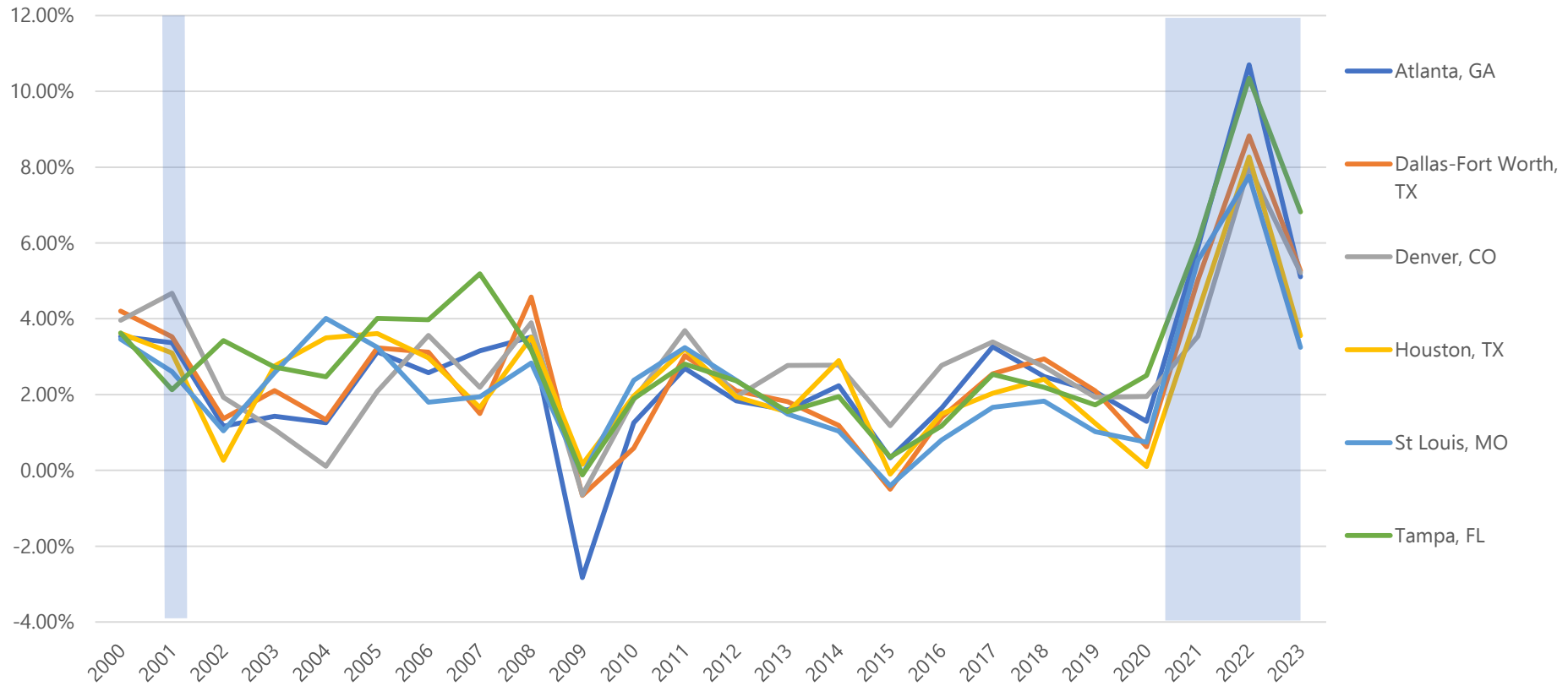
# ARKANSAS RATE FILINGS





# CONSUMER PRICE INDEX

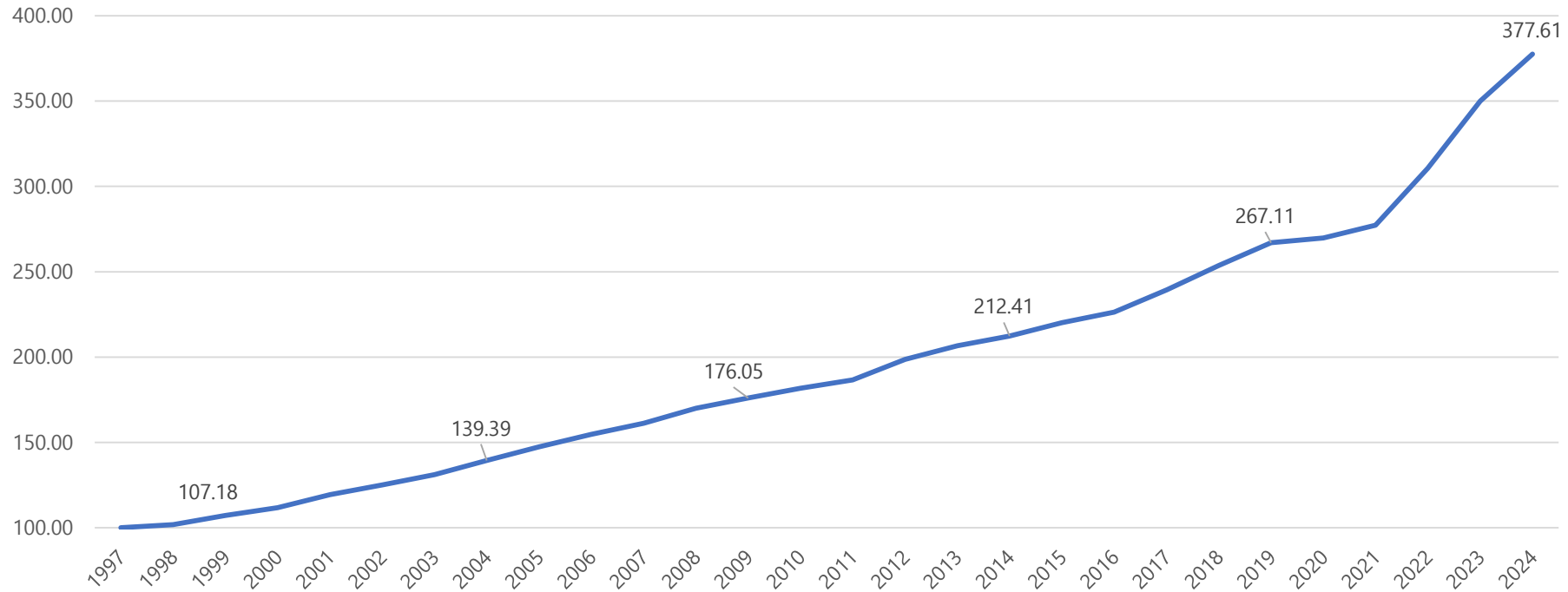
U.S. Consumer Price Index (CPI) Change for Selected Urban Areas (%)  
Year-to-Year Change, U.S. Bureau of Labor Statistics, 2000 to 2023





# CPI HOUSEHOLD ITEM REPAIR

Consumer Price Index (CPI) for Repair of Household Items  
U.S. Bureau of Labor Statistics, 1997 to 2024

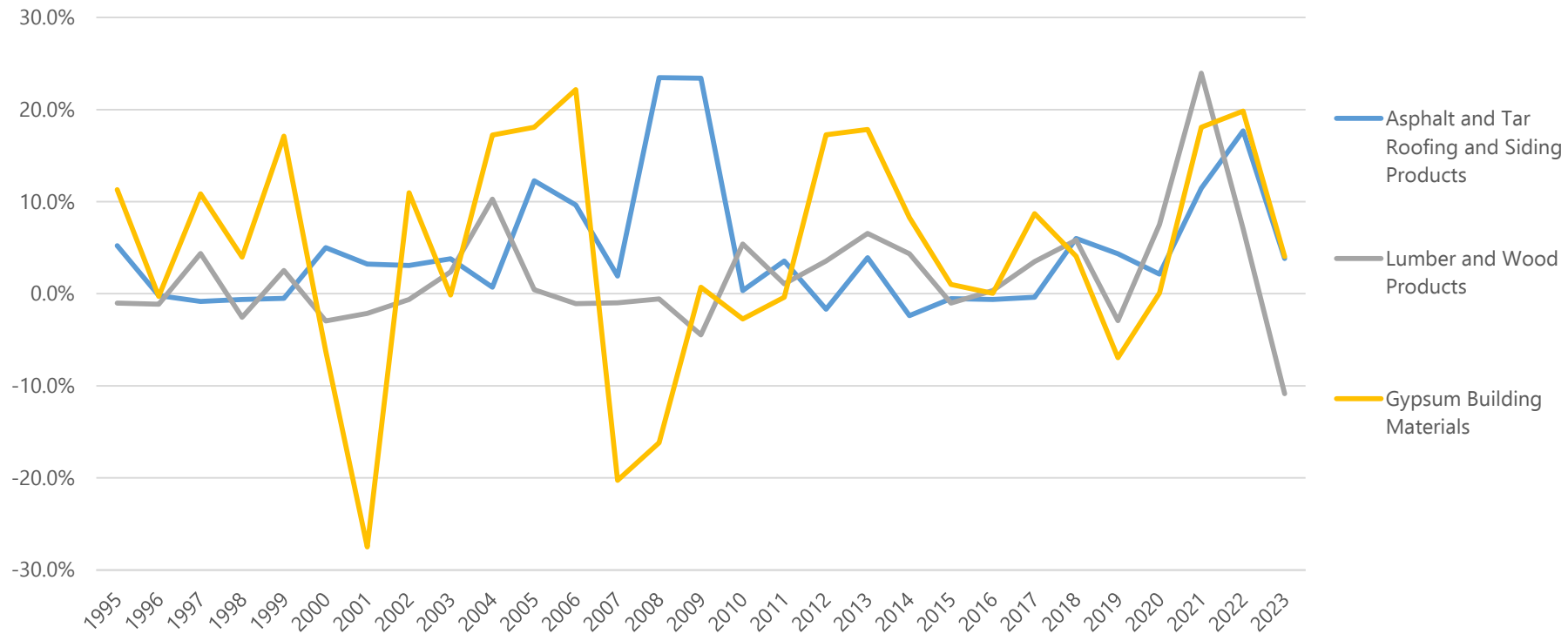




# PPI BUILDING MATERIALS

## Producer Price Index (PPI) for Certain Building Materials, Annual Percent Change

U.S. Bureau of Labor Statistics, 1995 to 2023

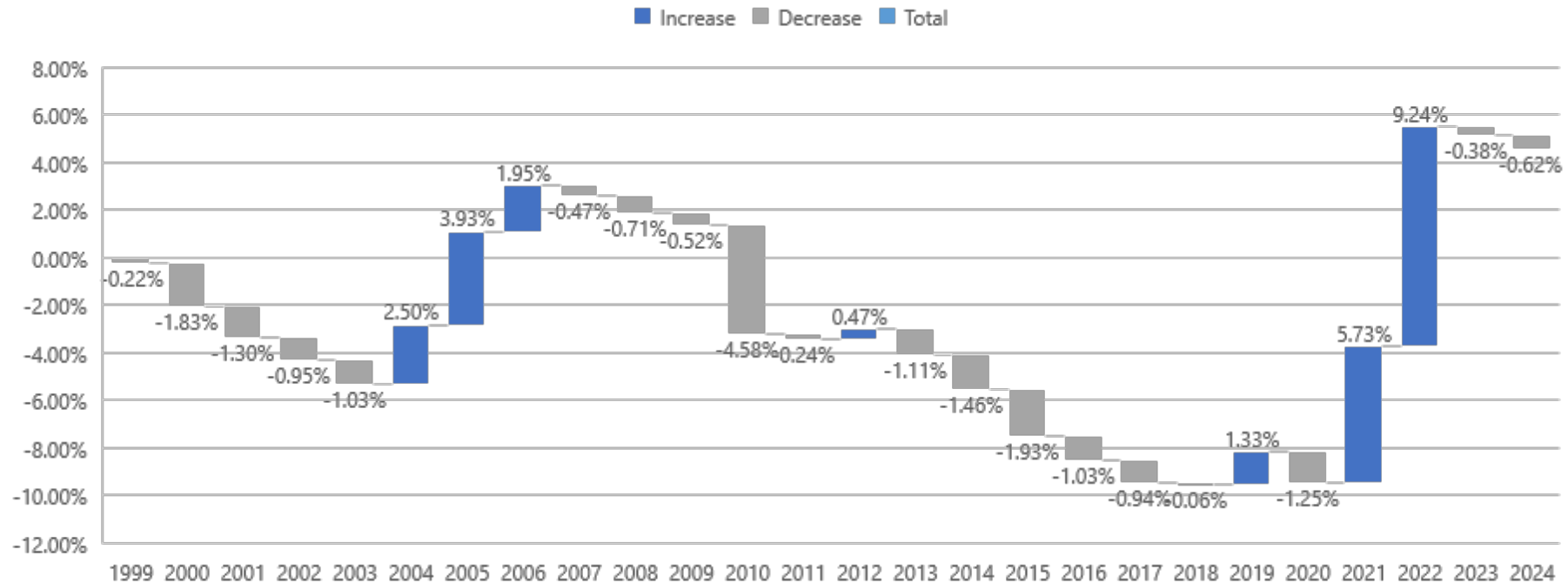




# CPI BEDROOM FURNITURE

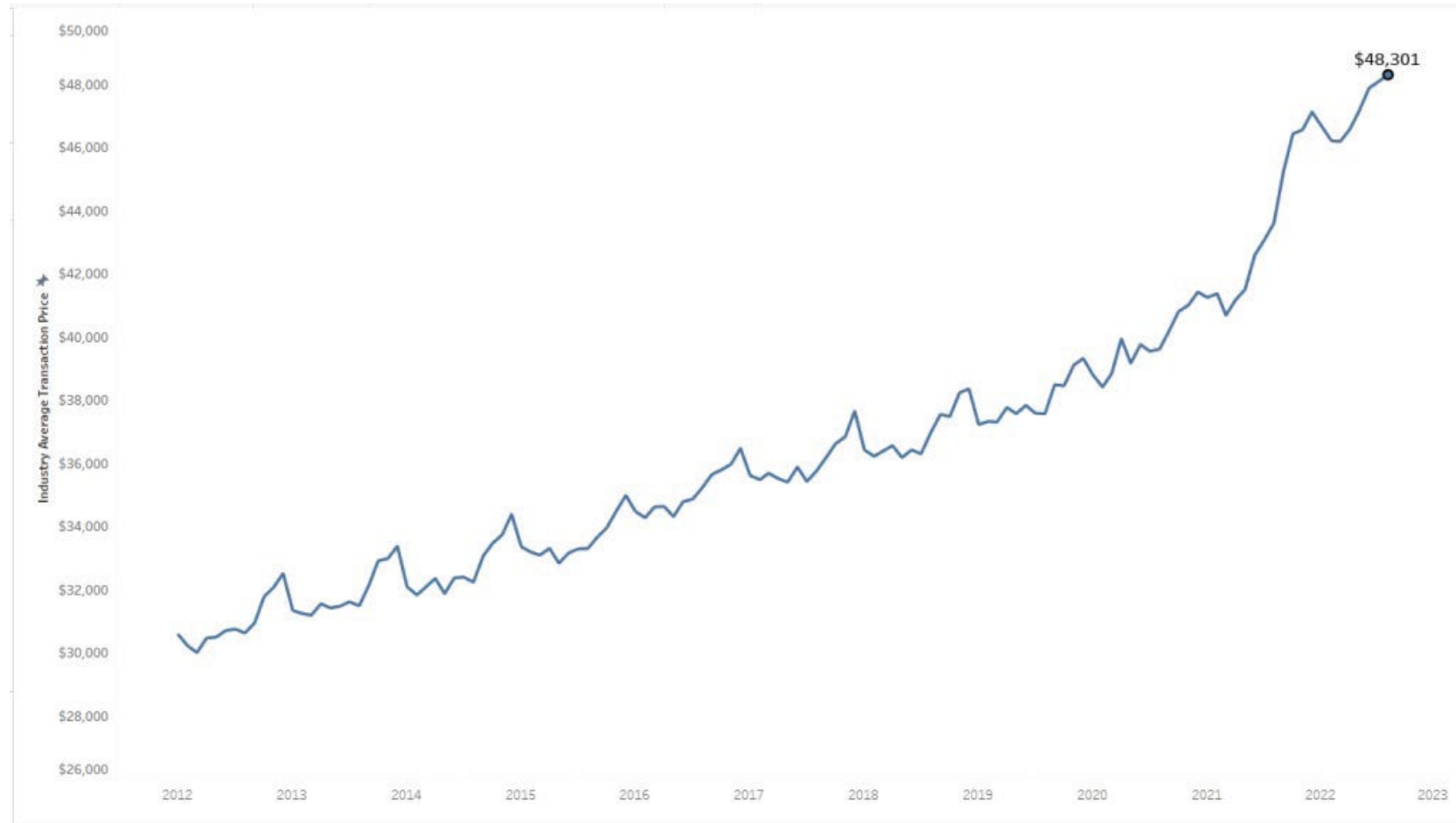
## Consumer Price Index (CPI) for Bedroom Furniture, Annual Percent Change

U.S. Bureau of Labor Statistics, 1999 to 2024



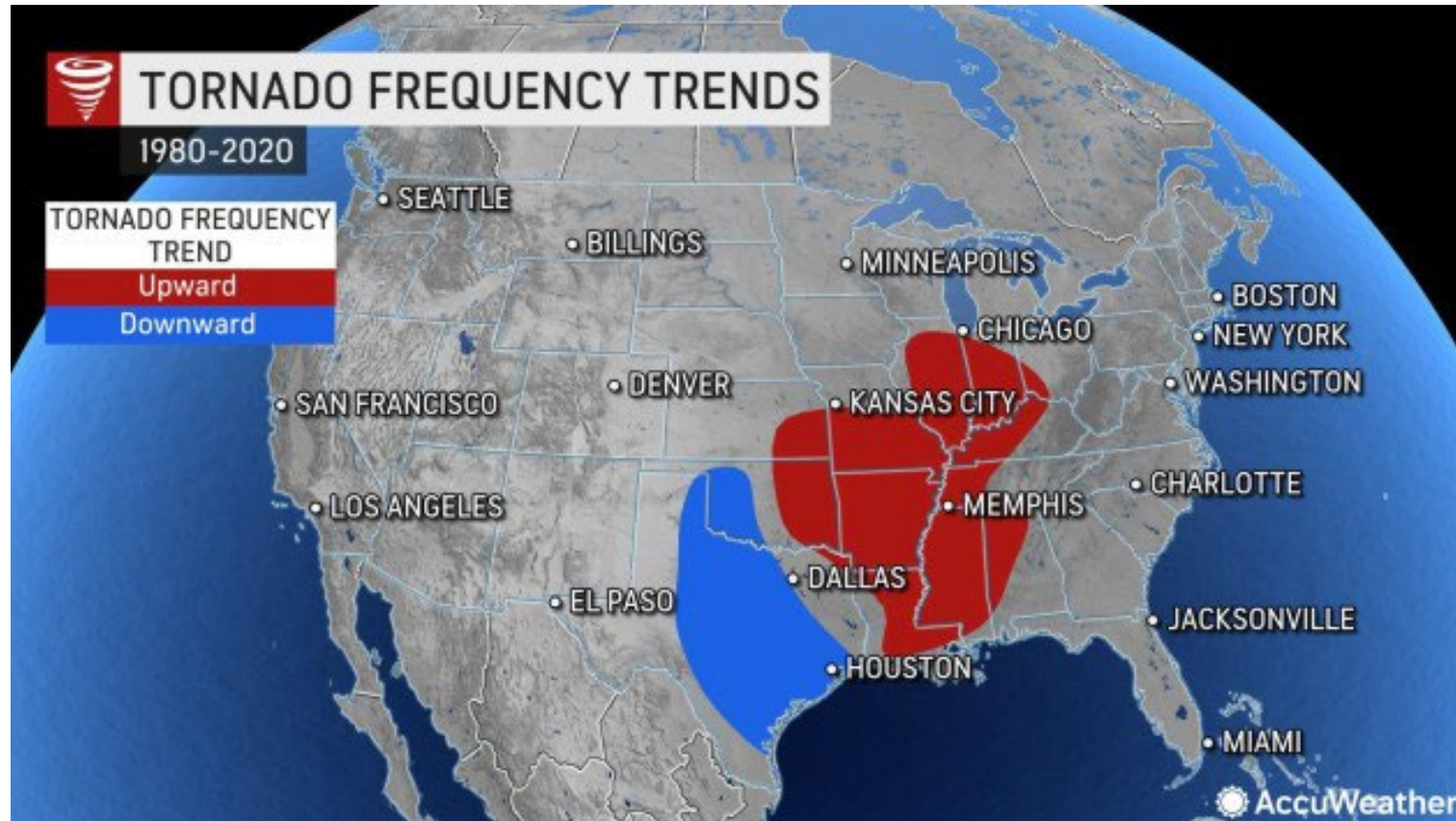


# NEW CAR PRICES





# NEW TORNADO ALLEY?







- **No Control**

- Weather
- Supply Chain
- Building Costs
- Labor Market

- **Control**

- Building Codes
- Litigation Reform
- Regulations
- Insurance Policy



# INSURANCE INSTITUTE FOR BUSINESS & HOME SAFETY (IBHS)



- Insurance-funded, scientific research organization
- Research on real-world solutions for home and business owners
- Creates more resilient communities
- Based in Chester County, SC

<https://ibhs.org/risk-research/hail/>



# STRENGTHEN ALABAMA HOMES



- Provides grants to Alabama residents for residential wind mitigation on existing, owner-occupied, single-family homes.
- Funding comes from the insurance industry in Alabama
- No state or federal funds.
- Similar bills currently in Oklahoma, Kentucky



# QUESTIONS ?

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