

Factors leading to higher commercial insurance costs



Inflation is continuing to have a negative effect on many industries. The rise in material and vehicle-related costs are leading to higher claims costs and can make it more expensive to recover after an incident if not insured to value.

23%

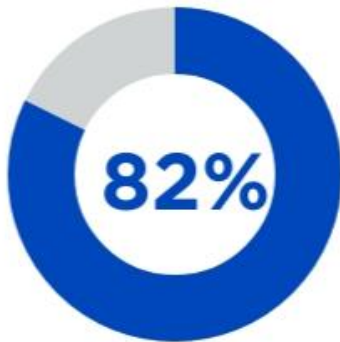
Vehicle repair costs have increased 23% over 2022 -- more than four times the average inflation rate.¹

Vehicle repair costs continuing to climb

There has been an increase in the number of vehicle accidents as driving levels have rebounded since 2020. There was an industrywide loss ratio of 72% for commercial auto in 2023.²



Construction material costs



Overall, 82% of construction materials have seen an average price increase of 19% since 2020.³



Commercial property claims industrywide had already increased by 30% year over year in the first half of 2023 before many severe weather events had occurred.⁴

\$1 Trillion

Various weather disasters -- including severe convective storms, hurricanes, drought, and wildfires -- have caused more than \$1 trillion in damages since 2017.⁵

28

There were a record 28 weather disasters that caused more than \$1 billion in damage in 2023.⁵



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- <https://www.cbiz.com/insights/articles/article-details/commercial-auto-insurance-market-outlook-property-casualty>
- [U.S. Commercial Auto Insurance Profits Struggle Amid Inflation, Litigation \(fitchratings.com\)](https://www.fitchratings.com/news/u-s-commercial-auto-insurance-profits-struggle-amid-inflation-litigation)
- [Higher material prices here to stay | Construction Dive](https://www.enr.com/story/higher-material-prices-here-to-stay)
- <https://www.swissre.com/institute/research/sigma-research/Insurance-Monitoring/us-property-casualty-outlook-september-2023.html>
- [Billion-Dollar Weather and Climate Disasters | National Centers for Environmental Information \(NCEI\) \(noaa.gov\)](https://www.noaa.gov/news/billion-dollar-weather-and-climate-disasters)



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