# Year in Review 2025

IRC Insurance Research Council

Affiliated with The Institutes

# To Our Members

## IRC Statement:

Your continued partnership with the IRC has been instrumental to our success in 2025, and we extend our deepest gratitude for your engagement and support. This year marked continued growth for the IRC, with new carrier members and the addition of membership categories to include academic institutions and industry service providers. Our growth has enabled us to add a data scientist to our staff and positioned IRC to broaden our influence across the industry in the coming year.

The IRC served our mission to provide evidence-based analysis on critical insurance policy issues by delivering eight research studies in 2025. These studies have included examinations of insurance affordability for both personal auto and homeowners, uninsured and underinsured motorists, consumer attitudes regarding aerial imagery applications, increasing motor vehicle tort litigation, and rate regulation in homeowners insurance.

Looking ahead to 2026, we enter an exciting phase of our Auto Injury Claims Analytic Database (AICAD) initiative. After years of development and data gathering, the database is poised to fuel ongoing research into injury claim costs, medical treatment trends, and legal system abuse. The lessons learned in assembling this first version of AICAD will guide us in an update of this crucial data resource while we work toward increased efficiency for future iterations. None of this would be possible without your sustained commitment to this ambitious undertaking.

Through your participation in the IRC, you contribute to both your organization's strategic knowledge and the broader industry conversation on matters of public importance.

Patrick Schmid
President
Insurance Research Council

Victoria Kilgore
Vice President
Insurance Research Council

## Statement from the Chair:

I am honored to have served as Board Chairperson of the IRC over the past two years. Throughout this period, I have had the privilege of working closely with the organization and seeing firsthand the meaningful impact your support enables on behalf of the property and casualty insurance industry.

Because of the commitment and funding provided by our member companies, the IRC has been able to play a substantive role in informing and supporting state legislators on critical civil justice issues. That engagement has contributed to the enactment of significant tort reforms in Florida, Louisiana, and Georgia—reforms that are already reshaping litigation dynamics and improving the long-term outlook for loss costs and market stability.

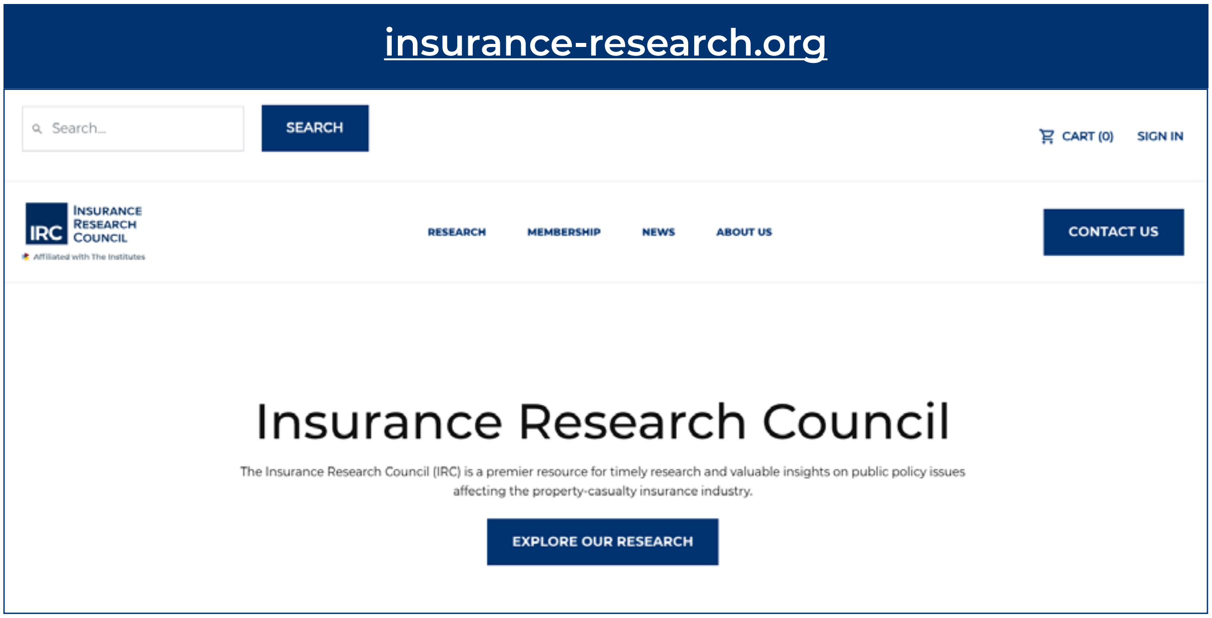
In parallel, the IRC has made a major strategic investment in a proprietary auto injury claims database. This initiative is designed to deliver actionable insights by identifying the key drivers behind loss cost differences across states. Over time, this data-driven capability will strengthen the industry's ability to engage policymakers with objective evidence and to advocate for reforms grounded in real-world outcomes.

Simply put, this is a pivotal and exciting time for the IRC. Substantial progress has been made, and your continued support positions the organization to build on that momentum as additional tort reforms are considered across the country.

Michael Robon
2024-2025 Board Chairperson

## IRC Website Modernization:

In 2025, IRC launched a modernized website at insurance-research.org, enhancing member access to research and resources. The new platform features improved navigation, streamlined research discovery, and integrated member portal access.




**Key enhancements:**

- **Single Sign-On Integration** – Members can now access IRC resources using their existing Institutes account credentials, eliminating the need for separate login management
- **Enhanced User Experience** – Intuitive design and improved search functionality make it easier to find relevant research reports and data. The new website has also been optimized for external search and accessibility.
- **Improved Member Portal** – Seamless access to members-only content, supplemental data files, and Excel tools through integrated authentication
- **Mobile Optimization** – Responsive design ensures full functionality across all devices

## 2025 Advisory Board

**Michael Robon, Chair**
Liberty Mutual Insurance Company

**Brigette Arnall, Jaye Dietz**
Allstate Insurance Company

**Gavin Blair**
Hanover Insurance Group

**Jon Bloom**
Erie Insurance

**Deborah Brancel**
American Family Insurance

**Kelly Carty, Jon Wey**
State Farm Insurance Companies

**Eric Chandler**
Auto Club Enterprises

**Erin Collins, Tom Collins**
National Association of Mutual Insurance Companies

**Michael Gillerlane**
Amica Mutual Insurance Company

**Linsay Hohmann**
CSAA Insurance Group

**John Ittner**
The Horace Mann Companies

**Michel Léonard**
Insurance Information Institute

**Timothy Parker**
Nationwide Mutual Insurance Company

**Robert Passmore**
American Property Casualty Insurance Association

**Tony Trenzeluk**
Sentry Insurance

**Matthew Veibell**
United Services Automobile Association

**Donya Wilson**
Grange Insurance

## Other 2025 members

Acuity Insurance

Celina Insurance Group

Florida State University RMIC

LexisNexis

Ohio Mutual Insurance Group

Utica National Insurance Group

West Bend Insurance

Wisconsin Insurance Alliance

# Membership Recruitment Update

IRC had an extremely successful recruiting year, and we are looking forward to working with our expanded membership in 2026.

## 2025 IRC Members

- AAA Auto Club Enterprises
- acuity Insurance
- Allstate. You're in good hands.
- American Family Insurance
- American Property Casualty Insurance Association — Insuring America — apci.org
- Amica
- celina Insurance Group
- AAA — CSAA Insurance Group, a AAA Insurer
- Erie Insurance
- FSU College of Business — Dr. William T. Hold/The Alliance's Program in Risk Management & Insurance
- Grange Insurance
- The Hanover Insurance Group
- Horace Mann
- LexisNexis Risk Solutions
- Liberty Mutual Insurance
- NAMIC — National Association of Mutual Insurance Companies
- Nationwide
- Ohio Mutual Insurance Group
- State Farm
- Sentry
- USAA
- Utica National Insurance Group
- WIA Wisconsin Insurance Alliance
- West Bend

# Regulator & Policy Impact

IRC's research continued to serve as a trusted resource for policymakers and regulators in 2025, informing critical discussions on insurance affordability, availability, and regulatory reform. Through legislative testimony, regulatory citations, and stakeholder presentations, IRC provided objective, data-driven research on public policy.

**Key highlights:**

- Louisiana Department of Insurance (LDI): In the LDI's presentation "The State of Louisiana's Insurance Market/2025 Regular Session Recap" - Commissioner Timothy J. Temple's slides use IRC's visuals and data, when explaining why auto insurance is high in Louisiana (to explain cost drivers and support reform narrative), it also cites IRC in a property insurance context.

- Michigan Auto Insurance Reform (Impact of the reform on Uninsured Motorists): The Michigan Department of Insurance and Financial Services (DIFS) cited IRC research in its official evaluation report on the impact of Michigan's 2019 auto insurance reform. The report referenced IRC's data and analysis to assess the reform's effectiveness in improving affordability and market conditions.

- Maryland Insurance Administration: The Private Passenger Automobile Insurance Affordability Workgroup extensively referenced IRC's personal auto affordability research, with examinations of various insurance cost drivers. It also cited IRC work on Rate Regulation in Personal Auto Insurance and Uninsured Motorists.

- The National Association of Mutual Insurance Companies: "Insurance Uncovered" Podcast on Louisiana Insurance Reform, Dramatic Rise in Uninsured/Underinsured Motorists – Discussing IRC's study and examining the rise in UM/UIM motorists. In addition, IRC continued its partnership with the National Association of Insurance Commissioners (NAIC), providing state regulators with access to IRC research.

- New York Legislative testimony: Patrick Schmid testified before New York legislators on homeowners insurance affordability, citing IRC's data measuring homeowners affordability across states and over time, providing lawmakers with objective data to inform policy discussions.

# Research Update

## Summary of Research Completed in 2025

- Uninsured (UM) and Underinsured (UIM) Motorists, 2017-2023
- Insurance Applications of Aerial Imagery: Survey of Homeowners
- Personal Auto Insurance Affordability: Countrywide Trends and State Comparisons
- Estimating The Value of Increased Litigation: A Review of Motor Vehicle Tort Cases
- Homeowners Insurance Affordability: Countrywide Trends and State Comparisons
- Rate Regulation in Homeowners Insurance: Comparison of State Systems

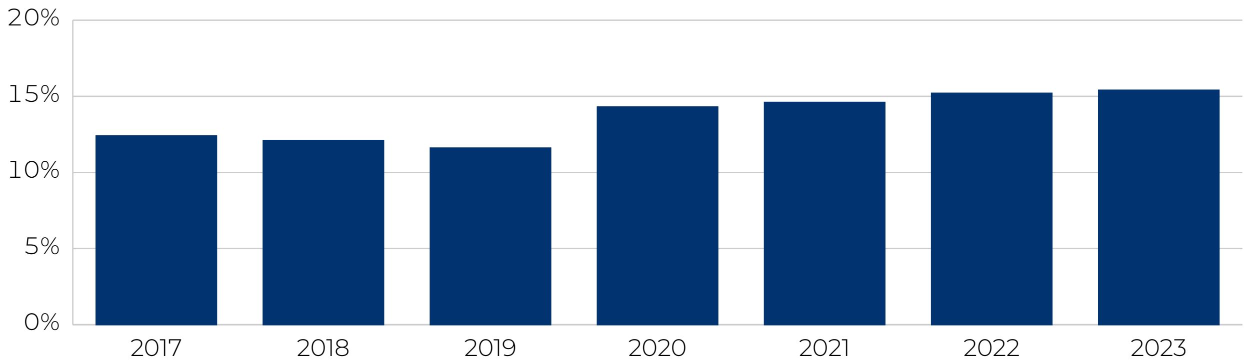
In addition to six published reports, IRC also completed two Member-only research reports and provided data supplements to IRC members.

## Uninsured (UM) and Underinsured (UIM) Motorists, 2017-2023

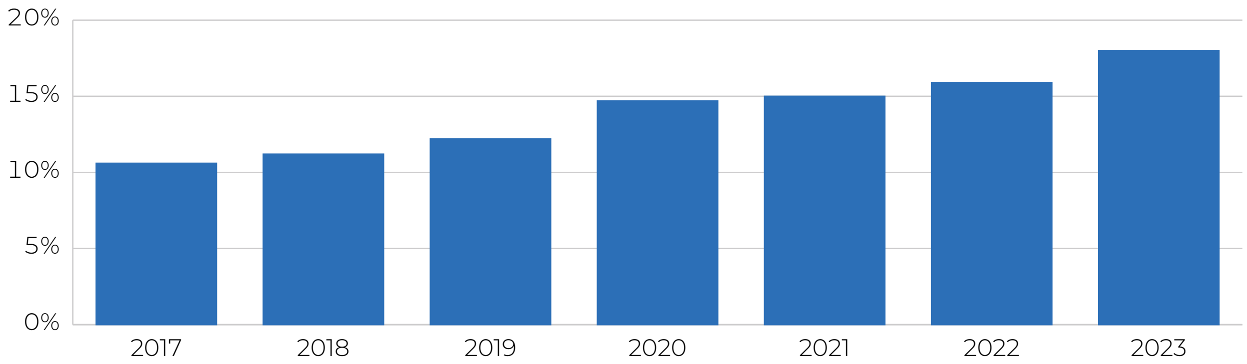
**Objective: Provide countrywide and state-level estimates for the prevalence of uninsured and underinsured driving.**

- More than one in seven drivers were uninsured and more than one in six drivers were underinsured in 2023.
- The UM rate jumped from 11.6% in 2019 to 14.3% in 2020 with the onset of the pandemic and rose steadily in each of the following three years. UIM rate also increased from 12.2% in 2019 to a peak of 18% in 2023.

Uninsured Motorists Rate




Underinsured Motorists Rate

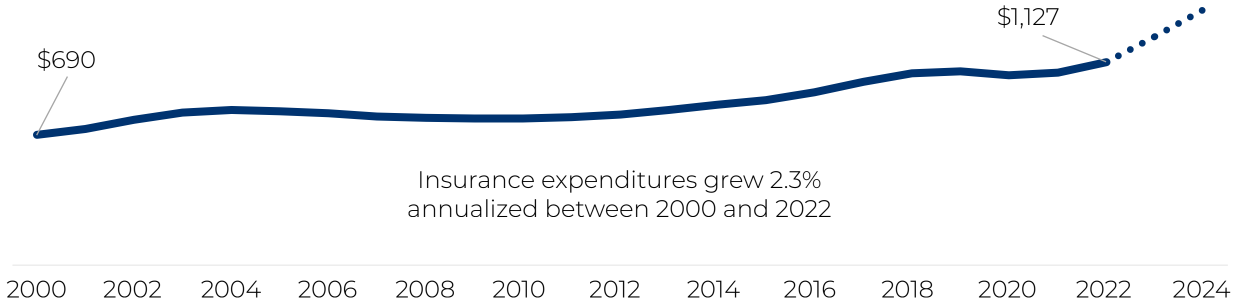


## Personal Auto Insurance Affordability: Countrywide Trends and State Comparisons

**Objective: To provide a refresh on the previous study through 2022 and to include projections measuring and comparing how affordable auto insurance is over time and across different jurisdictions in USA.**

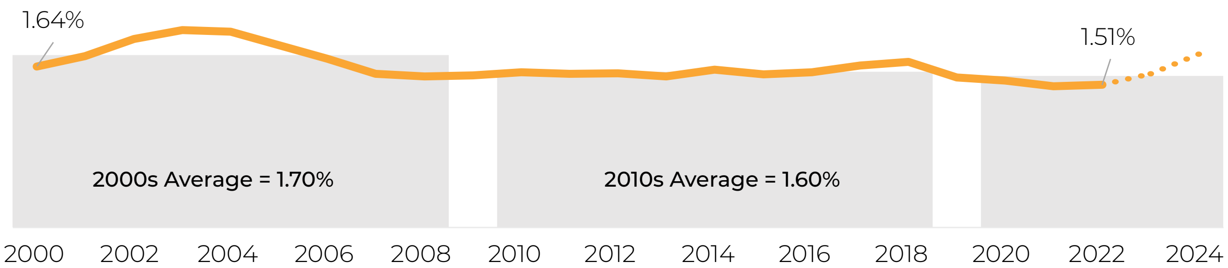
- Auto insurance expenditures rose consistently from $690 in 2000 to $1,127 in 2022, a 6.1 percent increase from 2021. Between 2000 and 2022, insurance expenditures grew 2.3 percent annualized.
- Looking at long-term trends, auto insurance affordability improved over the past two decades. Between 2000 and 2022, median household income grew somewhat faster than auto insurance expenditures, causing the expenditure share of income to decline from 1.64 percent in 2000 to 1.51 percent in 2022.
- Individual states exhibited a wide range of auto insurance affordability. North Dakota was the most affordable state in 2022, and Louisiana was the least affordable state.

**Auto Insurance Expenditures**




Source: IRC calculations based on data from NAIC and BEA, with 2023 and 2024 projections from Insurance Information Institute

**Auto Insurance Expenditures as Percent of Median Income**



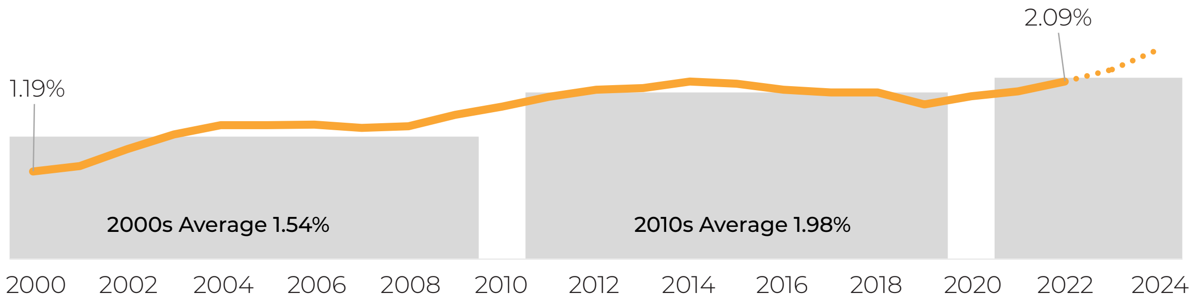

Source: IRC calculations based on data from NAIC and BEA, with 2023 and 2024 projections from Insurance Information Institute

## Homeowners Insurance Affordability: Countrywide Trends and State Comparisons

**Objective: Update on the previous study by examining homeowners' affordability trends and state variations and compare key cost drivers of homeowners insurance, including individual state profiles.**

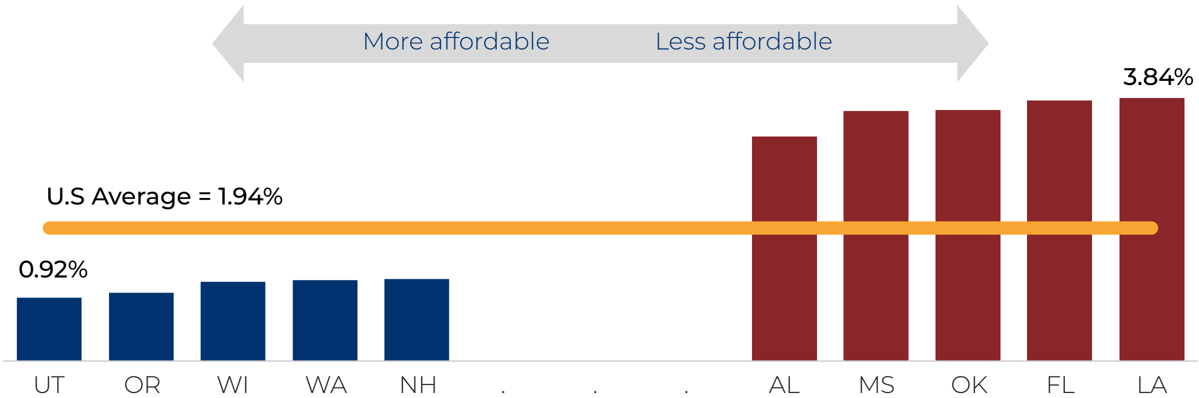
- In 2001, the average American homeowner spent approximately 1.19% of their income on insurance premiums. By 2022, this figure had increased to 2.09% .
- Individual states exhibit a wide range of insurance affordability. Utah was the most affordable state in 2022, and Louisiana overtook Florida as the least affordable state.
- The role of underlying cost drivers varies by state and is influenced by geographical exposures, claiming behavior, and the state's litigation environment.

### Homeowners Insurance Expenditures as Percent of Median Income




Source: IRC calculations based on data from NAIC and BEA, with 2023 and 2024 projections from Insurance Information Institute

### Wide Range of Homeowners Insurance Affordability



# Insurance Applications of Aerial Imagery: Survey of Homeowners

**Objective: To examine homeowner awareness, acceptance, and concerns regarding the use of aerial imagery tools (such as satellites, drones, and aircraft) in the insurance industry.**

- Nearly all respondents recognize the benefits of the use of aerial imagery, such as early problem detection, faster claims processing, and enhanced hazard identification before costly damage occurs.
- Most homeowners believe that aerial imaging can lead to fairer pricing.
- The survey reveals that education and transparency are key to acceptance of this technology. While many respondents identify concerns, homeowners familiar with aerial imagery applications show consistently higher confidence levels, greater benefit recognition, and more positive sentiment across all insurance uses.

## Key Findings

**88%**
Recognize at least one benefit from aerial imagery technology in insurance.

**31%**
Cite accuracy as their biggest concern about aerial imagery use, making it the top worry.

**60%**
Are aware that insurance companies use aerial imagery to assess properties.

**55%**
Believe that aerial imagery leads to fairer pricing.

**23%**
Confidence gap in accuracy between aware and unaware homeowners.

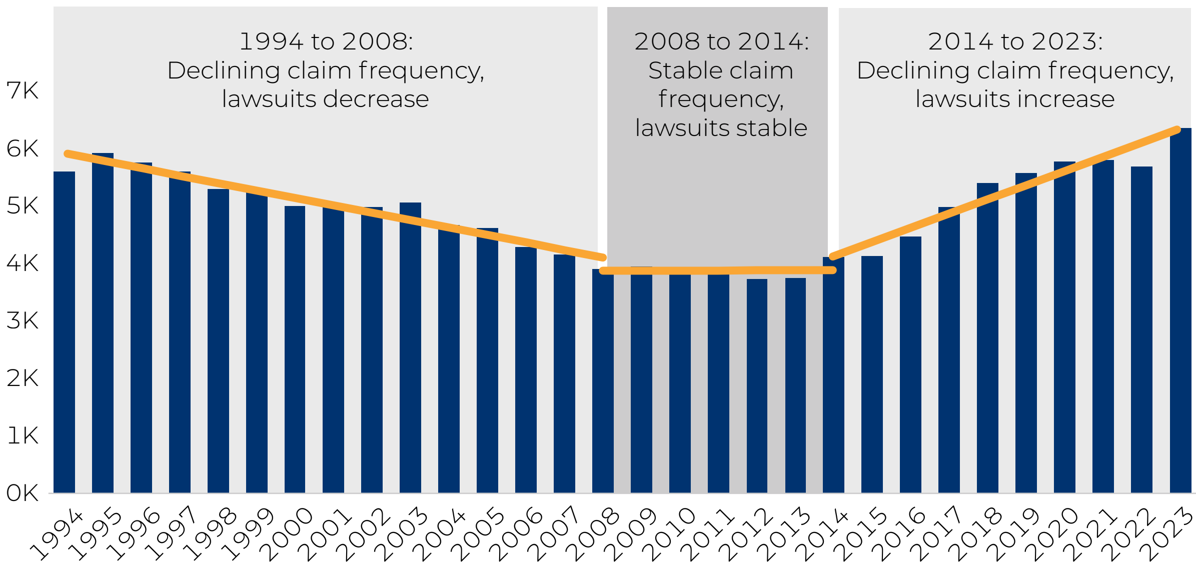
**75%**
Use mapping applications with aerial imagery frequently.

## Estimating The Value of Increased Litigation: A Review of Motor Vehicle Tort Cases

**Objective: Examine the financial impact of rising motor vehicle accident lawsuits over the ten-year period from 2014 to 2023.**

- Between 1994 and 2008, motor vehicle tort filings declined 2.5 percent annualized, as accident rates fell. From 2008 to 2014, both motor vehicle tort filings and accident frequency were relatively stable. From 2014 through 2023, however, while accident and claim frequency continued to decline, motor vehicle case filings increased significantly, growing 4.9 percent annualized.
- While the frequency of auto accidents and claims generally declined during this period, federal motor vehicle tort filings grew at a counterintuitive annualized rate of 4.9%.
- The average “amount in controversy” (the amount at stake) for federal motor vehicle tort settlements and judgments reached $674,000 over the ten-year period.

**Number of Federal Court Motor Vehicle Tort Civil Case Filings**

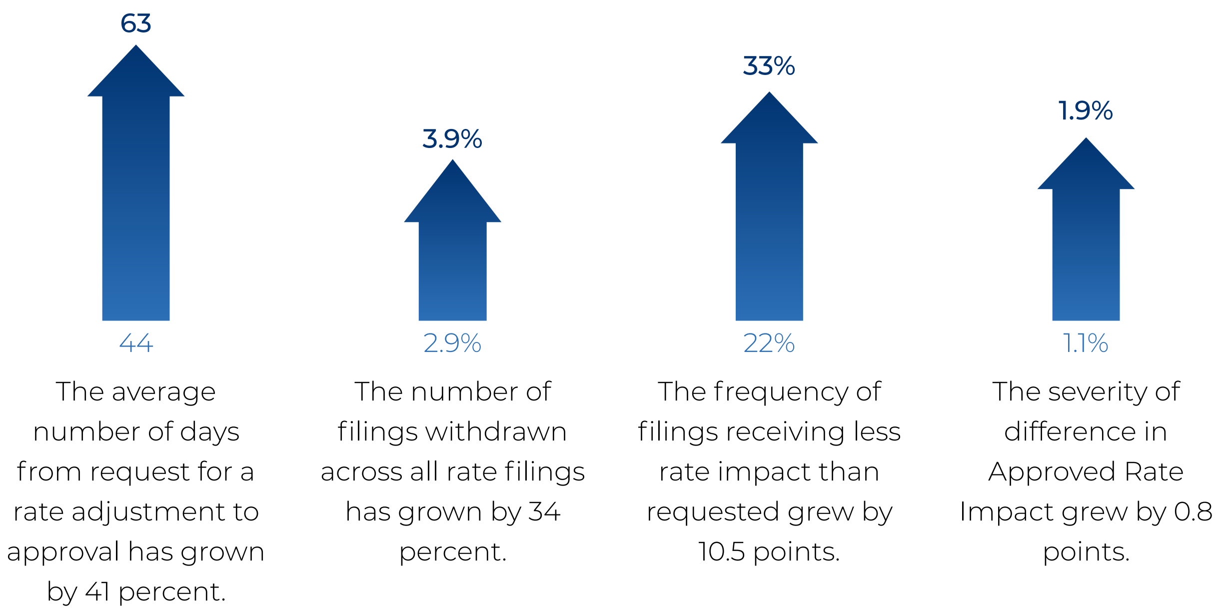


## Rate Regulation in Homeowners Insurance: Comparison of State Systems

**Objective: Examine state regulatory environments for homeowners insurance. Key measures of rate regulation are examined countrywide over time, across different regulatory systems, and across states.**

- The number of rate filings is growing at a compound annual growth rate of 3.3 percent from 2018 to 2024 countrywide.
- Market concentration (as measured by the Herfindahl-Hirschman Index, or HHI) has decreased by 14.6 percent, indicating increased competition.
- Filing process measures and market outcomes vary by regulatory systems.

Rate Regulation in Homeowners Insurance Trends



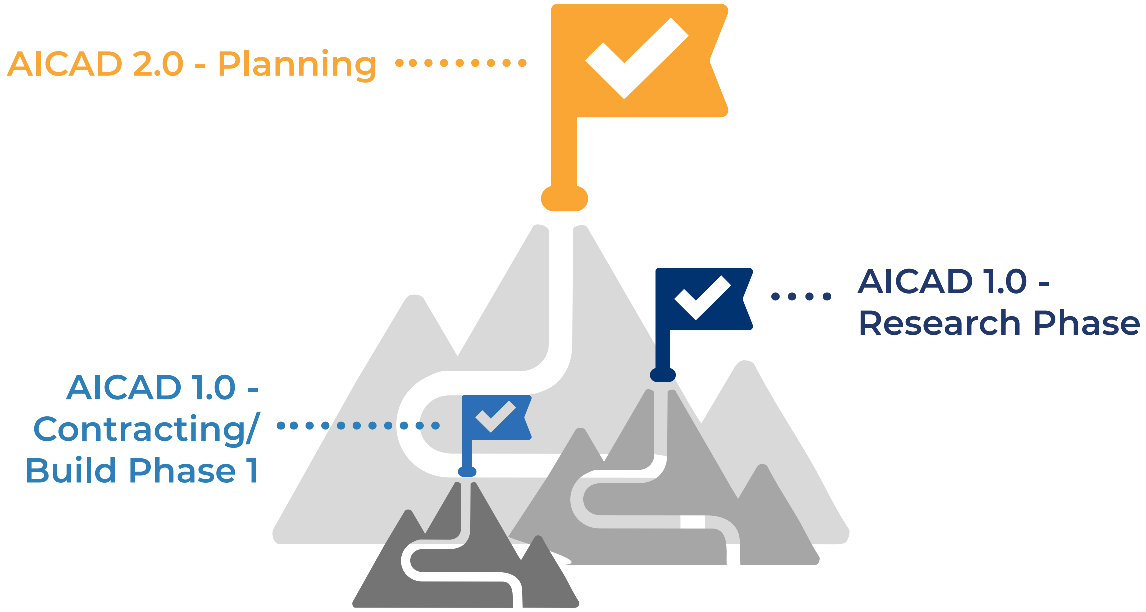
# Auto Injury Claims Analytics Database (AICAD) Update

## AICAD 1.0 Research:

AICAD 1.0 includes 43% of the personal auto market share from nine carriers and five years of closed auto liability claims. As of the end of 2025, the collection of claim-level data and payment transactions is complete, and data refinement and initial research are underway. Reports in 2026 will focus on countrywide patterns in claim payments, policy limits, settlement timelines, and attorney involvement. This will be followed by a more in-depth study of Attorney Involvement and Litigation, and then an analysis of Medical Treatment in Auto Injury Claims, using the medical bill detail.

## AICAD 2.0 (Refresh) Planning:

During 4th Quarter Advisory Board meeting, in November 2025, Board members emphasized and agreed that having more current data is crucial to maintaining the relevance of the AICAD initiative. As a result, IRC will be preparing to initiate AICAD 2.0 refresh in early 2026, extending the data through the end of 2025.



# Communications Update

## Member Engagement

**Advisory Board Meetings**
Representatives of the IRC Advisory Board meet quarterly to hear management and communications updates, review preliminary research, and discuss topic priorities. In 2025, the Advisory Board met virtually in February and August and met in-person in May (Chicago) and November (Charlotte).

**Visits**
Whether in-person or virtual, member visits allow IRC to strengthen our relationships within member organizations and to discuss issues of particular concern to individual companies. In 2025, IRC staff visited seven members.

**Webinars**
IRC continued the practice begun in 2022 of producing quarterly members-only webinars highlighting recent research. The webinars are open to all staff at member companies and provide opportunities to interact with researchers.

**Supplemental Research**
IRC provided members with data files supporting affordability and uninsured motorist research. The homeowners rate regulation project produced two member-only reports in addition to the published study.

## Media Mentions

The Insurance Information Institute assisted IRC in promoting our research, crafting and issuing news releases, publishing blog posts, and fielding media inquiries about our research.

**128**
media mentions of IRC research

In 2025 IRC had 128 media mentions of its research, including:

- Yahoo Finance, Business Wire, Claims Journal, Insurance Journal, Property Casualty 360, Insurance News Net
- CBS News, CNN, FOX, NBC, USA Today, Wall Street Journal, Washington Post and others.

## External Presentations

The IRC broadened its profile and influence through 6 external presentations in 2025:

- February:
  - Wisconsin Insurance Alliance Winter Meeting
  - IRC research presentation to the actuarial staff at the American Family
  - Homeowners and Weather Disasters presentation at the Society of Insurance Research Webinar
- May: NAMIC Podcast presentation on UM/UIM Research
- July: IRC Research at the CAS Webinar
- December: Florida Chamber of Commerce Annual Insurance Summit

Additionally, IRC participated in media Interviews, highlighting various IRC research. In 2025 IRC has given 5 media interviews (Today Show, MarketWatch, US News and World Report, A.M. Best, Financial Times).

Through an arrangement with NAIC's Center for Insurance Policy and Research, IRC now provides regulators access to IRC reports through its library portal.

## Social Media

IRC leveraged LinkedIn to actively promote its research and webinar events, engaging with members and the broader industry. From 2023 to the present, the IRC has experienced significant growth in its follower base and increased industry interest by sharing publicly available content, encouraging reposts, and highlighting for-purchase materials.

linkedin.com/company/insurance-research-council

# About the IRC

The IRC's purpose is to provide timely and reliable research to all parties involved in public policy issues affecting risk and insurance, but the IRC does not lobby or take legislative positions. The IRC is supported by leading property-casualty insurance organizations.

## Staff

**Patrick Schmidt**, President

**Victoria Kilgore**, Vice President

**William Nibbelin**, Senior Research Actuary

**Olesya Karpenko**, Senior Research Analyst

**Jay Warke**, Senior Data Scientist

**Elizabeth McConlogue**, Research Analyst II

## The Institutes

The IRC is affiliated with The American Institute for Chartered Property Casualty Underwriters (The Institutes), a not-for-profit organization dedicated to providing educational programs, professional certification, and research related to risk management and property-casualty insurance.

The IRC receives support from The Institutes in the form of shared services including marketing, IT, graphic design, accounting, and human resources.

The IRC contributes to the three pillars of The Institutes strategic vision:

### Educate

IRC's mission is to educate regulators, legislators, industry professionals, and consumers about public issues affecting property-casualty insurance.

### Elevate

We are proud to be elevating the quality of debate about important insurance matters.

### Connect

With initiatives such as AICAD, IRC is bringing together companies to create resources to explore issues impacting insurance.

Insurance Research Council

Affiliated with The Institutes

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insurance-research.org

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