



INSURANCE
RESEARCH
COUNCIL

 Affiliated with The Institutes

YEAR IN REVIEW 2024

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TO OUR MEMBERS

We cannot thank you enough for your partnership with the IRC and the contributions you have made throughout 2024. We are proud to report that we have significantly increased our research, membership, and scope of impact, and we are delighted to share our progress with you.

The IRC remains committed to delivering objective and timely research on pivotal public policy matters. In 2024, we published ten studies for the first time in our historical record. Five reports featured updates to existing IRC research: consumer survey on attorney involvement in auto claims plus homeowners and personal auto insurance affordability, with profiles of Michigan, Georgia, and Louisiana. More importantly, we issued five brand new studies to expand the breadth of our research: underinsured motorists, consumer survey on catastrophic weather events and mitigation, and rate regulation impacts on personal auto with new friction and availability metrics.

As we look forward to 2025, we are excited to begin research from our multi-year investment to build the Auto Injury Claims Analytic Database (AICAD). We are eager to complete the IRC's marquee Auto Injury Study and then dig deep into the millions of closed claim records to study topics like attorney involvement, claim settlement timelines, medical treatment patterns, and medical pricing. This pioneering project promises to provide a more nuanced understanding of injury claims stemming from auto accidents. Your ongoing support and active engagement have been crucial to ensuring AICAD's success and its potential to reshape injury claims analysis in the industry.

Your involvement with the IRC not only deepens your organization's comprehension of the insurance landscape but also advances our shared goal of enriching public discourse on industry matters.

Dale Porfilio
President
Insurance Research Council

Victoria Kilgore
Assistant Vice President
Insurance Research Council

2024 Advisory Board

Michael Robon, Chair
Liberty Mutual Insurance Company

Brigette Arnall
Allstate Insurance Company

Gavin Blair
Hanover Insurance Group

Jon Bloom
Erie Insurance

Deborah Brancel
American Family Insurance

Kelly Carty
State Farm Insurance Companies

Erin Collins
National Association of Mutual Insurance
Companies

Michael Gillerlane
Amica Mutual Insurance Company

Linsay Hohmann
California State Automobile Association

John Ittner
The Horace Mann Companies

Michel Leonard
Insurance Information Institute

Angela L. Nelson
Auto Club Enterprises

Timothy Parker
Nationwide Mutual Insurance Company

Robert Passmore
American Property Casualty Insurance
Association

Matthew Veibell
United Services Automobile Association

Donya Wilson
Grange Insurance

Other 2024 members

Acuity Insurance
Celina Insurance Group
Grange Insurance Association

Ohio Mutual Insurance Group
Sentry Insurance
Utica National Insurance Group

MEMBERSHIP RECRUITMENT UPDATE

IRC had an extremely successful recruiting year, and we are looking forward to working with our expanded membership in 2025.

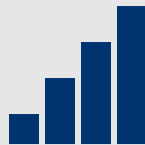
2025 IRC Members



RESEARCH UPDATE

Summary of Research Completed in 2024

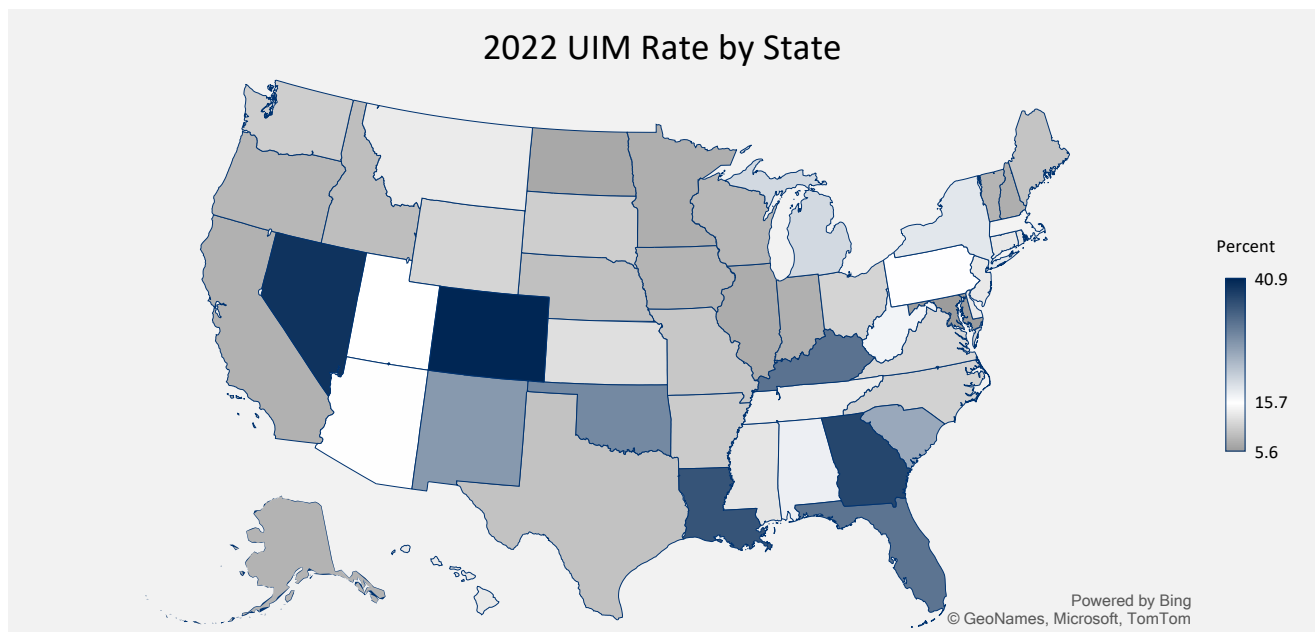
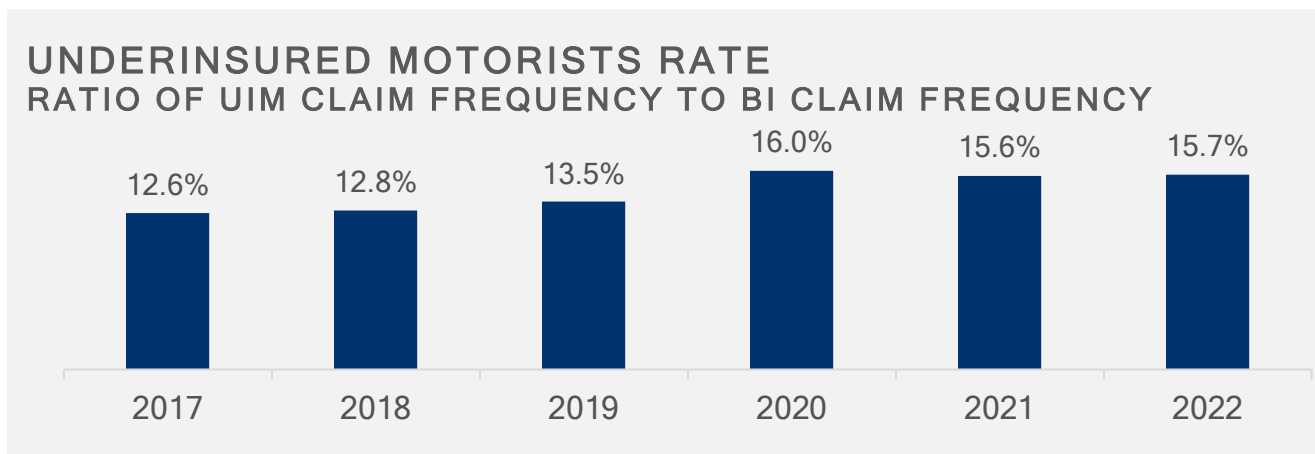
- [Underinsured Motorists, 2017-2022](#)
- [Homeowners Insurance Affordability: Trends and State Variations](#)
- [Personal Auto Insurance Affordability in Michigan](#)
- [Personal Auto Insurance Affordability in Georgia](#)
- [Personal Auto Insurance Affordability in Louisiana](#)
- [Public Opinions on Attorney Involvement in Insurance Claims](#)
- [Rate Regulation in Personal Auto Insurance: Comparison of State Systems](#)
 - Regulatory Friction in Personal Auto Insurance (members only)
 - Availability in Personal Auto Insurance (members only)
- [Catastrophic Weather Events and Mitigation: Survey of Homeowners](#)



Underinsured Motorists, 2017-2022

Objective: Provide updated estimates for the percentage of motorists driving without adequate coverage limits for liability insurance, countrywide, and for individual states.

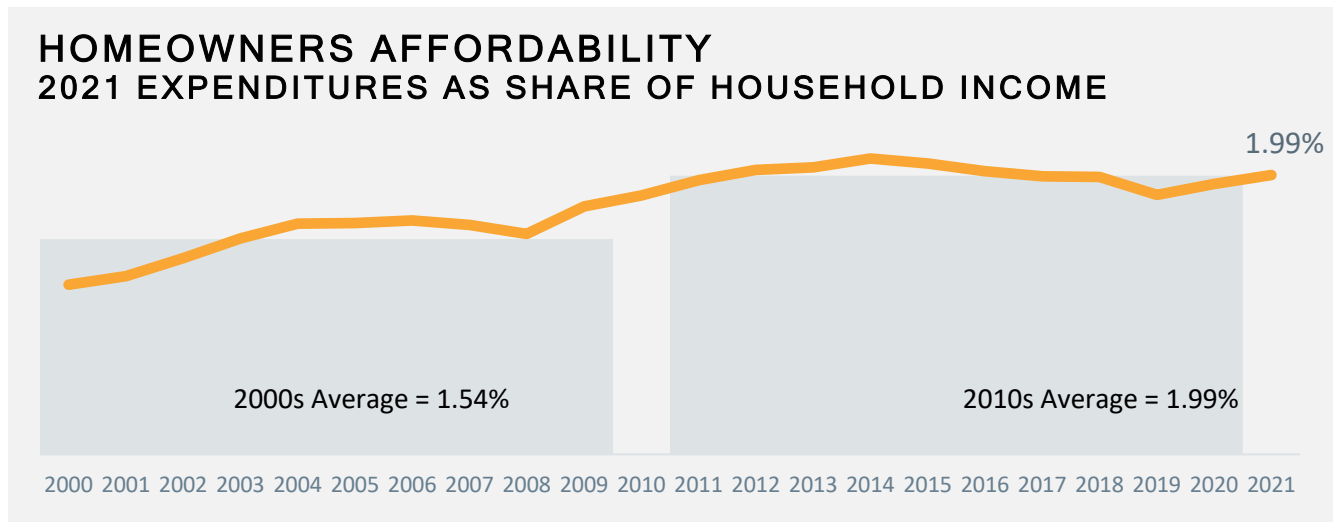
- More than one in seven drivers were underinsured in 2022.
- The UIM rate increased from 12.6 percent in 2017 to a peak of 16.0 percent in 2020 and remained high in 2021 and 2022.
- The UIM rate varied widely across states in 2022, from a low of 5.6% in D.C to a high of 40.9% in Colorado.



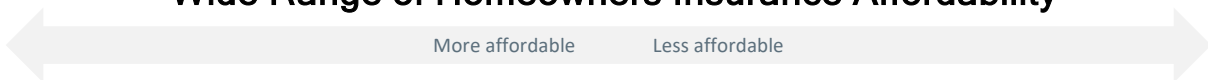
Homeowners Insurance Affordability: Trends and State Variations

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

- Homeowners insurance expenditures rose consistently from 2001 to 2021, surpassing household income growth, leading to decreased affordability for U.S. consumers.
- Individual states exhibit a wide range of insurance affordability. Utah was the most affordable state in 2021, and Florida was 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.



Wide Range of Homeowners Insurance Affordability

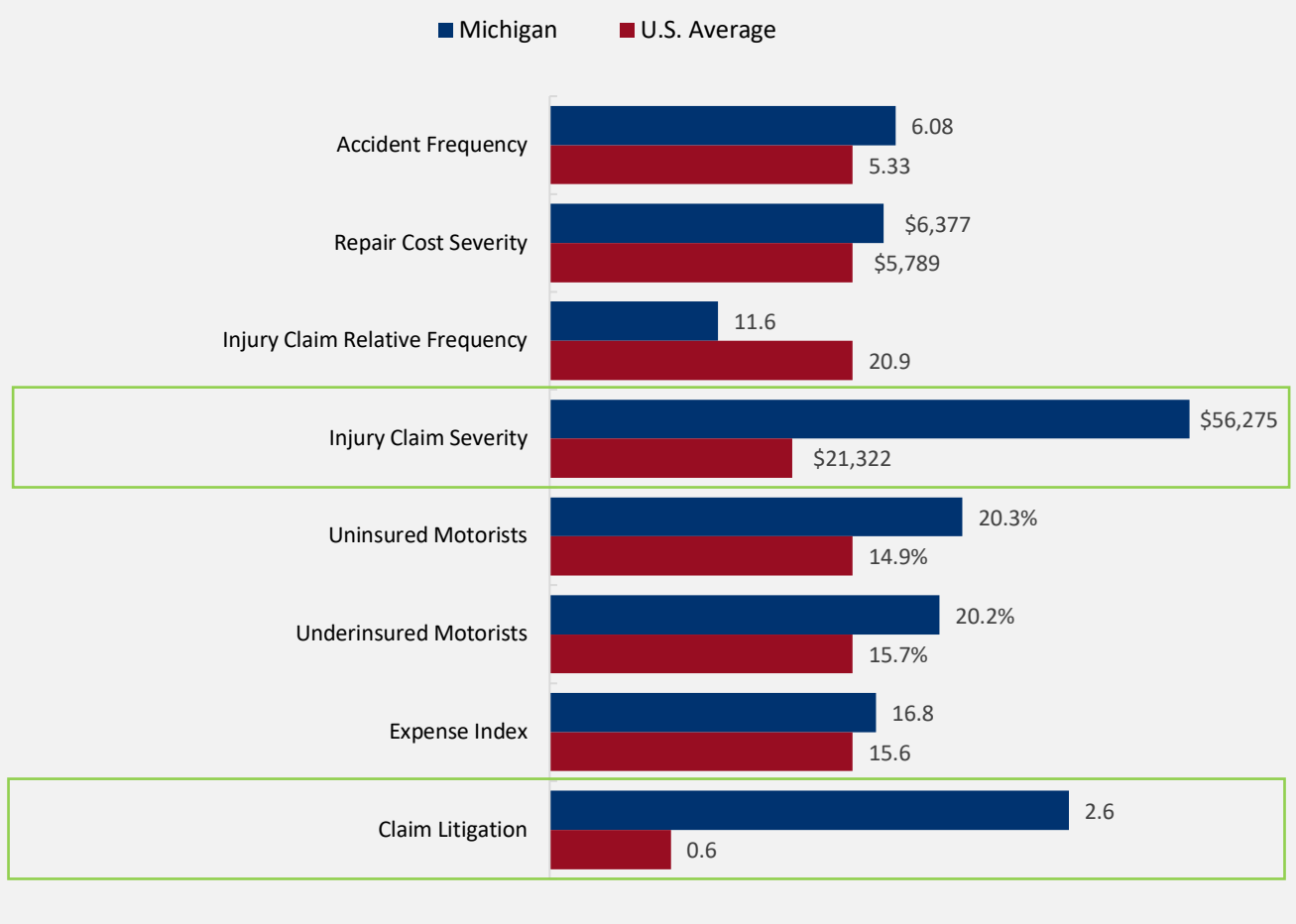


Personal Auto Insurance Affordability in Michigan

Objective: Examine the affordability of personal auto insurance in Michigan and illuminate some key cost drivers in the state.

- Michigan is one of the least affordable states in the nation for auto insurance, with consumers spending 1.9% of income in 2022, compared to 1.5% countrywide.
- Recent reforms have led to significant improvement. In 2021 and 2022, Michigan's rank improved for the first time in seven years.
- The improvement of several key indicators illustrates the positive effect of the Michigan policymakers' efforts to improve affordability in their state.

Personal Auto Cost Drivers in Michigan: How Michigan Compares

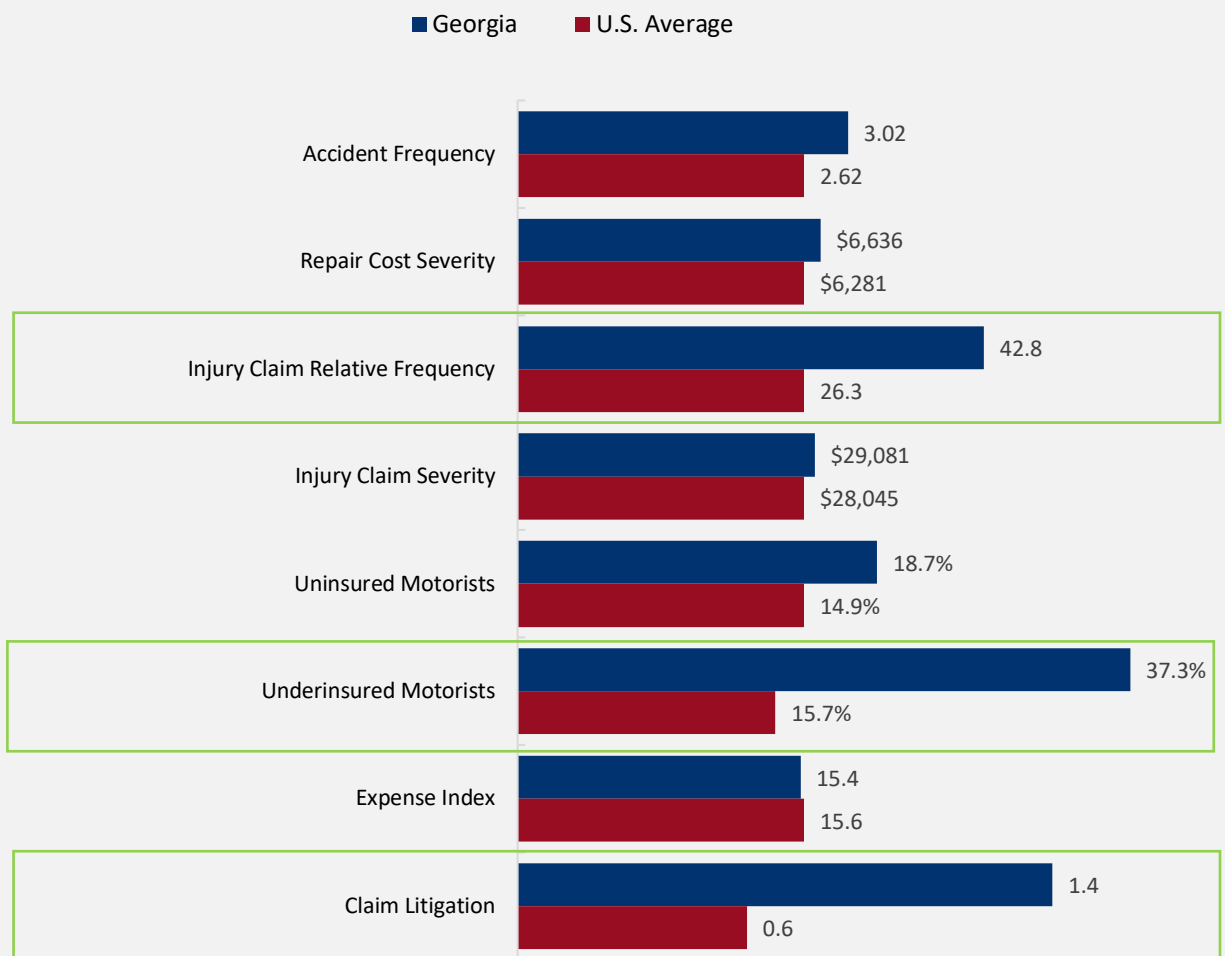


Personal Auto Insurance Affordability in Georgia

Objective: Examine the affordability of personal auto insurance in Georgia and illuminate some key cost drivers in the state.

- The affordability of personal auto insurance in Georgia has deteriorated in recent years, with the state climbing the ranks of least affordable states over the past decade and a half.
- In 2022, personal auto insurance expenditures accounted for 2.0 percent of the median household income in Georgia, compared with 1.5 percent in the U.S.
- Several key measures of cost drivers are higher in Georgia, including the propensity to file an injury claim once an accident occurs, underinsured motorists, and claim litigation.

Personal Auto Cost Drivers in Georgia: How Georgia Compares

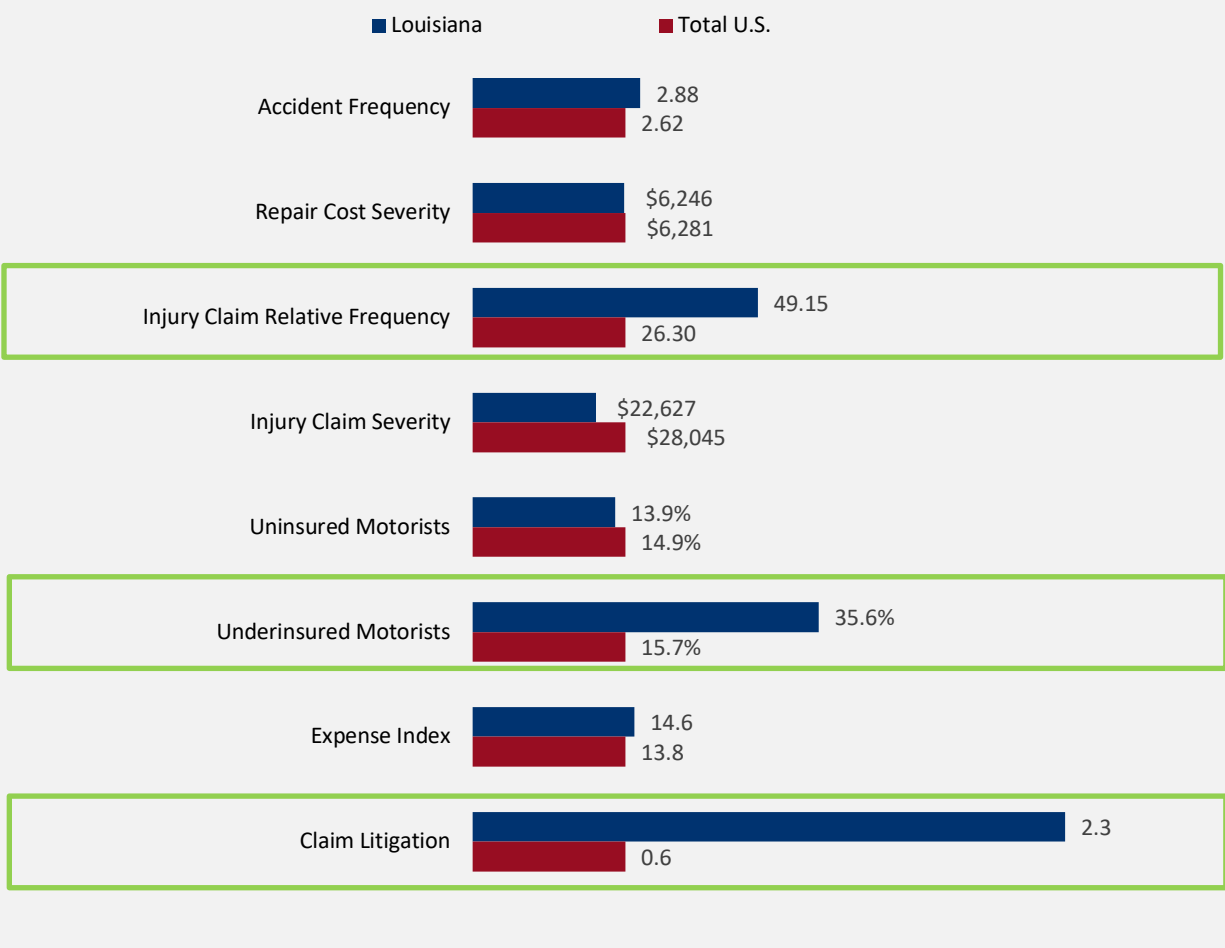


Personal Auto Insurance Affordability in Louisiana

Objective: Examine the affordability of personal auto insurance in Louisiana and illuminate some key cost drivers in the state.

- Louisiana remains the least affordable state in the nation for personal auto insurance due to a combination of high insurance expenditures and relatively low median income.
- In 2022, personal auto insurance expenditures accounted for 2.67 percent of the median household income in Louisiana, compared with the 1.5 percent share in the U.S.
- Several key measures of cost drivers are higher in Louisiana, including the propensity to file an injury claim once an accident occurs, a high underinsured motorists rate, and a high rate of claim litigation.

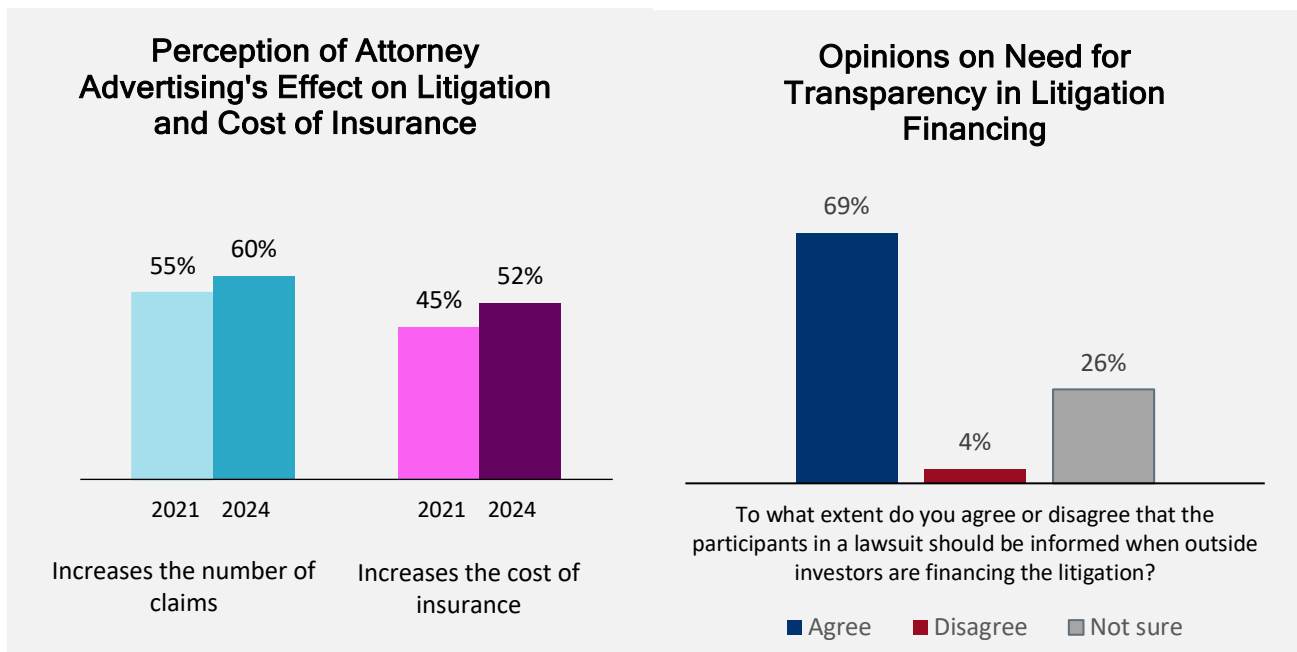
Personal Auto Cost Drivers in Louisiana: How Louisiana Compares



Public Opinions on Attorney Involvement in Insurance Claims

Objective: Examine public perceptions of attorney involvement in insurance claims, including the impact of advertising, awareness of litigation financing, and past experiences with claims and injury settlements.

- Most consumers generally believe attorney advertising increases the number of liability claims and lawsuits and that it drives up the cost of auto insurance.
- Most respondents indicate a preference for settling without legal help and would try to settle their claim with the insurance company before consulting an attorney.
- Litigation financing remains largely unfamiliar to the public; however, there is a strong consensus that litigants should be informed when outside investors are involved.



Rate Regulation in Personal Auto Insurance: Comparison of State Systems

Objective: Examine differences in key market outcomes across regulatory environments and other characteristics, focusing on the personal auto market.

- Regulatory Environment Analysis:
Strong to moderate correlation between net underwriting losses and premium shortfalls within states and across time.
- Rate Regulation – Friction Index (Members Only):
The five states with the most friction in the rate filing process for 2023 are California, New York, Rhode Island, Colorado, and Hawaii.
- Rate Regulation – Availability Index (Members Only):
The five states with the highest Availability Index ranking (least availability) for 2023 are New York, Maryland, Louisiana, Florida, and Michigan.

Rate Regulation In Personal Auto Insurance Trends

The average number of days from request for a rate adjustment to approval has grown by 40 percent.



The number of filings withdrawn across all rate filings has grown by 40 percent.



The frequency of filings receiving less rate impact than requested grew by 10 points.



The severity of difference in Approved Rate Impact grew by 2 points.

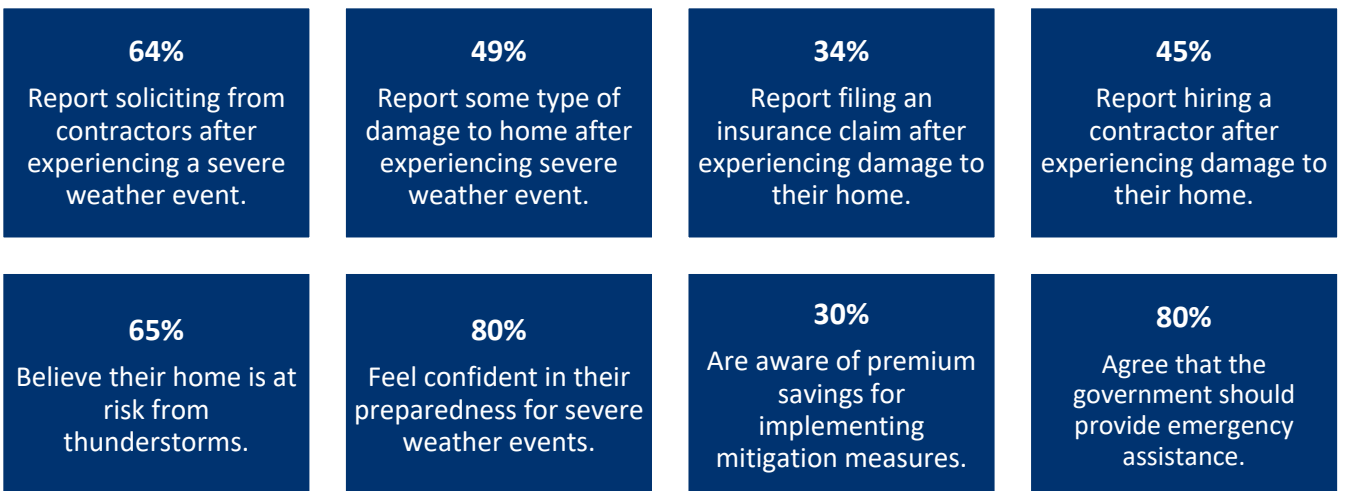


Catastrophic Weather Events and Mitigation: Survey of Homeowners

Objective: Examine public opinions and homeowners' experiences with severe weather, including U.S. regional perceptions of future risks, preparedness levels, attitudes toward mitigation strategies, post-storm solicitations by contractors and service providers, and homeowners' opinions on the roles of insurance and government in managing severe weather-related risks.

- Nearly two-thirds of respondents who experienced recent severe weather events reported being solicited by contractors.
- Almost half of respondents reported damage to their homes from severe weather events in the past five years, with one-third filing an insurance claim.
- Homeowners who were contacted by contractors were more likely to file an insurance claim than those who were not.

KEY FINDINGS:

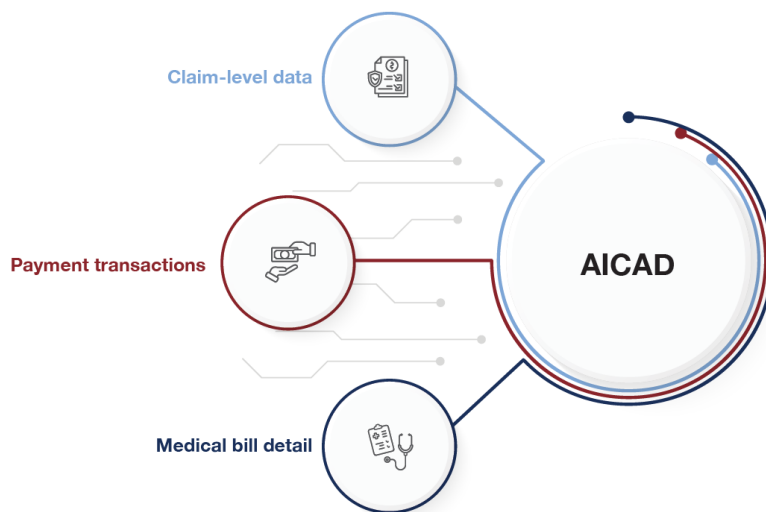


AICAD UPDATE

The Auto Injury Claims Analytics Database (AICAD) initiative is using new methodologies to leverage IRC's four decades of claims research and create an unprecedented resource for auto claims insights. AICAD V1.0 will include 43% of personal auto market share from nine carriers and five years of closed auto liability claims.

Data Collection Update

By the end of 2024, the collection of claim-level data and payment transactions was nearly complete and preliminary analysis was underway. Most companies have submitted medical bill detail, and conversations are ongoing with the remaining.



2025 Priority Research Projects

1. Auto Injury Study - continuing IRC series since 1977
2. Attorney Involvement and Litigation in Auto Injury Claims
3. Claim Settlement Timelines for Auto Injury Claims
4. Medical Treatment Patterns Impacting Auto Injury Claim Severity
5. Medical Pricing within Auto Injury Claims

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 2024, the Advisory Board met virtually in February and August and met in-person in May (Chicago) and November (Atlanta).

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 2024, IRC staff visited fourteen 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 two member-only reports stemming from the rate regulation project, accompanied by an Excel data tool, as well as data from other reports in an accessible format.



External Presentations

The IRC broadened its profile and influence through six external presentations in 2024:

- May: NAIC regulator-only webinar on homeowners insurance affordability
- June: News briefing with Ethnic Media Services on home affordability
- August: Testimony on personal auto before Louisiana House Insurance Committee
- August: Panel on homeowners insurance affordability at NAIC Summer Meeting
- December: Florida Chamber of Commerce Annual Insurance Summit
- December: Testimony on personal auto before a joint meeting of Louisiana House Insurance and Civil Law Committees

Dale Porfilio, through his additional role as Chief Insurance Officer for the Insurance Information Institute, is a frequent speaker at industry events, where he also highlights IRC research.

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 leverages 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.

Media Mentions

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

2024 mentions of IRC research included:

- 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.

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

Dale Porfilio, President

Victoria Kilgore, Assistant Vice President

William Nibbelin, Senior Research Actuary

Olesya Karpenko, Senior Research Analyst

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

- AICAD is bringing together companies to create an industry database able to explore keys issues underlying the cost of auto insurance



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