

PROPERTY INSURANCE REPORT

The Authority on Insuring Homes and Commercial Property

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Hartford Pauses New Business in California; Lara Pledges Reform by Year End

The Hartford this week joins most of its competitors in halting new sales of homeowners insurance policies in California, where it has a 0.9% market share, as it awaits reforms that will make it possible to write profitably and limit risk of catastrophic losses. ([PIR 12/4/23](#))

As Hartford joined its competitors on the sideline, Insurance Commissioner **Ricardo Lara** told a California state Senate committee last week that he is targeting the end of 2024 to implement reforms for better processing of rate requests, allowing use of catastrophe models, and including reinsurance costs in ratemaking to encourage insurers to resume writing new business in the state. [PIR](#)

Rates From Largest Homeowners Insurers Surge 11.3% in 2023

The largest homeowners multiperil insurers implemented approved rate changes averaging 11.3% across the nation in 2023, up from 6.2% in 2022, 3.8% in 2021, 3.1% in 2020 and 2.5% in 2019, according to RateWatch from **S&P Global Market Intelligence**.

The rising rates mirror both increasing loss ratios for home insurers and the conviction of many insurers that more claims are coming in the future due to a more volatile climate and higher rebuilding costs. In the first nine months of 2023, the incurred loss ratio was 81.8%, even worse than the money-losing 70.9% of 2022 and 69.0% in 2021.

RateWatch tracks approved rate changes for the top 10 insurers in 49 states, plus any top 10 insurers nationally that are not among the top 10 in a state. **Wyoming** and the **District of Columbia** are not included. While it is not a com-

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As Floods Devastate, Alaska May Consider State Coverage

The natural beauty of **Alaska** moves people with its breathtaking views. But often, as ice melts and weather changes, that beauty can turn treacherous. For homeowners, this can mean flooding that causes nearby evacuations, road closures and ruined homes.

Last year proved particularly disastrous for homeowners in Alaska – the biggest state in the U.S. with a land mass two-and-a-half times that of **Texas**.

Last May, Alaska Gov. **Mike Dunleavy** declared a [state disaster emergency](#) across areas including the Alaska Gateway, Yukon Flats and Kuspuk in response to flooding that caused evacuations and destroyed homes. A [federal disaster declaration](#) followed.

A few months later, in August, an outburst flood from a glacial meltwater lake created a record [14.97 feet of water](#) in Mendenhall Lake, which then headed down Mendenhall

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plete picture of rate changes, the top 10 groups write nearly two thirds of homeowners multiperil premium nationwide, so it is an excellent proxy. It also doesn't account for rates put into market that have yet to receive regulatory approval, or for approved rates that have not yet taken effect. Still, for a strategic look at the marketplace the RateWatch data serves well.

Texas, the nation's largest homeowners insurance market, led the way with a 23.3% increase in homeowners rates for large insurers in 2023. The state's cumulative 36.4% rate increase for 2022-2023 and 59.9% for 2018-2023 were also the nation's largest.

Texans paid the fourth-highest average

Texas, the nation's largest homeowners insurance market by premium, saw the nation's biggest rate increases.

homeowners premium in the nation, at \$2,146 in 2021, according to the **National Association of Insurance Commissioners**. ([PIR 1/15/24](#)) The intensely volatile weather – including massive hailstorms and the [Great Texas Freeze of 2021](#) – combined with inflation drove the increases in rates. ([PIR 11/20/23](#))

The companies that had the largest cumulative rate increases in Texas for 2022-2023 were **Texas Farm Bureau** (78.2%), **Homeowners of America Insurance Co.** (71.2%) and **Farmers Insurance** (70.1%). Never before have we seen so much rate taken by so many companies in such a short period of time.

Arizona ranks second to Texas for increases in 2023 (21.8%), and cumulative rate hikes for 2022-2023 (35.4%) and 2018-2023 (52.9%). Because the sun always shines and the ground doesn't shake, the market has been generally profitable. But rising wildfire risk and inflation have insurers struggling with rising claims costs.

([PIR 4/24/23](#))

Arizona's market is unique for the wide range of price changes. **State Farm**, the largest insurer, was approved for increases averaging 6.5% in the past two years, while No. 2 Farmers Insurance, took 67.0% in the same time frame.

Several large states with high catastrophe risk are surprising for their lack of rate activity, though it is often the result of regulatory resistance or slow approvals. (RateWatch records rates that have been approved, though in some states, insurers may use rates before approval.)

In **California**, the nation's second-largest market, regulators have kept a lid on prices even as insurers stopped writing for fear of existential losses. ([PIR 12/4/23](#)) Compared to the paltry 3.2% average increase approved in 2022, insurers may be grateful for the belated and less-than-adequate 10.0% hike approved in 2023. Despite the market crisis, California has among the lowest cumulative rate increases in the nation for the past two years, at 13.5% compared to the 18.3% national average. There are signs of progress for 2024. It will take more than rate to fix California, but more rate would be a start.

Florida has been the nation's most troubled market for many years, and getting sufficiently high rates has not been easy, with several large rate requests pending. ([PIR 6/5/23](#)) We pulled the data for our chart on January 1, but the most recent RateWatch report shows 7.5% rather than 4.9%, so approvals are flowing. Recent of reforms has insurers hoping for better times ahead.

New York has been among the more profitable homeowners markets in the nation ([PIR 3/27/23](#)). As the fourth-largest market, it provides an important point of stability for the national industry. But fear of rising storm and hurricane risk akin to Superstorm Sandy in 2012 has tightened the coastal market significantly. The 9.8% cumulative rate increase for 2022-2023 is the lowest of the 10 largest markets. Many insurers would like more rate more quickly in New

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Homeowners Multiperil Approved Rate Changes for Largest Insurers By State, 2018-2023 as Reported by RateWatch

State	Direct Written Premium (000)	Approved Rate Change						Cumulative Rate Change	Cumulative Rate Change
		2018	2019	2020	2021	2022	2023	2022-2023	2018-2023
Alabama	\$2,003	0.7%	1.9%	3.4%	1.9%	3.6%	8.9%	12.8%	22.0%
Alaska	\$203	1.0%	-0.7%	0.0%	-0.1%	1.0%	5.2%	6.2%	6.4%
Arizona	\$1,928	2.4%	2.6%	3.5%	3.9%	11.2%	21.8%	35.4%	52.9%
Arkansas	\$1,076	2.5%	1.5%	1.1%	4.4%	4.9%	14.9%	20.6%	32.5%
California	\$10,412	5.3%	6.3%	6.9%	5.8%	3.2%	10.0%	13.5%	43.7%
Colorado	\$3,355	6.2%	5.8%	5.8%	6.6%	11.4%	11.8%	24.6%	57.9%
Connecticut	\$1,267	2.6%	2.6%	3.4%	2.5%	3.4%	6.9%	10.6%	23.4%
Delaware	\$313	1.8%	2.5%	-0.7%	5.3%	3.7%	3.9%	7.7%	17.5%
Florida	\$7,867	3.2%	0.4%	10.9%	8.4%	9.6%	4.9%	15.0%	43.2%
Georgia	\$3,987	4.9%	3.6%	2.4%	3.8%	4.2%	5.5%	9.9%	27.0%
Hawaii	\$422	2.0%	2.7%	1.8%	0.6%	3.1%	1.8%	4.9%	12.6%
Idaho	\$509	2.4%	2.6%	2.5%	2.3%	4.8%	12.3%	17.7%	29.6%
Illinois	\$4,194	4.1%	3.6%	3.5%	3.6%	6.4%	18.5%	26.1%	45.8%
Indiana	\$2,061	0.8%	1.3%	0.7%	2.8%	5.5%	12.2%	18.3%	25.1%
Iowa	\$924	1.3%	2.2%	1.8%	4.7%	7.7%	13.5%	22.2%	34.7%
Kansas	\$1,322	2.8%	2.1%	2.5%	4.1%	4.7%	8.7%	13.8%	27.3%
Kentucky	\$1,306	0.0%	0.7%	-0.2%	1.2%	4.4%	11.7%	16.6%	18.5%
Louisiana	\$1,919	0.6%	0.0%	-0.9%	3.6%	6.5%	13.7%	21.1%	24.9%
Maine	\$399	1.7%	0.5%	0.9%	1.1%	1.2%	6.0%	7.3%	11.7%
Maryland	\$2,176	4.4%	3.3%	2.4%	4.8%	6.0%	7.7%	14.1%	32.1%
Massachusetts	\$2,175	2.0%	2.1%	1.6%	0.4%	4.5%	10.6%	15.6%	22.8%
Michigan	\$3,061	1.0%	0.9%	1.1%	1.1%	3.4%	10.7%	14.4%	19.2%
Minnesota	\$2,429	2.7%	3.2%	2.2%	4.3%	6.7%	15.3%	23.0%	39.1%
Mississippi	\$1,088	2.1%	1.2%	0.8%	1.9%	4.0%	3.9%	8.1%	14.7%
Missouri	\$2,377	4.2%	2.4%	1.7%	2.7%	6.3%	8.6%	15.4%	28.6%
Montana	\$461	3.8%	1.6%	4.3%	4.2%	6.9%	9.4%	17.0%	34.1%
Nebraska	\$943	5.3%	4.4%	4.7%	5.1%	6.7%	15.1%	22.8%	48.6%
Nevada	\$711	3.4%	3.1%	2.4%	3.1%	1.4%	6.1%	7.5%	21.0%
New Hampshire	\$397	2.3%	1.6%	1.1%	0.8%	4.0%	7.0%	11.3%	17.9%
New Jersey	\$2,482	2.1%	1.4%	0.1%	2.8%	3.7%	4.5%	8.4%	15.4%
New Mexico	\$655	5.0%	2.9%	2.7%	2.8%	6.6%	11.4%	18.8%	35.5%
New York	\$5,069	1.9%	2.5%	1.5%	2.3%	3.2%	6.4%	9.8%	19.0%
North Carolina	\$2,945	6.1%	0.3%	2.9%	1.9%	12.3%	9.0%	22.4%	36.5%
North Dakota	\$243	1.7%	0.8%	1.3%	1.4%	2.4%	8.1%	10.8%	16.6%
Ohio	\$3,013	0.3%	0.4%	1.2%	3.8%	5.8%	9.3%	15.7%	22.4%
Oklahoma	\$1,826	4.1%	1.4%	3.6%	3.1%	10.7%	14.0%	26.1%	42.2%
Oregon	\$1,051	3.5%	2.3%	1.1%	5.2%	10.3%	16.5%	28.5%	44.8%
Pennsylvania	\$3,483	-0.3%	1.1%	1.0%	2.4%	5.0%	7.0%	12.3%	16.9%
Rhode Island	\$428	4.4%	2.9%	2.8%	2.8%	5.1%	12.1%	17.8%	33.7%
South Carolina	\$1,700	0.3%	0.3%	0.9%	0.6%	2.1%	4.7%	6.9%	9.2%
South Dakota	\$304	5.0%	3.2%	3.6%	5.0%	7.5%	11.3%	19.6%	41.0%
Tennessee	\$2,401	2.0%	0.8%	1.4%	1.8%	4.6%	11.0%	16.1%	23.2%
Texas	\$10,814	5.4%	3.4%	2.3%	5.1%	10.7%	23.3%	36.4%	59.9%
Utah	\$729	5.2%	3.4%	2.4%	4.3%	8.5%	20.3%	30.5%	51.9%
Vermont	\$199	1.4%	-0.1%	0.3%	-0.4%	1.1%	3.3%	4.5%	5.8%
Virginia	\$2,635	5.7%	2.7%	3.1%	3.4%	4.8%	10.4%	15.7%	33.9%
Washington	\$2,199	3.6%	2.9%	2.0%	2.0%	3.2%	14.0%	17.6%	30.4%
West Virginia	\$473	1.9%	-0.1%	-0.8%	0.6%	2.2%	4.8%	7.1%	8.8%
Wisconsin	\$1,471	1.2%	0.1%	0.6%	0.8%	5.2%	12.3%	18.1%	21.4%
US Total	\$105,405	3.2%	2.5%	3.1%	3.8%	6.2%	11.3%	18.3%	33.9%

Source: S&P Global Market Intelligence RateWatch as reported on January 1, 2024. Data gathered for at least the 10 largest insurers in each state. The District of Columbia and Wyoming are not included in the RateWatch database.

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 York. (PIR 8/28/23)

Many of the states with the smallest rate increases in recent years are also among the most profitable. The 17 most profitable states for the decade ended 2021 all saw cumulative two-year rate increases below the national average. The four lowest rate increases for the past two years went to **Vermont** (4.5%), ranked seventh in long-term profit; **Hawaii** (4.9%), ranked first; **Alaska** (6.2%), ranked fourth; and **South Carolina** (6.9%), ranked fifth.

RateWatch reports approved rates in each state by carrier, but it does not provide a national summary of carrier

Among the biggest insurers, Allstate has enjoyed the lowest homeowners loss ratio over the past decade.

rate activity. To examine national carrier behavior, *Property Insurance Report* created estimates based on a weighted average of state activity by multiplying 2022 and 2023 rate increases by the 2022 written premium. That gives rate changes appropriate weight based on how much premium each state represents to the insurer’s total. It is an imperfect calculation, but still valuable for strategic analysis of insurer behavior.

State Farm pulls down the national average with an estimated 2023 rate increase of 7.8%, following an estimated 2.5% rise in 2022.

The small increase isn’t for a lack of trying. For more than a year State Farm has unsuccessfully sought substantial rate increases in California, the company’s largest market. State Farm received 6.9% in each of the last four years, which might typically be enough for a company with three years of profitable loss ratios in the 50s. But lessons learned from the enormous wildfire

Estimated Total Homeowners Rate Changes
 Approved Rate Changes as Percent of 2022 Premium

2022	Group Name	Estimated Total Rate Change	
		2022	2023
1	State Farm Mutual	2.5%	7.8%
2	Allstate Corp.	4.3%	10.2%
3	Liberty Mutual	10.7%	17.2%
4	USAA Insurance Group	3.4%	14.8%
5	Farmers Insurance Group	13.4%	19.5%
6	Travelers Companies Inc.	6.4%	10.0%
7	American Family Insurance Group	8.5%	12.3%
8	Nationwide Mutual Group	8.8%	10.7%
9	Chubb Ltd.	4.8%	7.0%
10	Progressive Corp.	2.9%	10.4%

Source: S&P Global Market Intelligence RateWatch, *Property Insurance Report*

losses in 2017 and 2018 have the company re-considering everything about the state. Unable to charge higher prices, State Farm – and most of its competitors – has frozen new business for now.

State Farm recorded larger rate increases in its second- and third-largest markets. In Texas, State Farm was approved for an average 14.3% hike in 2023, though that is short of the 23.3% average increase for large insurers in the state. In **Illinois**, RateWatch reported 17.7% in 2023 increases for State Farm, just below the 18.5% average for large competitors.

Allstate likewise cut back in California after receiving approval for a 4.0% rate increase in 2023 after a long fight and nothing approved for 2022. Our estimate of a 10.2% national 2023 rate increase for Allstate follows a 4.3% rise in 2022. Both are short of the average of its large competitors.

Allstate joined the industry with a big 25.5% rise in Texas, its largest market, and modest increases averaging 4.1% in New York, its second-largest market, 7.6% in **Georgia** and a substantial 17.2% hike in Illinois, according to the analysis of RateWatch data.

Allstate claims that it is smarter than its com-

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petitors in homeowners insurance ([PIR 9/11/23](#)). For the decade ended 2022, it had the lowest total loss ratio of the 10 largest writers, at 56.3%, so perhaps these rate actions will be enough.

Liberty Mutual took more rate than most large competitors in the past two years, which should come as no surprise to anyone listening to CEO **Tim Sweeney's** comments to investment analysts. "We have and continue to take rate and underwriting action to address the inflationary pressures in personal lines felt across the industry," he said, reporting on elevated catastrophe losses in the second quarter of 2023, primarily due to widespread wind and hail events in Texas, **Oklahoma**, and **Colorado**.

Liberty Mutual had cumulative rate increases in 2022-2023 of 50.0% in Texas, 45.1% in Oklahoma, and 37.5% in Colorado.

USAA has a substantial cost advantage over all other large home insurers because it is the largest direct response writer. But even USAA can't get by with loss ratios over 73%, which it suffered in 2021 and 2022. Thus, a modest 3.4% estimated national rate increase in 2022 turned into 14.8% in 2023. Much of the increase came from its largest market, Texas, with a 22.0% rise that is still below the competition; Colorado, where a 34.7% rate increase 2023 was three times the average for large companies; and Arizona, where its 36.6% increase was highest among the state's large insurers.

Farmers has increased rates more than its large competitors for two straight years, with an estimated 13.4% rise nationwide in 2022 and a 19.5% rise in 2023. Farmers has also taken the most rate for personal auto. ([AIR 1/22/24](#))

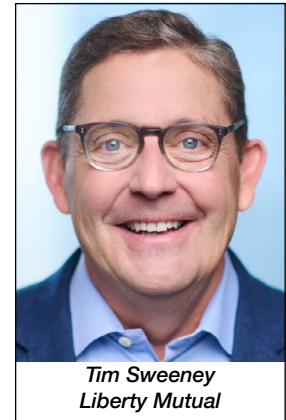
Farmers can boast that it persuaded regulators to approve a 20.1% increase in California, twice the average for large companies. Its 40.5% rate increase in Texas is the highest in the state, and double the average for large companies. Those two markets represent a third of Farmers' total, so taking so much rate in these troubled

markets contributed to its big national increase.

Travelers is second only to **Chubb** for its reliance on homeowners for personal lines premium, with 11.3% more homeowners premium than auto premium in 2022.

(At State Farm, for example, homeowners is half the size of auto.) With that concentration of personal lines business in homeowners, the company cannot afford to fall behind on needed rate increases.

Travelers had estimated approved rate increases of 6.4% in 2022 and 10.0% in 2023, not



Tim Sweeney
Liberty Mutual

Travelers and Chubb have the highest expense base of the large homeowners writers, so low loss ratios are a must.

far off the industry averages of 6.2% and 11.3%. With the second-lowest loss ratio among the 10 largest insurers for the decade ended 2022 at 56.4%, Travelers has earned the benefit of the doubt. But of the 10 largest homeowners insurers, only Chubb has a higher expense ratio than Travelers, so the low loss ratio is as much a requirement as a victory.

American Family posted an estimated national approved rate increase of 8.5% in 2022 and 12.3% in 2023. In 2022 the company's largest market – **Minnesota** – was hit by a number of weather events ([PIR 12/18/23](#)). American Family's resulting 149.7% loss ratio led it to take 36.2% in rate cumulatively in 2022 and 2023.

Rounding out the top 10 are **Nationwide** with an estimated increase of 8.8% in 2022 and 10.7% in 2023; Chubb with an estimated 4.8% in 2022 and 7.0% in 2023; and Progressive, with an estimated 2.9% for 2022 and 10.4% for 2023. [PIR](#)

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State Market Focus: ALASKA

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River toward Juneau’s most populated neighborhood. Erosion from the flooding sent trees and buildings into the river. These were areas that often have not seen such vicious flooding in the past, as the previous record in Mendenhall Lake was nearly 3 feet lower at 11.99 feet in 2015.

Rick Thoman, climate specialist at the **Alaska Center for Climate Assessment and Policy**, told [Climate.gov](https://www.climate.gov) that with decades of erosion occurring in one weekend, dozens of buildings became uninhabitable.

The disasters didn’t end there. In November, a [450-foot landslide](#) killed three people and smashed through multiple homes in Juneau.

Statewide, 2,332 flood policies written by the **National Flood Insurance Program (NFIP)** were in force last year, according to NFIP [data](#).

Lori Wing-Heier, director of the **Alaska Division of Insurance**, said very little flood insurance is written in the private market.

“You can get it, but you’re not going to get

it from your standard carrier,” Wing-Heier said. “Or if you do, it’s going to be a really low limit. It’s cost prohibitive.”

Lyn Elliott, assistant vice president of state government relations at the **American Property Casualty Insurance Association (APCIA)**, said the flooding may revive a proposal to create a state flood insurance program. The [bill](#) introduced in 2022 by state Sen. **Bert Stedman**, would have created the Alaska Flood Authority to administer a flood insurance program with policies based on coverage offered by the NFIP. Insurers, as members of the authority, would share in the program’s losses, but each company could offset 50% of its liability as a premium tax credit.



Lori Wing-Heier
Director, Alaska
Division of Insurance

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Alaska Property Insurance Profit Margins 10-Year Summary, % of Direct Premiums Earned, With National Averages											
Line of Business	2021 Total Profit	2020 Total Profit	2019 Total Profit	2018 Total Profit	2017 Total Profit	2016 Total Profit	2015 Total Profit	2014 Total Profit	2013 Total Profit	2012 Total Profit	Avg Total Profit
State Homeowner	21.7	20.9	25.7	10.6	17.1	22.4	21.2	24.8	20.0	5.5	19.0
Nat'l Homeowner	1.4	2.7	10.3	-2.0	-2.6	11.8	14.0	13.9	16.5	8.1	7.4
State Fire	-27.5	-24.4	41.1	17.3	-19.8	-31.9	20.5	26.4	44.0	21.3	6.7
Nat'l Fire	7.3	9.3	5.8	4.8	4.7	11.0	24.2	21.4	26.9	24.7	14.7
State Comm MP	23.4	11.9	33.4	15.7	10.1	36.6	30.3	27.9	30.6	20.2	24.0
Nat'l Comm MP	5.5	3.2	8.2	4.1	0.6	9.8	14.5	12.4	14.9	9.0	8.2
State Allied Lines	95.4	54.7	107.4	-96.8	-99.8	29.6	23.6	31.9	40.6	36.1	22.3
Nat'l Allied Lines	7.3	-0.3	7.6	2.2	-37.6	10.6	19.2	15.7	6.3	-19.4	1.2

Note: Profit calculations are by *Property Insurance Report* using data from the National Association of Insurance Commissioners. Calculations are estimates, some based on national averages.

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State Market Focus: ALASKA

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While the bill did not pass in 2022, the industry fears it could be introduced again. Elliott said APCA would oppose a state program.

“There is no reason for Alaska to set up its own residual market and fund for flood,” she said. “It’s a duplication of a federal program that’s already available to the homeowner. The National Flood Insurance Program was designed to be the market of last resort and is the market of choice for most flood business at this time.”

A better course for natural disasters, Elliott said, is raising consumer awareness. Agents and consumers should be discussing whether their policies have adequate coverage for their homes. Elliott said that homeowners should be doing regular home inventory lists and creating defensible space by using natural materials like shrubbery or crushed rock.

While traditional policies don’t cover floods, landslides or earthquakes, Elliott said that it’s important to know how these disasters are affecting homes in Alaska so each homeowner

can understand the cost-benefit analysis of buying supplemental coverage.

Premium for earthquake insurance in Alaska surged 31.8% in 2021 and grew another 12.8% in 2022 to \$55.3 million, according to data from **S&P Global Market Intelligence**.

For homeowners, insurance rates in Alaska have stayed relatively calm. In 2023, property insurance rates among Alaska’s top 10 groups were up 5.1%, according to S&P’s RateWatch, which reported filings through Dec. 11.

Two of the state’s top home insurance providers, **State Farm** and **Allstate Insurance**, did not raise homeowners rates at all in 2023, according to RateWatch. With State Farm writing 32.9% of statewide premium and Allstate writing

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Lyn Elliot
APCIA

Alaska Homeowners Multiperil Insurers

Groups Ranked by Total 2022 Direct Premium Written (000)

Group Name	2022 Premium	Mkt share 2022	Loss Ratio 2022	2021 Premium	Mkt share 2021	Loss Ratio 2021	2020 Premium	Mkt share 2020	Loss Ratio 2020
State Farm Mutual	\$67,457	32.9%	65.7%	\$64,007	33.3%	43.3%	\$57,863	32.4%	51.2%
USAA Insurance Group	\$39,945	19.5%	65.3%	\$37,953	19.7%	49.9%	\$33,630	18.9%	50.0%
Allstate Corp.	\$34,756	17.0%	81.5%	\$32,102	16.7%	48.7%	\$31,244	17.5%	36.8%
Liberty Mutual	\$21,577	10.5%	59.3%	\$19,170	10.0%	40.0%	\$17,825	10.0%	44.5%
Country Financial	\$16,819	8.2%	57.7%	\$15,680	8.2%	67.4%	\$15,100	8.5%	48.4%
Western National Insurance	\$11,220	5.5%	39.6%	\$11,040	5.7%	43.1%	\$11,224	6.3%	43.1%
IAT Insurance	\$4,074	2.0%	85.2%	\$3,504	1.8%	110.7%	\$2,761	1.6%	28.1%
Horace Mann Educators Corp.	\$2,685	1.3%	59.2%	\$2,672	1.4%	44.5%	\$2,737	1.5%	45.3%
Farmers Insurance Group	\$2,580	1.3%	46.8%	\$2,337	1.2%	38.6%	\$2,337	1.3%	20.3%
Hartford Financial Services	\$1,061	0.5%	78.0%	\$1,131	0.6%	-22.6%	\$1,227	0.7%	90.5%
Assurant	\$918	0.5%	29.7%	\$915	0.5%	2.5%	\$808	0.5%	43.9%
Statewide Totals	\$205,077		65.2%	\$192,274		47.5%	\$178,366		47.0%

Source: S&P Global Market Intelligence and the *Property Insurance Report* database.

Loss ratio = incurred losses/direct premium earned and does not include dividends or loss adjustment expense.

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State Market Focus: ALASKA

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17.0%, this means that almost half of the market experienced no homeowner insurance increases in 2023. In fact, neither of these groups have raised homeowners rates over the past five years, although Allstate increased rates for condominium coverage, according to RateWatch

Other top insurance groups in the state took large groupwide homeowners rate increases in 2023, including a 19.2% increase from **USAA** and an 11.1% increase from **Liberty Mutual Group**, which also increased rates 10.3% in 2022. USAA wrote 19.5% of statewide premium in 2022, while Liberty Mutual wrote 10.5%.

In 2022, **American Family's Homesite** unit entered the home insurance market in Alaska with a renters policy that generated \$109,000

in premium, according to S&P data. That made American Family the 19th-largest of Alaska's 24 homeowners insurance groups.

The statewide incurred loss ratio, while much lower than the national average, is rising in Alaska much like everywhere else. In 2022, the state's incurred loss ratio was 65.7%, up from 43.3% in 2021.

"We're in a hard market right now," Elliott said. "Reinsurance is harder for insurers to come by, as they're looking at their global losses and trying to manage their risk. That means that insurers assume more of their own risk, and it trickles down."

Wing-Heier said that insurance companies doing business in Alaska are the same ones ex-

Please see ALASKA on Page 10

Alaska

Fire Insurers

Groups Ranked by 2022 Premiums Written (000)

Group Name	2022 Premiums	Mkt share	Loss Ratio
Western National Insurance	\$14,931	21.6%	57.7%
Liberty Mutual	\$5,900	8.5%	33.0%
FM Global	\$4,805	7.0%	1.8%
Berkshire Hathaway Inc.	\$3,598	5.2%	9.1%
STARR Companies	\$3,372	4.9%	2.3%
Swiss Re	\$2,784	4.0%	-13.7%
Zurich Insurance Group	\$2,628	3.8%	11.9%
Allianz Group	\$2,530	3.7%	-41.2%
USAA Insurance Group	\$2,371	3.4%	56.3%
ECM Insurance	\$2,350	3.4%	15.0%
Munich Re	\$2,318	3.4%	51.8%
ARECA Insurance Exchange	\$2,293	3.3%	27.9%
American International Group	\$2,115	3.1%	290.5%
Travelers Companies Inc.	\$2,064	3.0%	43.7%
W. R. Berkley Corp.	\$1,713	2.5%	73.6%
CopperPoint Insurance Companies	\$1,592	2.3%	0.7%
AXA SA	\$1,546	2.2%	-90.3%
AXIS Capital Holdings	\$1,519	2.2%	18.2%
Sompo Holdings Inc.	\$1,352	2.0%	19.0%
Chubb Ltd.	\$1,215	1.8%	135.3%
Statewide Totals	\$69,143		36.9%

Source: S&P Global Market Intelligence and the *Property Insurance Report* database.
Loss ratio = incurred losses/direct premium earned and does not include dividends or loss adjustment expense.

Alaska

Commercial Multiperil Nonliability Insurers

Groups Ranked by 2022 Premiums Written (000)

Group Name	2022 Premiums	Mkt share	Loss Ratio
Liberty Mutual	\$15,068	19.6%	90.2%
CopperPoint Insurance Companies	\$12,133	15.8%	48.7%
State Farm Mutual	\$12,009	15.6%	46.6%
Chubb Ltd.	\$6,107	8.0%	32.4%
Allstate Corp.	\$4,657	6.1%	44.7%
Country Financial	\$3,416	4.5%	215.6%
Church Mutual	\$3,267	4.3%	63.1%
Tokio Marine Group/PURE	\$2,960	3.9%	59.3%
American International Group	\$2,715	3.5%	31.1%
Allianz Group	\$1,542	2.0%	16.1%
Great American Insurance	\$1,332	1.7%	46.0%
Nationwide Mutual Group	\$1,255	1.6%	9.2%
Travelers Companies Inc.	\$1,246	1.6%	175.3%
Markel Corp.	\$1,134	1.5%	34.1%
Arch Capital Group Ltd.	\$1,118	1.5%	19.1%
Fairfax Financial Holdings	\$921	1.2%	1.7%
Western National Insurance	\$888	1.2%	24.0%
Berkshire Hathaway Inc.	\$754	1.0%	26.1%
Hartford Financial Services	\$660	0.9%	0.7%
Aspen	\$515	0.7%	16.6%
Statewide Totals	\$76,842		61.9%

Source: S&P Global Market Intelligence and the *Property Insurance Report* database.
Loss ratio = incurred losses/direct premium earned and does not include dividends or loss adjustment expense.

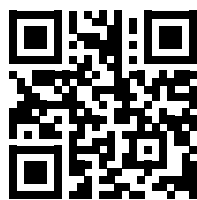
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Focus: ALASKA

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periencing catastrophic losses in the lower 48 states. “While we’re not directly suffering those losses, we’re well aware that they’re happening and companies are looking at raising their rates,” she said.

While few new laws affect homeowners insurance, Elliott said that APCA hopes to see legislation on rebate reform. This would allow insurers to offer policyholders risk-mitigation products that could make their homes safer and potentially qualify them for a discount. For homeowners, this could mean putting a device on the home’s water heater or by a washing machine to detect a leak within a few drips.

Currently, insurers cannot provide these products without running afoul of the state’s prohibition on rebating. Many states have been updating their anti-rebating laws to allow for mitigation products. The **National Association of Insurance Commissioners** (NAIC) addressed the issue in 2020 amendments to its [model act](#) concerning unfair trade practices.

Elliott gave Wing-Heier a proposal for legislation based on the NAIC model during her last

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visit and hopes to have a bill for consideration this year or next. “What companies would like to have in Alaska is the flexibility to offer those flood detection devices and potentially give customers a 5% or 10% discount,” Elliott said. [PIR](#)

Alaska

Allied Lines Insurers

Groups Ranked by 2022 Premiums Written (000)

Group Name	2022 Premiums	Mkt share	Loss Ratio
FM Global	\$9,511	22.3%	1.5%
Western National Insurance	\$9,500	22.3%	81.4%
USAA Insurance Group	\$3,409	8.0%	61.3%
Zurich Insurance Group	\$1,903	4.5%	34.3%
Liberty Mutual	\$1,735	4.1%	35.2%
Chubb Ltd.	\$1,700	4.0%	112.8%
American International Group	\$1,601	3.8%	607.2%
Assurant	\$1,344	3.2%	22.8%
CopperPoint Insurance Companies	\$1,111	2.6%	254.2%
Swiss Re	\$1,040	2.4%	-15.4%
Statewide Totals	\$42,640		113.1%

Source: S&P Global Market Intelligence and the *Property Insurance Report* database. Loss ratio = incurred losses/direct premium earned and does not include dividends or loss adjustment expense.

Alaska

Earthquake Insurers

Groups Ranked by 2022 Premiums Written (000)

Group Name	2022 Premiums	Mkt share	Loss Ratio
FM Global	\$15,589	28.2%	0.0%
State Farm Mutual	\$8,951	16.2%	3.5%
USAA Insurance Group	\$6,943	12.6%	1.0%
Swiss Re	\$4,239	7.7%	-1.0%
Zurich Insurance Group	\$2,340	4.2%	1.7%
AXIS	\$2,005	3.6%	10.1%
Everest Re	\$1,776	3.2%	0.1%
ICW Group	\$1,772	3.2%	0.0%
Chubb Ltd.	\$1,765	3.2%	0.0%
Berkshire Hathaway Inc.	\$1,718	3.1%	12.5%
Statewide Totals	\$55,277		3.3%

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