# Massachusetts Division of Insurance
# Annual Home Insurance Report
# For Calendar Year 2024

Michael T. Caljouw
Commissioner of Insurance

## *Introduction*

Since 1996, the Division of Insurance (Division) annually produces a home insurance report pursuant to M.G.L. c. 175, §§ 4A & 4B. For the current report, insurers and their statistical agents were required to provide aggregate 2022, 2023 and 2024 data sorted according to Massachusetts zip codes and Insurance Services Office, Inc. (ISO) territories.

The report is based primarily on responses from companies writing home insurance policies in Massachusetts and from statistical reporting organizations reflecting the experience of companies in the home insurance market. Unless otherwise noted in the report, references to "home insurance" include traditional homeowners' insurance as well as condominium and rental insurance. It is important to note that while some of the results in this report apply to all home insurance policies in the Commonwealth, other results apply to policies written only by the 25 home insurance companies with the largest market share in Massachusetts and the FAIR Plan, and/or only to particular zip codes in the Commonwealth. These zip codes are identified as "designated" zip codes because they are the zip codes that the Commissioner of Insurance (Commissioner) has specified to be included in the report due to historical skepticism regarding availability of coverage in these areas. The zip codes include both coastal areas and urban areas. This report provides specific scrutiny in response to such concerns. A list of the top 25 home insurance companies can be found under footnote 6. The full list of designated zip codes can be found in Exhibit 8A of the Statistical Supplement to this report.

This report was prepared by the State Rating Bureau staff of the Division of Insurance (Matthew M. Mancini, State Rating Bureau Director, Spase Kace, State Rating Bureau Researcher, Caleb E. Huntington, State Rating Bureau Mathematician, Bashiru Abubakare, State Rating Bureau Actuary / Statistician).

**The Division makes all appropriate efforts to check the completeness and consistency of data reported by insurance companies and their statistical agents but does rely on the insurance companies for the accuracy of all reported information.**

A separate Statistical Supplement can be found on the Division's website at https://www.mass.gov/service-details/the-commissioners-report-on-home-insurance.

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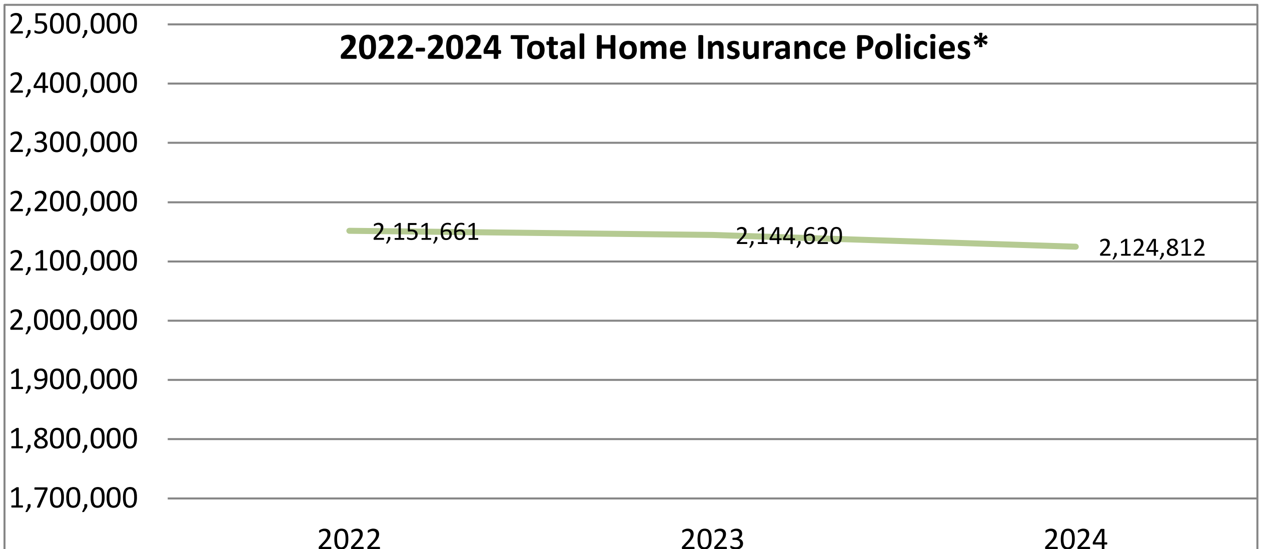
# Executive Summary

Among the material presented in this report:

- The total reported number of home insurance policies decreased between 2023 and 2024 by 19,808. Although owners' home insurance policies increased by 4,438 policies, 2024 saw a large decrease in tenant policies of 23,534.




*Policies reflect reported house-years. A house-year is defined as one house insured for one year, and is calculated based on the term of the policy.

- Total enrollment in the FAIR Plan[1] increased by 24,436 policies in 2024, with the FAIR Plan writing 8.7% of 2024 home insurance premium.
- For the Cape and Islands market, the FAIR Plan accounted for 39.6% of policies.

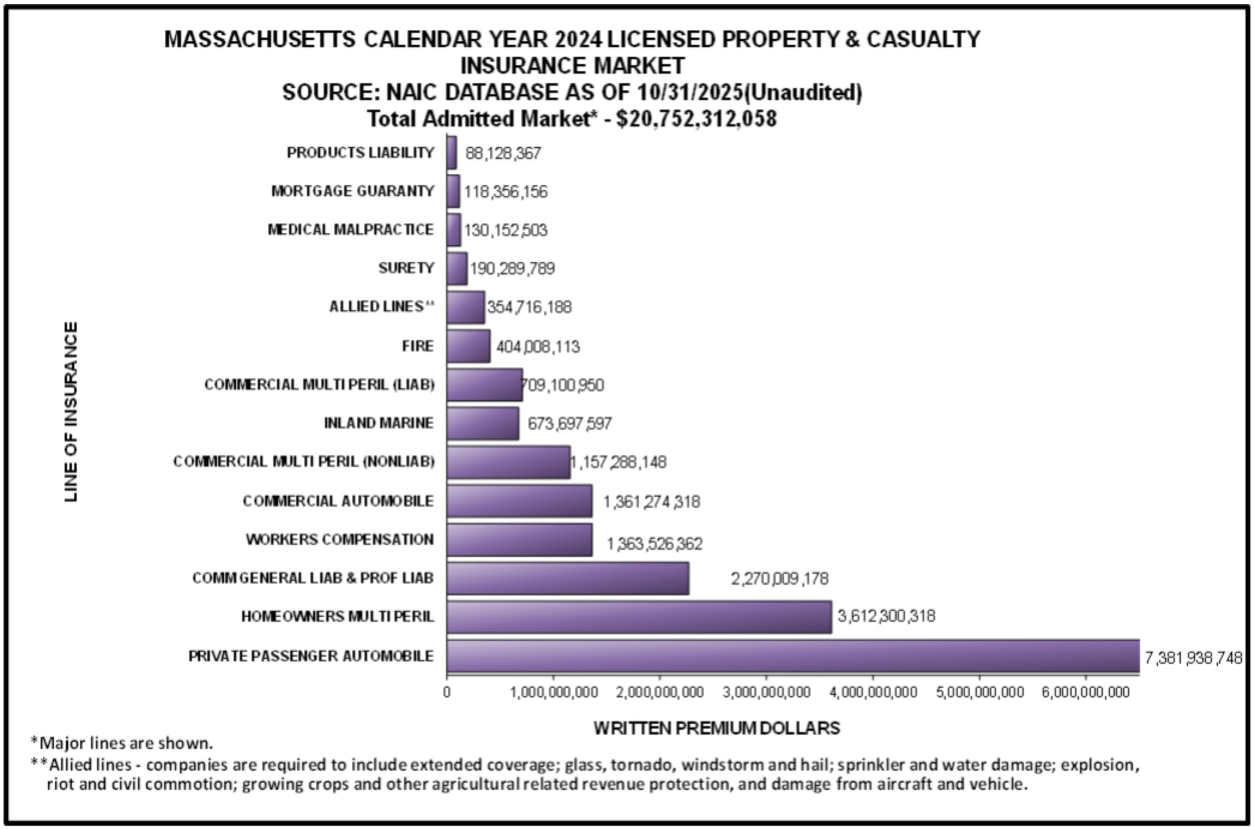
There were 7 events that were classified as loss catastrophes[2] in 2024, which resulted in estimated property losses in Massachusetts of approximately $157.1 million. The estimated property losses consisted primarily of wind and thunderstorm events.

[1] The FAIR Plan is the residual market for homeowners' insurance operated by the Massachusetts Property Insurance and Underwriting Association ("MPIUA").

[2] Property Claims Services, Inc. ("PCS"), a subsidiary of ISO, Inc., defines catastrophes in the United States, Puerto Rico, and the U.S. Virgin Islands as events that cause $25 million or more in direct insured losses to property and affect a significant number of policyholders and insurers. PCS has also provided Massachusetts property loss estimates as a result of a catastrophe.

# Composition of the Massachusetts Market

Home insurance covers non-commercial property for risks to structural damage and personal property, as well as for the risk of personal liability claims. In 2024, insurance companies collected approximately $3.6 billion in written premium for home insurance policies in Massachusetts, as noted in the chart below[3].




Although it is fiscally prudent to protect one's assets from loss or damage, there are no laws that require property owners to purchase home insurance.[4] Figure 1 shows the total number of households covered under owners' home insurance (condominium, traditional homeowners and rental insurance) in the past three years as calculated by "written house-years," which is a measure equivalent to average number of homes insured. There were 68 licensed insurance carrier groups and 4 individual companies writing home insurance in Massachusetts in 2024.

[3] Based on the National Association of Insurance Commissioners' 2024 Annual Statement data on home insurance multiple peril line of business.

[4] Even though home insurance is not required by law, most lenders will require that an owner have sufficient home insurance as a condition of a mortgage on the property. Further, in accordance with Chapter 177 of the Acts of 2014, lenders are prohibited from requiring flood insurance coverage in an amount greater than the outstanding mortgage balance.

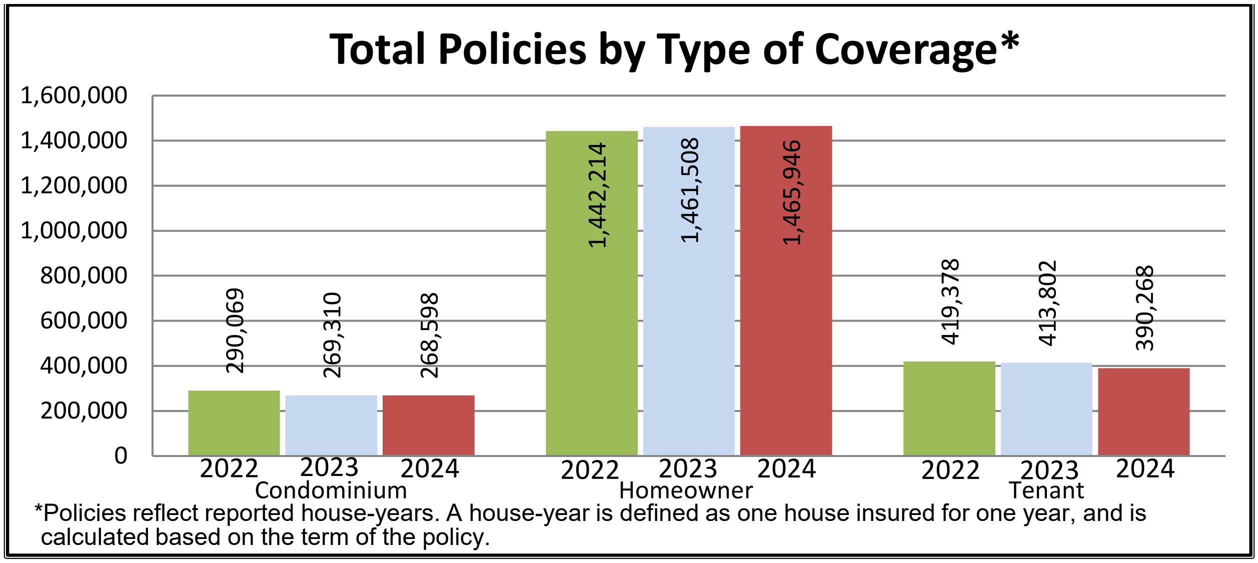



Figure 1

## Relative Shares of the Private Insurance Market

As shown in Figure 2, which excludes the FAIR Plan, the top 10 insurance company groups, by market share, account for 63.4% of coverage written by the private insurance companies in the market.

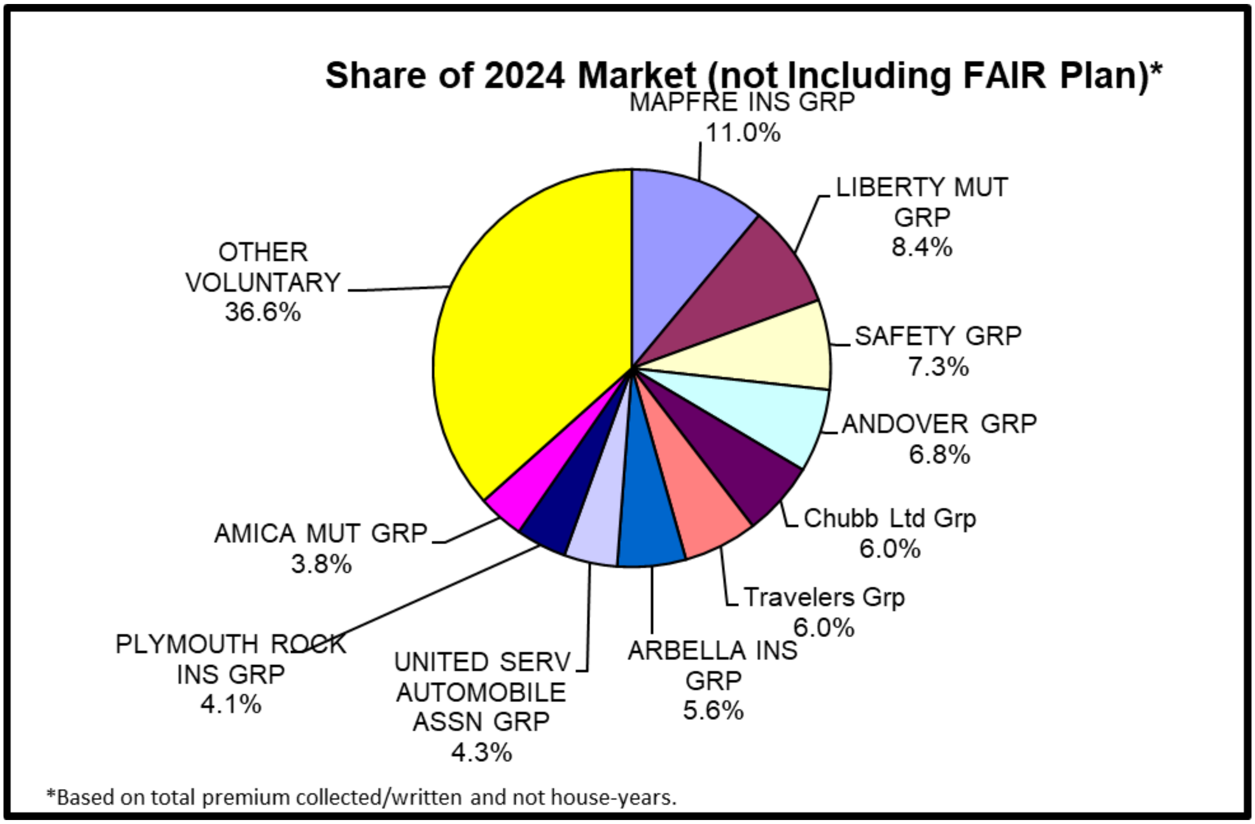



**Figure 2**

Most of the coverage in Massachusetts is provided by local carriers, regional carriers or national carriers based in Massachusetts. Among the top 10 home insurance groups in the market, only five– the Travelers Group, the Liberty Mutual Group, Chubb Ltd Group, the Amica Mutual Group, and United Services Automobile Association Group – offer home insurance nationally. The remaining companies are regional companies offering coverage primarily in the Northeast.

The Mapfre Insurance Group, which is the parent company of Commerce Insurance Company, continues to have the largest share of the voluntary (i.e., non-FAIR Plan) market with 11.0% of the home insurance premium written. Each of the next nine largest insurance groups had between 8.4% and 3.8% of the voluntary market. Extending the analysis to include the 25 insurance groups with the largest Massachusetts home insurance market share,[5] the top 25 groups together account

[5] The top 25 Massachusetts home insurers based upon overall direct written premiums for calendar year 2024 are:

| | |
|---|---|
| Allstate Insurance Group | Norfolk & Dedham Union Mutual Insurance Group |
| American Family Insurance Group | Plymouth Rock Insurance Group |
| Amica | Preferred Mutual Insurance Company |
| Andover Group | Progressive Group |
| Arbella Insurance Group | Quincy Mutual Group |

for 92.7% of the non-FAIR-Plan Massachusetts market. In addition to the top 25, another 43 groups and 3 individual companies wrote homeowners' insurance in Massachusetts in 2024, none of them with a market share greater than 0.91%. Together, these insurers wrote 7.3% of the voluntary market in 2024.[6]

## The FAIR Plan

Massachusetts was among the first States to respond to concerns arising in the late 1960s over access to property insurance. The Legislature created the Urban Area Insurance Placement Facility (Facility) in 1968, and in 1970, the Commissioner of Insurance designated the entire State as an "urban area", making Facility/FAIR Plan coverage available throughout Massachusetts.
As of October 2024, thirty-three states have some sort of residual markets plan.

Formally called the Massachusetts Property Insurance and Underwriting Association (MPIUA), due to continuity of mission, membership, and operations, the terms MPIUA and FAIR Plan are often used interchangeably. The FAIR Plan was substantially restructured in 1976, again in 1996, and most recently in 2024.
The MPIUA was reorganized, effective April 4, 2024, as a stand-alone association pursuant to an Amended Constitution and Amended Plan of Operation (changing the rights and responsibilities of the members). The reorganized MPIUA operates now as a classic joint underwriting association – issuing policies as a direct insurer, accumulating surplus on its own account, and involving the member insurers financially only in the event of an assessment.

By statute, the FAIR Plan is required to offer coverage to homes with a replacement cost of up to \$1 million.[7] If an owner cannot obtain a policy from an admitted insurance company and the home's value is beyond what the FAIR Plan will cover, an owner can seek coverage in the surplus lines market.[8]

| | |
|---|---|
| Auto Owners Group | Safety Group |
| Barnstable Group | (The) Hanover Insurance Group |
| Chubb Ltd Group | Tokio Marine Holdings Inc Group |
| Cincinnati Financial Group | Travelers Group |
| Farmers Insurance Group | United Services Automobile Association Group |
| Heritage Insurance Holdings Group (formerly NBIC Holdings Group) | Universal Insurance Holding Group |
| Liberty Mutual Group | Vermont Mutual Group |
| Mapfre Insurance Group | |

[6] Based on the National Association of Insurance Commissioners' 2024 data on home insurance multiple peril line of business by company group. Company groups often have more than one licensed insurer writing home insurance.

[7] See M.G.L. c. 175C, §4(4a), which requires all home insurance companies licensed to and engaged in writing property insurance in the Commonwealth to be members of a joint underwriting association that shall provide basic property insurance to eligible applicants who are otherwise unable to obtain such coverage in the voluntary market.

[8] Surplus lines companies are insurers which are not "licensed" or "admitted" in Massachusetts although they are "licensed" in another state (or country). Such insurers may issue coverage only through specially licensed surplus lines brokers. This document does not include statistical information on the surplus lines market.

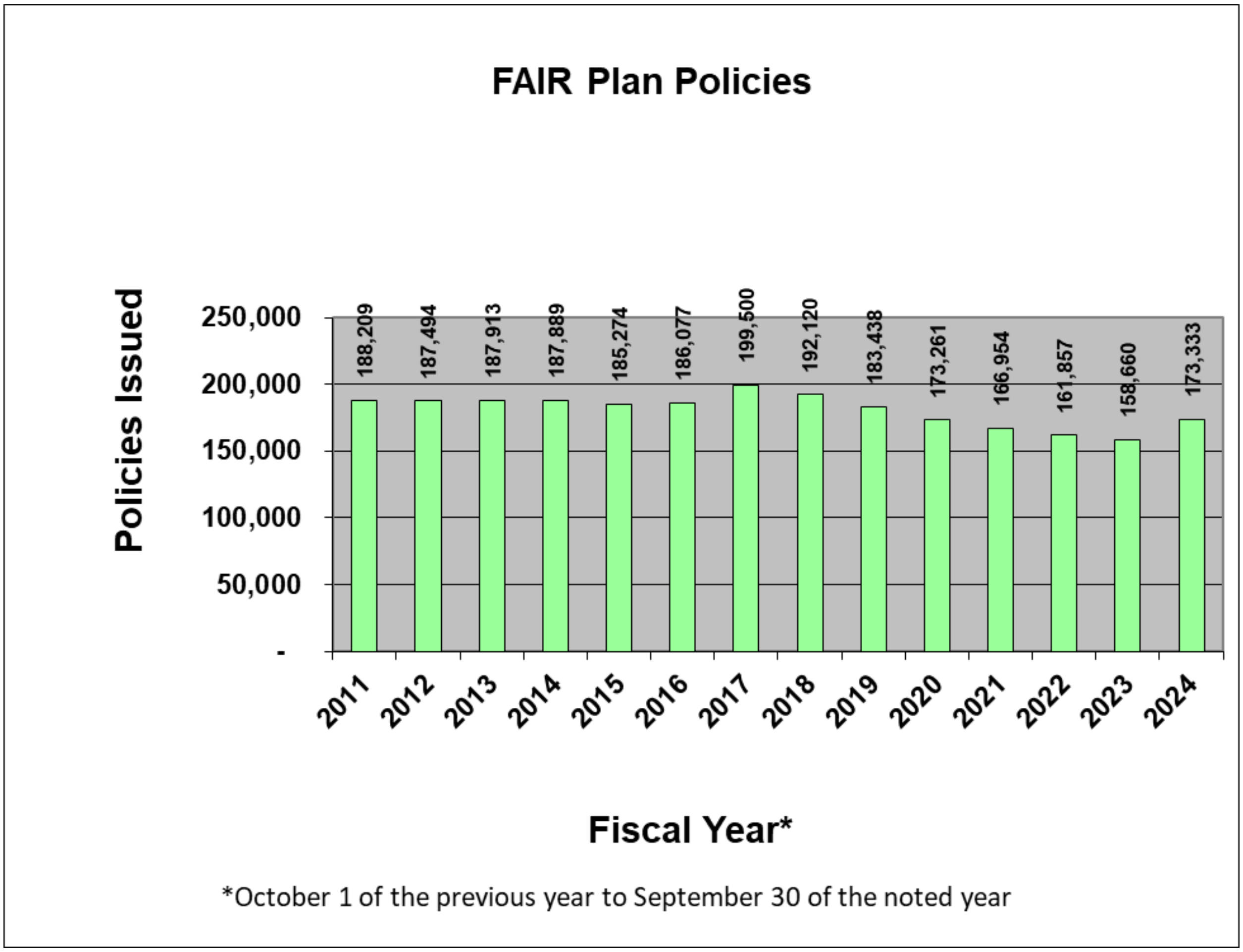
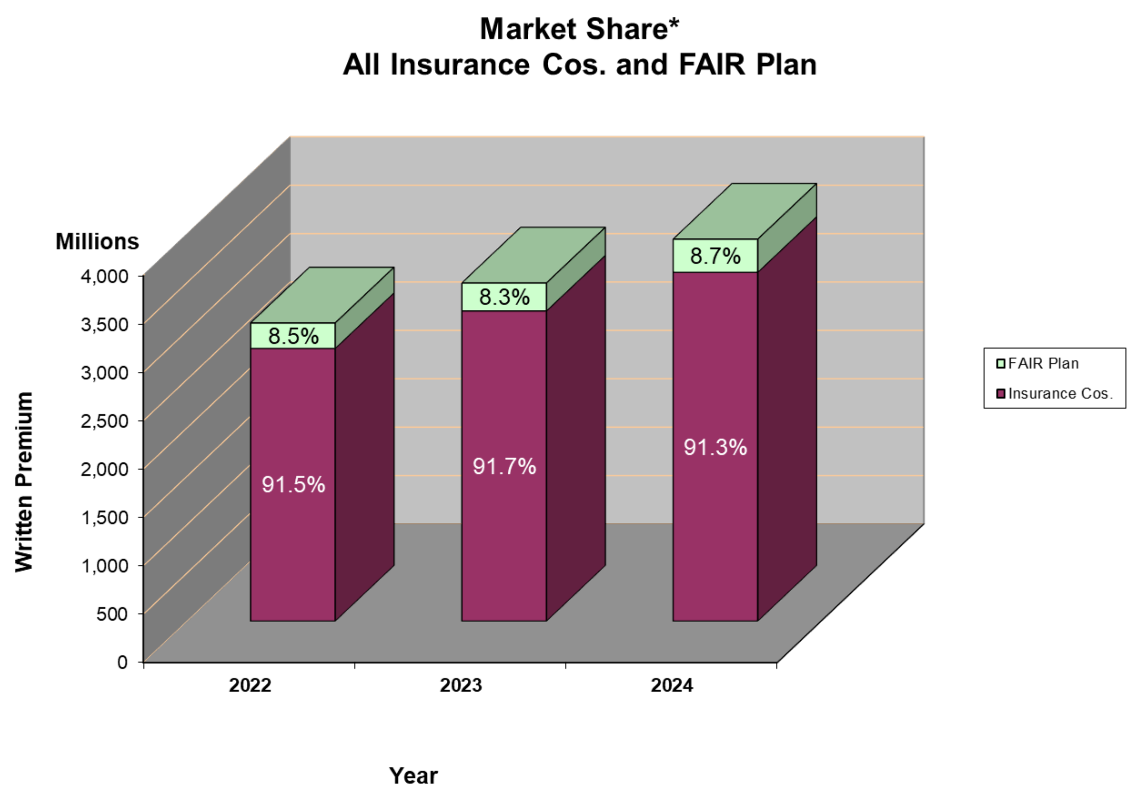



**Figure 3**

The data in Figure 3 is on a fiscal year basis. The FAIR Plan's business, as reported by the FAIR Plan and which comprises owner, condominium, and tenant policies, increased by 14,673 policies between fiscal years 2023 and 2024.[9]

As noted in Figure 4 (below), the FAIR Plan accounted for 8.7% of written premium in 2024. Its market share peaked at 16.1% in 2007.[10]

[9] The FAIR Plan's fiscal year is between October 1st of one year and September 30th of the noted year. The decrease in FAIR Plan enrollment reported in the Executive Summary is a calendar year value.
[10] FAIR Plan market share is based upon FAIR Plan and total market written premium.




*Based on FAIR Plan market share 2022-2024 premium Exhibit 4C in the Statistical Supplement.

**Figure 4**

As noted in Figure 5, in 2024, the FAIR Plan's market grew—at 8.7% of total premium written—but remained less than the market share of the largest commercial carrier.

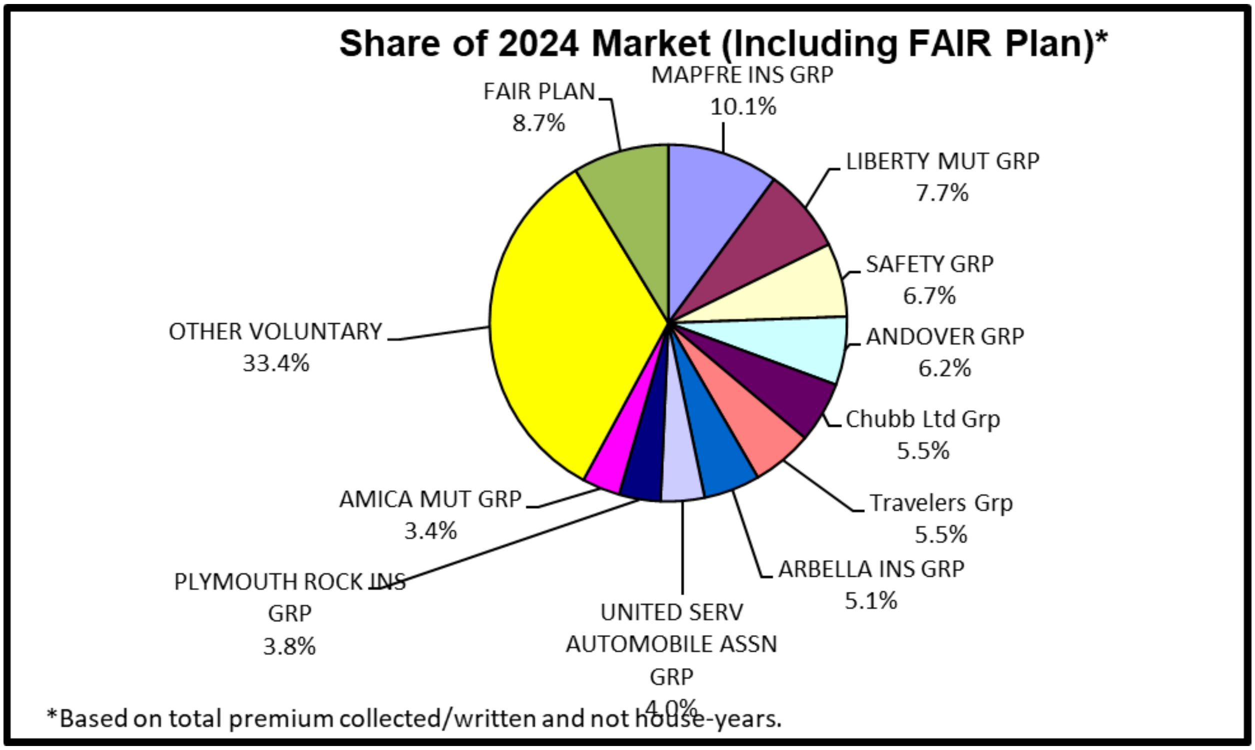
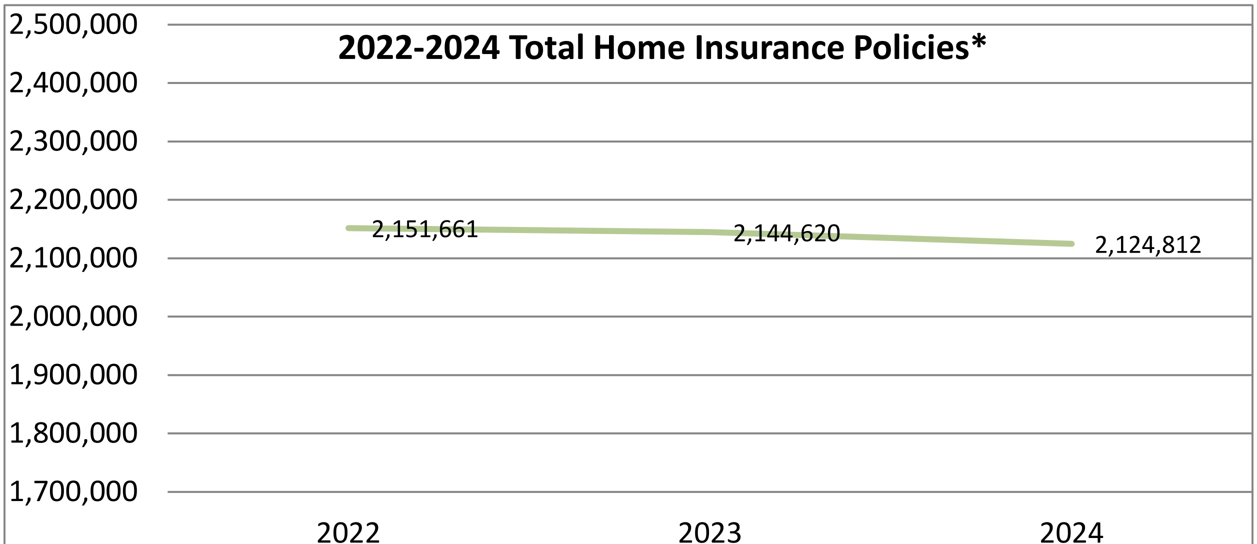



Figure 5

## Changes in Coverage

As reflected in Figure 6, the reported number of total home policies written by insurance companies and the FAIR Plan decreased between 2023 and 2024 by 19,808 or 0.92% due to a drop in tenant policies. Without a requirement from a landlord, tenant policies can vary with the economy and other factors. Suffolk and Middlesex counties saw the largest decreases in tenant policies: 8,675 and 5,213, respectively.



*Policies reflect reported house-years. A house-year is defined as one house insured for one year, and is calculated based on the term of the policy.

**Figure 2**

Owner's policies increased in 2024. Comparing coverage totals by county,[11] as in Figure 7, Middlesex County, which had the largest population,[12] also had the highest number of home insurance policies in force: 481,043. After Middlesex County, the next three largest counties for in-force home insurance policies are Worcester (264,202), Essex (239,278) and Norfolk (224,617).

[11] For the purpose of reporting information by county, certain ISO statistical reporting territories were combined in the following ways:
Berkshire and Franklin Counties include ISO territory 50;
Hampden and Hampshire Counties include ISO territories 47, 48 and 49;
Worcester County includes ISO territories 45 and 46;
Middlesex County includes ISO territories 41, 42, 43 and 44;
Essex County includes ISO territories 38, 39 and 40;
Suffolk County (including the City of Boston) includes ISO territories 2, 3, 4, 5 and 11;
Norfolk County includes ISO territories 12, 30, and 31;
Bristol County includes ISO territories 32, 33 and 34;
Plymouth County includes ISO territories 35 and 36; and
Barnstable, Dukes and Nantucket Counties include ISO territory 37.
Detailed information for each territory is included in the Statistical Supplement to this report.

[12] Source: Annual Estimates of the Resident Population for Counties of Massachusetts: April 1, 2020 to July 1, 2024, Population Division, U.S. Census Bureau.

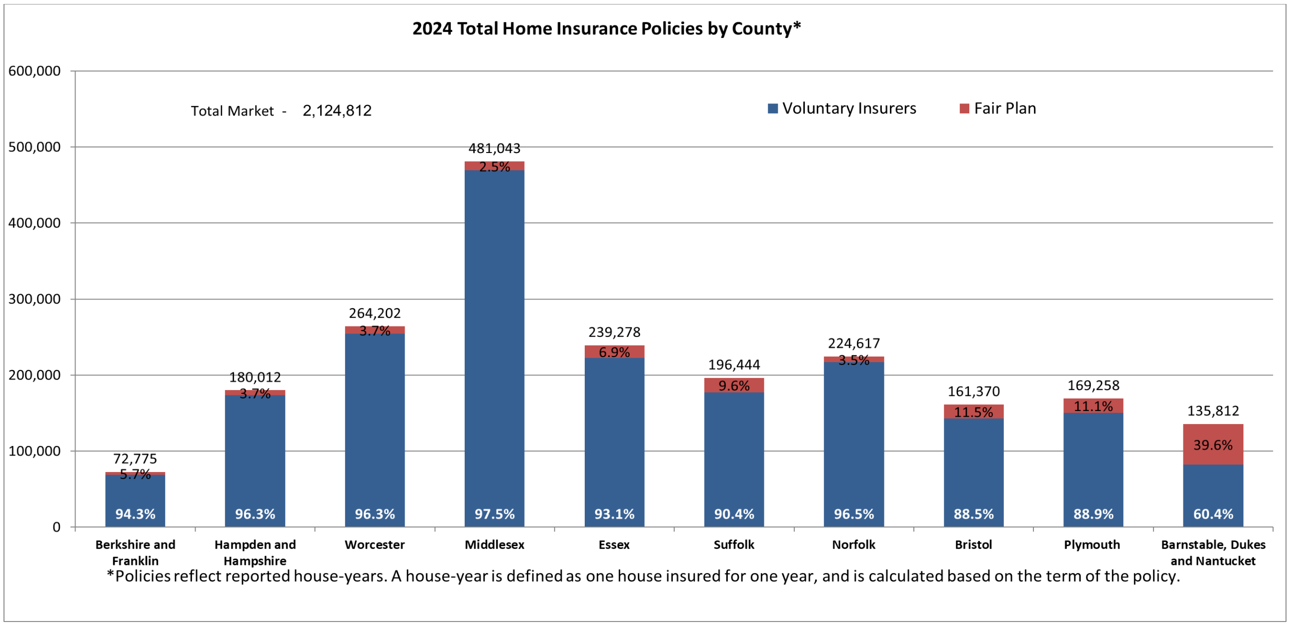



**Figure 3**

The proportion of FAIR Plan policies written by area varies greatly. While the FAIR Plan writes 39.6% of the home insurance for the Cape and Islands (comprising Barnstable, Dukes and Nantucket counties), it writes under 12% of the policies in each of the other counties in the state (see Figure 7).

For our report next year, we will look to determine what percentage of homes insured by the FAIR Plan in the Cape and Islands are not used as primary residences.

Between 2023 and 2024, the number of home insurance policies remained fairly consistent in most counties (see Figure 8).

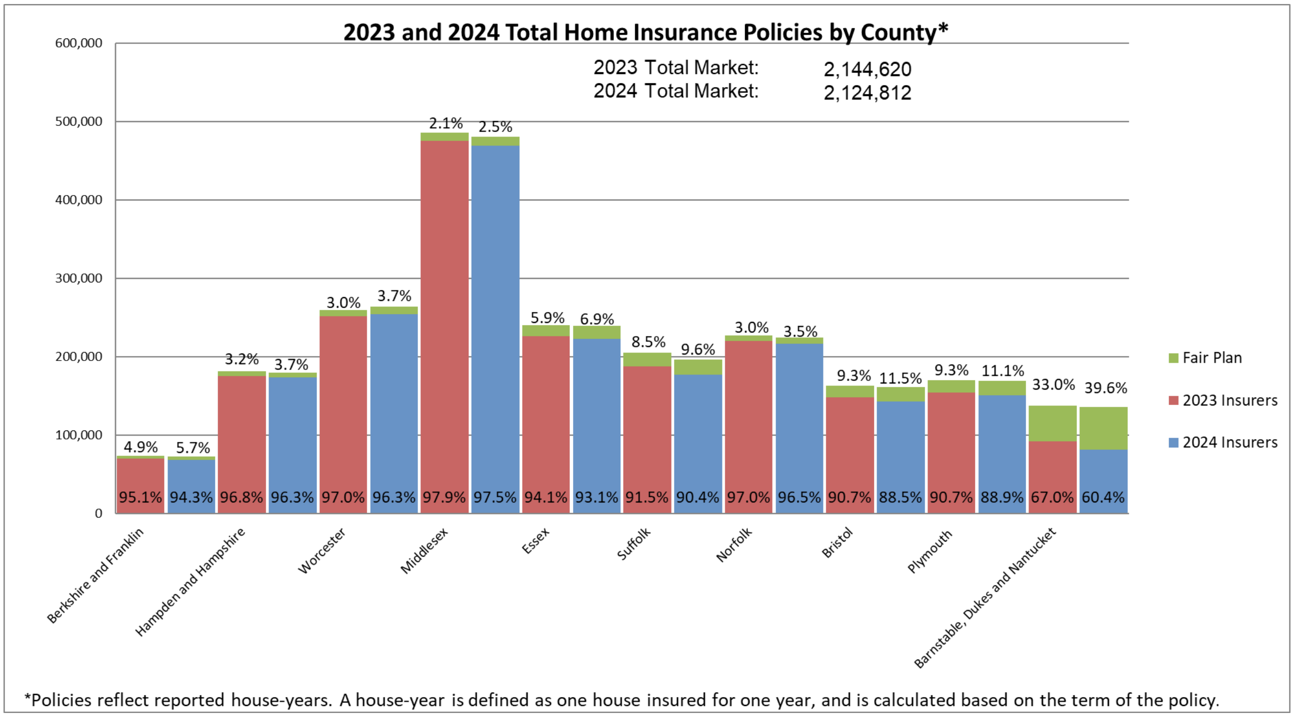

2023 and 2024 Total Home Insurance Policies by County*
2023 Total Market: 2,144,620
2024 Total Market: 2,124,812
600,000
500,000
400,000
300,000
200,000
100,000
0
Fair Plan
2023 Insurers
2024 Insurers
4.9% 5.7% 3.2% 3.7% 3.0% 3.7% 2.1% 2.5% 5.9% 6.9% 8.5% 9.6% 3.0% 3.5% 9.3% 11.5% 9.3% 11.1% 33.0% 39.6%
95.1% 94.3% 96.8% 96.3% 97.0% 96.3% 97.9% 97.5% 94.1% 93.1% 91.5% 90.4% 97.0% 96.5% 90.7% 88.5% 90.7% 88.9% 67.0% 60.4%
Berkshire and Franklin
Hampden and Hampshire
Worcester
Middlesex
Essex
Suffolk
Norfolk
Bristol
Plymouth
Barnstable, Dukes and Nantucket
*Policies reflect reported house-years. A house-year is defined as one house insured for one year, and is calculated based on the term of the policy.

**Figure 8**

# Weather-Related Coverage Options and Limitations

## Wind Deductibles

To reduce their financial risk, many home insurance companies have amended their standard policies to include mandatory wind deductibles.[13] These deductibles may apply to any wind-related damage that occurs in specified coastal territories, typically located in Bristol, Plymouth, Barnstable, Dukes and Nantucket counties, or within a certain distance from the shore. These deductibles are imposed either as flat dollar amounts or as a percentage of the covered dwelling amount.[14] The Division requires that insurers provide consumers with clear disclosures of the deductibles before they purchase coverage. This is often communicated on the declaration pages that would accompany the policy/endorsement packet sent to the insured.

According to information submitted to the Division from the FAIR Plan and the top 25 companies in the market, all but four companies reported that they have mandatory wind deductibles that are part of the coverage they offer in the market, with deductibles up to 5% of the coverage for the main structure.[15] The largest wind deductibles are in the coastal parts of Bristol, Plymouth, Barnstable, Dukes and Nantucket counties.

Of all policyholders living in a coastal or urban area who are covered by the FAIR Plan or the top 25 home insurance companies, 32.6% had a mandatory wind deductible applicable to their coverage in 2024. In coastal areas, 58.0% had a mandatory wind deductible. In urban areas, 19.1% had a mandatory wind deductible.

Although wind deductibles can be a large cost for homeowners following a loss, they help keep premiums lower by sharing a greater portion of post-loss costs with the owner. The Division also encourages insurance companies to allow consumers to reduce or eliminate their wind deductibles by taking steps to mitigate the potential exposure of their property in the event of a wind event, such as by installing hurricane shutters or shatterproof glass, hurricane-proof garages or patios, and other doors and/or roof/foundation anchor bolts. The Division has worked with many carriers to establish clear rules for mitigation programs and to establish ways to document that mitigation steps have been taken.

[13] A wind deductible is a deductible that applies only to losses caused by wind.
[14] The FAIR Plan, for example, currently requires certain insureds to have a minimum named storm percentage deductible of 1% to 5% of the coverage amount for the dwelling and attached structures, or a minimum fixed dollar named storm deductible of up to $5,000, depending on the property's county, distance from the coast and coverage.
[15] Additional detailed information is included in the Statistical Supplement to this report.

## Flood Coverage and Exclusions

In the United States, home insurance policies have not traditionally covered damage associated with floods.[16] Recognizing this lack of protection, Congress enacted legislation in 1968 to create the National Flood Insurance Program (NFIP), which is administered by the Federal Emergency Management Agency (FEMA). Under the program, the government plays the role of underwriter and assumes the financial risk for damages while relying on private insurance agents to sell policies.

Flood insurance is mandatory only for those homes that have been identified by FEMA mapping as located in high-risk flood areas and that are mortgaged through a federally backed lender. However, the NFIP makes flood coverage available for all property holders if the property is in an approved NFIP community. The property does not need to be in a flood plain to qualify for coverage.

Prior to the current re-mapping of flood zones in Massachusetts, FEMA had estimated that more than 11 million U.S. homes were in flood zones and that about one-fourth of the homes located in Special Flood Hazard Areas ("SFHA")[17] were covered by NFIP-issued or NFIP-backed flood insurance. The proportion of property with flood coverage is believed to be low because many people underestimate the risk of flooding.

As presented in Figure 9, FEMA reports that 56,650 policyholders in Massachusetts had flood insurance in 2024, which is an increase of 4.3% from the 54,997 reported for 2023.

[16] Automobile insurance policies, cover flood damage to a motor vehicle under optional comprehensive coverage.

**Federal Emergency Management Agency (FEMA)**
**National Flood Insurance Program**
**MASSACHUSETTS***

| County | 2023 NFIP Policies | 2023 NFIP Premium | 2023 NFIP Coverage | 2024 NFIP Policies | 2024 NFIP Premium | 2024 NFIP Coverage |
|---|---|---|---|---|---|---|
| Berkshire & Franklin | 670 | $903,318 | $177,160,000 | 726 | $972,301 | $187,997,000 |
| Hampden & Hampshire | 1,143 | $1,431,173 | $320,312,000 | 1,146 | $1,570,994 | $327,799,000 |
| Worcester | 1,276 | $1,482,394 | $357,580,000 | 1,385 | $1,645,616 | $399,303,000 |
| Middlesex | 6,385 | $4,696,227 | $1,592,163,000 | 6,955 | $5,340,479 | $1,731,819,000 |
| Essex | 8,333 | $9,333,679 | $2,319,221,000 | 8,613 | $10,168,766 | $2,397,548,000 |
| Suffolk | 8,395 | $7,135,977 | $2,334,161,000 | 9,119 | $7,692,370 | $2,501,212,000 |
| Norfolk | 5,349 | $4,495,334 | $1,437,992,000 | 5,510 | $4,656,737 | $1,493,419,000 |
| Bristol | 3,196 | $3,644,529 | $870,063,000 | 3,250 | $3,945,461 | $889,864,000 |
| Plymouth | 8,068 | $9,828,438 | $2,163,735,000 | 8,312 | $10,805,516 | $2,245,401,000 |
| Barnstable, Dukes & Nantucket | 11,524 | $14,043,700 | $3,302,864,000 | 11,634 | $15,101,344 | $3,335,006,000 |
| **State Total :** | **54,339** | **$56,994,769** | **$14,875,251,000** | **56,650** | **$61,899,584** | **$15,509,368,000** |

**Figure 9**

*Data is from https://nfipservices.floodsmart.gov/reports-flood-insurance-data -- as 6/30/2023 for 2023 policies and as of 6/30/2024 for 2024 policies.
Flood insurance is required for insurable structures within high-risk areas to protect Federal financial investments and assistance used for acquisition and/or construction purposes within communities participating in the National Flood Insurance Program.

The NFIP continually updates statistics on national purchases of flood insurance and periodically produces special reports on the matter. According to the NFIP's monthly countrywide policy statistics, as of 6/30/2024 Massachusetts ranked 13th in the country in the number of policies in place through the flood insurance program.

The U.S. Census Bureau ranked Massachusetts as the 22nd most populous state.[18] While population does not necessarily correlate with flood exposure, the number of Massachusetts homes with flood insurance continues to be relatively low for 2024 (See Figure 10). The Division issued Bulletin 2006-05, in 2006, to remind insurers and insurance producers to offer flood insurance to all state residents.

[18] Massachusetts population ranking is based on estimates as of July 1, 2024. The 2024 U.S. Census Bureau statistics, available at https://www.census.gov/data/tables/time-series/demo/popest/2020s-state-total.html#par_textimage_1574439295

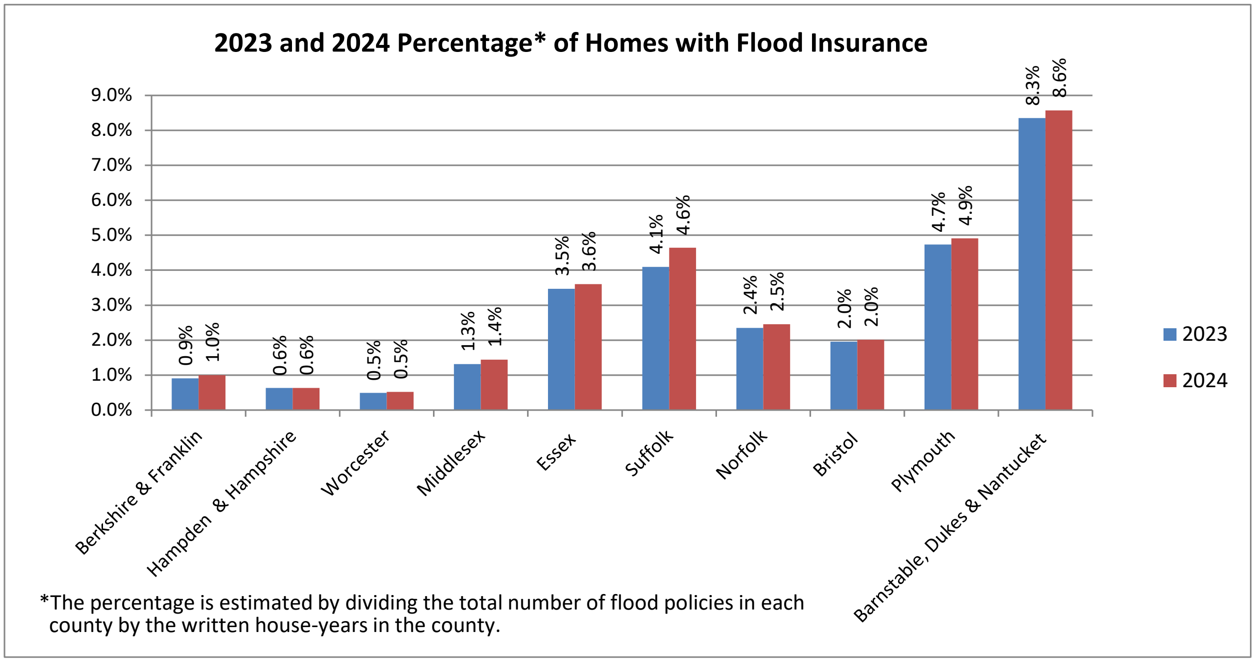



**Figure 10**

Since the 1970s, NFIP rates were predominantly based on relatively static measurements, emphasizing a property's elevation within a zone on a Flood Insurance Rate Map (FIRM). This approach did not incorporate as many flooding variables as Risk Rating 2.0. Risk Rating 2.0 is the relatively new methodology used by FEMA and essentially places homes in market "baskets". The baskets contain single-family homes with similar property and policy coverage characteristics for that region. Rating now more resembles how risk is assessed for other types of insurance. One of the goals of Risk Rating 2.0 is to deliver rates that are actuarially sound, equitable, easier to understand and better reflect a property's flood risk. With Risk Rating 2.0, FEMA now has the capability and tools to address rating disparities by incorporating more flood risk variables. These include flood frequency, multiple flood types—river overflow, storm surge, coastal erosion and heavy rainfall—and distance to a water source along with property characteristics such as elevation and the cost to rebuild.

In recent years private insurers have increased the residential flood coverage they provide in Massachusetts. In 2018, there was $4,857,911 of direct written premium on 1,668 Massachusetts private residential flood policies in force (at year-end 2018) plus an additional $693,558 direct written premium on 3,731 private residential flood endorsements. By 2024, private flood coverage had increased to $9,585,779 of Massachusetts direct written premium on 5,266 residential flood policies (year-end 2024), and $1,755,108 of direct written premium on 2,274 private residential endorsements.[19]

[19] The source of this data is the National Association of Insurance Commissioners "Data Call Results:" https://content.naic.org/industry_private_flood_data_call.htm

The growth in the private flood market is encouraging as flooding is a very common and costly natural disaster. The Division continually reminds consumers that flooding can occur anywhere, not just near bodies of water.

## Climate Mitigation

To better understand Massachusetts' carrier's efforts to address the risks of storms, wildfire and other climate risks, the Division of Insurance again called a special examination of the top 25 Massachusetts home insurance groups and the FAIR Plan. The examination asked about credits or discounts offered by each insurer in calendar year 2024 as well as how policyholder pre-loss mitigation measures and community-level loss resiliency efforts impacted rates, deductibles and the carrier's capacity to write homeowners' insurance in the Commonwealth. In addition, the Division asked whether the insurers had implemented underwriting rules in the prior five years that were intended to reduce the insurer's exposure to climate-related risks. Specific aggregated results from the survey include the following:

Nineteen (19) of the surveyed insurers reported that they give premium credits or reduce rates when homeowners take certain carrier-specific loss mitigation measures such as: hurricane shutters, hurricane-resistant glass, roof/foundation tie-downs, wind-resistant roof geometry, and back-up power supplies.

Several insurers reported premium credits for general mitigation factors, such as construction compliance with specific building codes, or housing meeting Institute for Building and Home Safety (IBHS) certification requirements.

Among the six insurers that do not give credit the reasons for not giving premium credit for wind mitigation included: difficulty verifying mitigation, difficulty quantifying impact of mitigation, and friction in the price quotation process created by requiring policyholder mitigation data.

- One insurer gives credit for LEED (Leadership in Energy and Environmental Design) certified homes.
- Five (5) of the surveyed insurers reduced or eliminated wind deductibles in response to mitigation measures--, such as for hurricane shutters, hurricane-resistant glass, reinforced doors, and roof or foundation tie-downs. For the twenty-one(insurers) that did not reduce deductibles for mitigation, two did not require mandatory deductibles in the first place and one required at most a 2% deductible. Of the other eighteen (18) insurers, nine (9) explained that geography was determinative of deductibles: mandatory deductibles reduce maximum loss in a geographic area and may be required by reinsurance covenants, by reinsurance pricing structures, or for maintaining capacity. The remaining carriers mostly cited that the benefit of mitigation on loss was too difficult to quantify or that the benefit of mitigation measures was already fully reflected through rating credits.

- Nine (9) of the surveyed insurers reported that considering their policyholders' climate-related mitigation measures through lower rates or lower deductibles has resulted in increased capacity to write homeowners' insurance in Massachusetts.
- Fourteen (14) of the surveyed insurers reported they had implemented underwriting measures in the years 2019-2024 that were intended to reduce their exposure to climate-related risks. Examples of measures included: restricting capacity for a given geographic area based on distance to coast, on modeled losses or on reinsurer capacity for that area; mandatory flood insurance in a particular location or zone; IBHS certification for new writings in certain zones.
- Fourteen (14) of the surveyed insurers reported that the availability of actuarially sound data reflecting municipal-level or community-level resilience to climate-related causes of loss. The most cited data sources were commercial catastrophe model loss simulations and ISO's Building Code Effectiveness Grading (BCEG). Insurers also indicated that there was data available about the year of construction of housing in a community, which can be compared to the code in effect the time of construction.

Overall, many of the surveyed insurers are taking mitigation measures into account when developing rates for home insurance products. By considering the actuarial data, carriers are offering benefits in return for mitigation efforts that can be expected to reduce projected losses.

The Division of Insurance encourages insurance companies to allow consumers to reduce or eliminate deductibles by taking steps to mitigate the potential exposure of their property in the event of a weather event.

# Premiums and Losses

## Premiums

In 2024, Massachusetts insureds purchased approximately $3.9 billion in home insurance coverages, as measured in premium paid, which is 12.7% more than was reported for 2023. Of the total premium, 93.5% was for traditional homeowners' insurance. Between 2023 and 2024, traditional homeowners' insurance premiums increased by approximately $423.3 million.

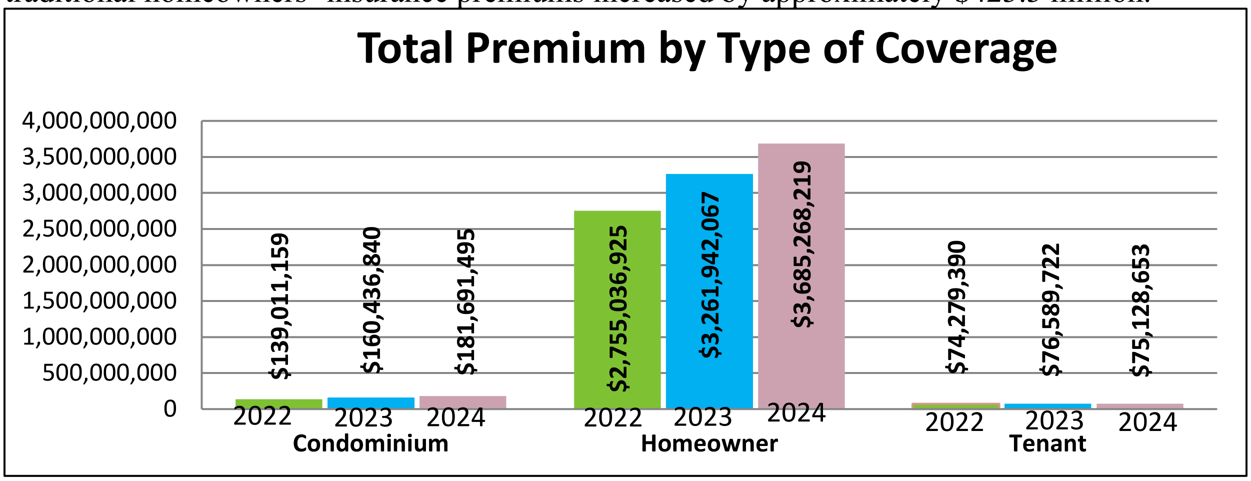



Figure 11

Average premiums increased in 2024 for traditional homeowners, tenant and condominium coverages.

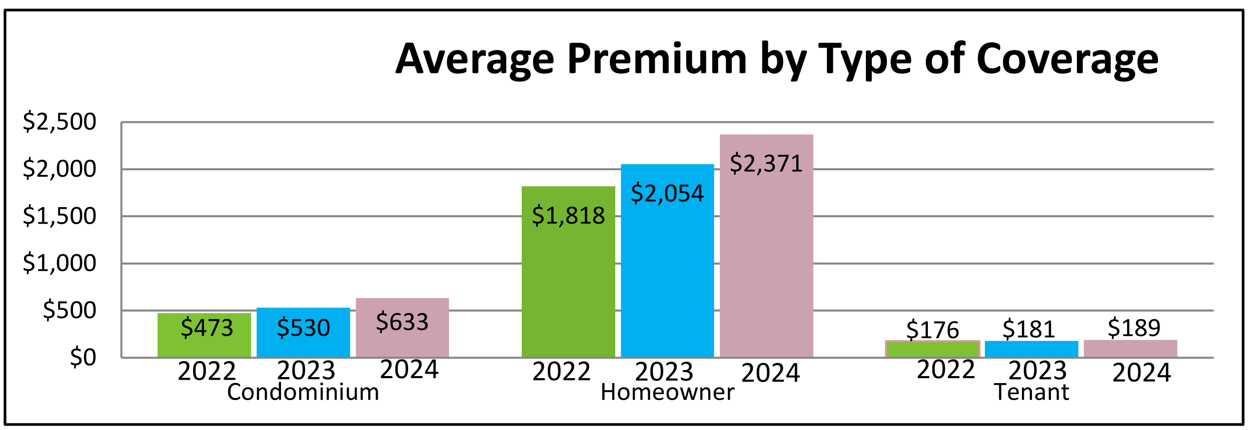



Figure 12

Insurance rates are based on individual company projections of future claims and expenses, which are, in turn, based on prior years' experience. This section looks at past claims and expense trends.

## Filed Claims

In 2024, insureds filed 52,550 claims with their home insurance companies, 39.1% less than in 2023. Approximately 84% of these claims were filed on traditional homeowners' insurance policies. As illustrated in Figure 13, owners, condominium and tenant coverage types all experienced a decrease in the number of reported claims between 2023 and 2024.

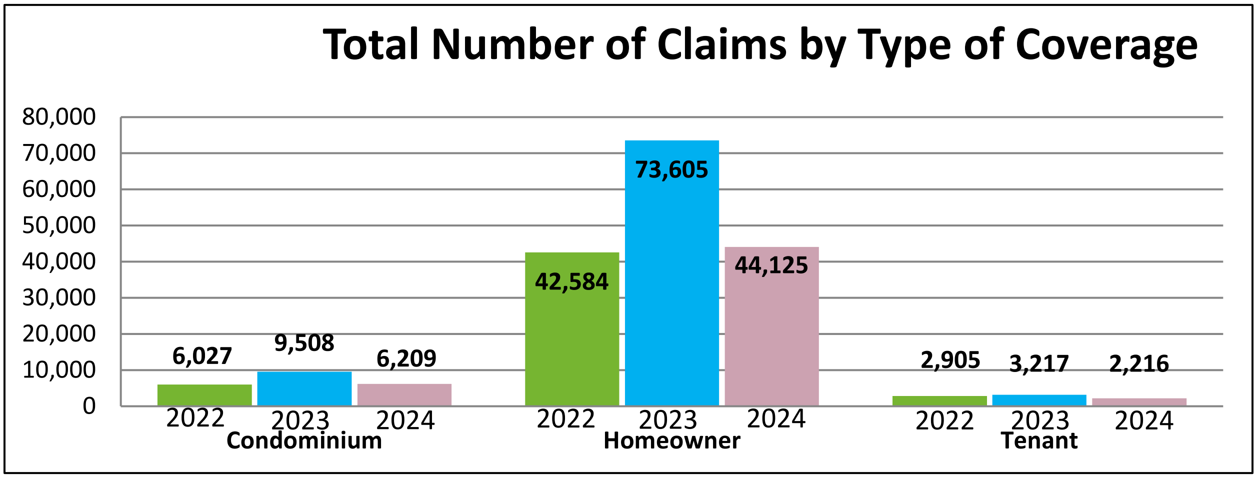



Figure 13

Claim trends tend to fluctuate with damage-causing weather patterns as well as economic factors with some homeowners potentially choosing to pay for repairs themselves instead of filing a claim. In 2024, there were seven designated Massachusetts catastrophes resulting in total estimated Massachusetts property catastrophe losses of $157.1 million compared to $892.3 million of catastrophe losses in 2023.

As illustrated in Figure 14 (below), the average size of claims incurred increased 17.7% for traditional home insurance, decreased by 2.5% for condominiums, and increased by 28.4% for tenants. The increase in average claim size for traditional home insurance reflects the mix of causes of loss causing claims in 2024 (see following section discussing cause of loss) and the increases to the cost of materials and labor.

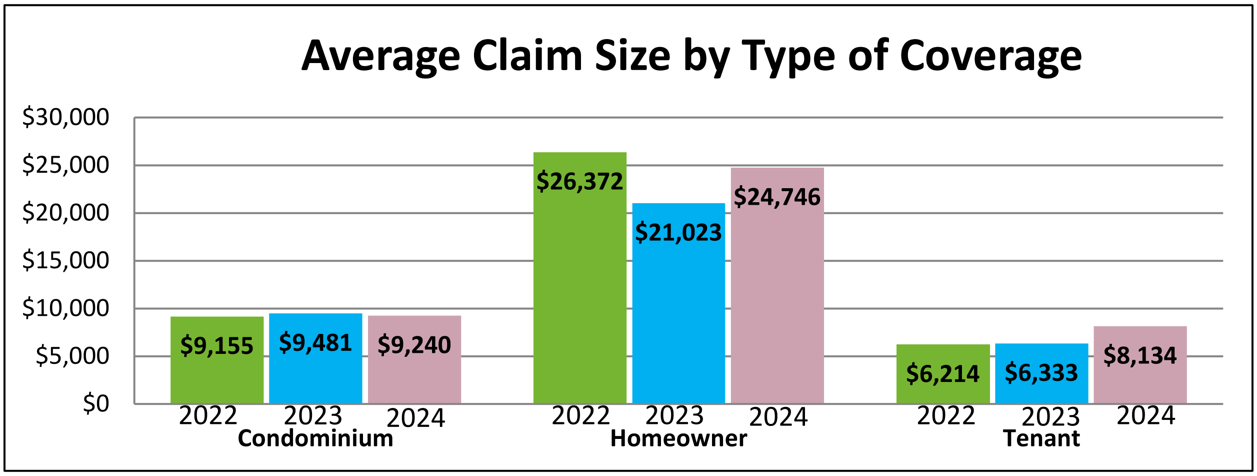



**Figure 14**

## Analysis of Claims Experience

When recording reported claims, companies categorize submitted claims according to the cause of loss to project future claims and to develop loss control programs aimed at reducing future losses. Although companies track losses from both natural events (such as hurricanes) and man-made events (such as thefts) to develop loss controls that are tailored to various events, in general, company groups categorized claims as follows:

- Fire, lightning and debris removal;
- Wind and hail;
- Water damage and freezing;
- Theft;
- Liability and medical; and
- All other.[20]

As illustrated in Figure 15, almost half (48.6%) of total claims were submitted for water losses for non-flood related water damage. Policyholders also submitted 5,268 claims for fire, lightning, and removal damages and 9,842 claims for damages classified as "all other losses," accounting respectively for 10% and 18.7% of total claims filed. There was a total of 9,225 claims filed under the wind category, which represents 17.6% of total claims filed.

[20] The "all other" category is used when: (a) the claim does not fit one of the other causes of loss, (b) there is some question as to which cause of loss among several possible causes of loss caused the claim, or (c) the cause of loss is not known initially.

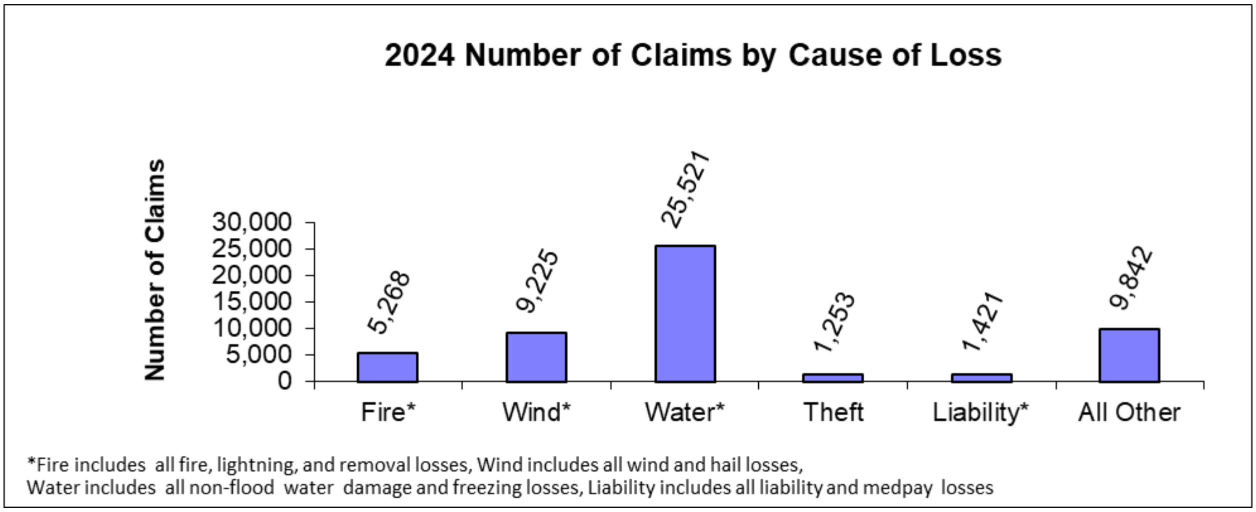

2024 Number of Claims by Cause of Loss
Number of Claims
30,000
25,000
20,000
15,000
10,000
5,000
0
5,268
9,225
25,521
1,253
1,421
9,842
Fire*
Wind*
Water*
Theft
Liability*
All Other
*Fire includes all fire, lightning, and removal losses, Wind includes all wind and hail losses,
Water includes all non-flood water damage and freezing losses, Liability includes all liability and medpay losses

**Figure 15**

When considering the total dollar cost of claims, as illustrated in Figure 16, the distribution of losses reflects the fact that certain types of claims (particularly wind and water) are subject to wide variation in claim counts from year to year.

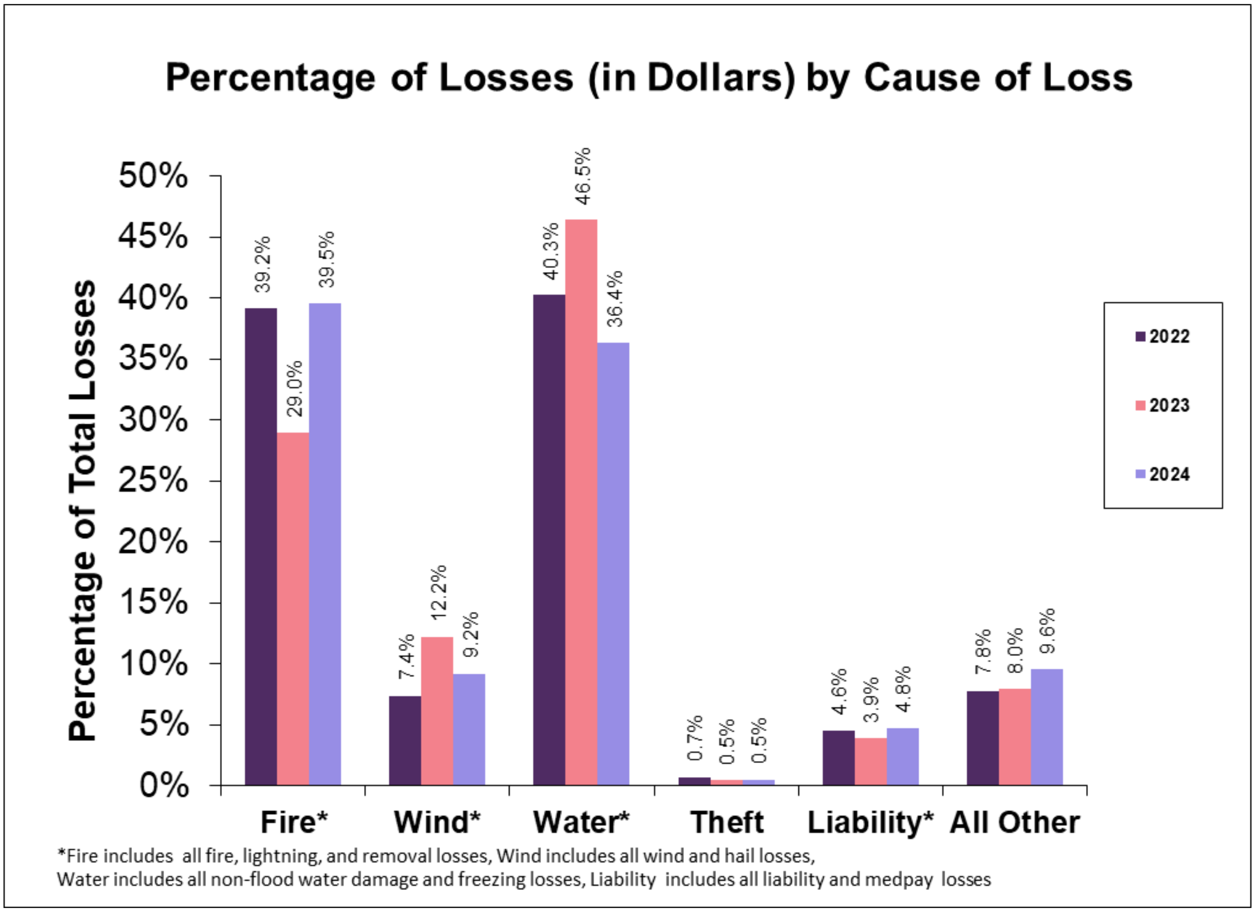



**Figure 16**

## Additional Detail on Each Cause of Loss

**Fire, Lightning and Removal** dollar losses as a percentage of statewide losses increased from 29.0% in 2023 to 39.5% in 2024. The statewide average fire, lightning and removal claim cost was $63,155 in 2023, increasing to $87,599 in 2024.

**Wind & Hail** losses accounted for 9.2% of total losses in 2024, down from 12.2% in 2023. The statewide average claim cost for wind and hail decreased from $11,549 in 2023 to $11,637 in 2024.

**Non-Flood Water Damage and Freezing** losses accounted for 46.5% of total losses in 2023 and 36.4% of total losses in 2024. The statewide average claim cost for non-flood water damage and freezing slightly increased from $16,206 in 2023 to $16,639 in 2024.

**Theft** losses accounted for 0.5% of total losses in 2023 and 0.5% of total losses in 2024. The average statewide theft claim cost decreased from $9,406 in 2023 to $4,924in 2024.

**Liability and Medical Payments** dollar losses accounted for 3.9% of total losses in 2023 and 4.8% of total losses in 2024. The average statewide liability and medical claim cost increased from $27,192 in 2023 to $39,101 in 2024.

**All Other** claims' losses accounted for 9.6% of total losses in 2024, compared to 8.0% in 2023. The average claim cost was $10,927 in 2023, increasing to $11,375 in 2024.

# Loss Ratios

## Loss Experience Compared to Earned Premiums

Loss ratio (incurred losses divided by earned premium) is a generally accepted measure of the underwriting success or failure of property insurance. The higher the cost to the company of reinsurance and other expenses, the lower the company's loss ratio must be for it to continue to operate. The higher the loss ratio, the more likely companies will have overall losses after paying for administrative expenses. Based on the submitted loss data, the 2024 overall loss ratio for all FAIR Plan and insurance company policies was 31.4% across all types of residences (traditional homes, condominiums, rentals).

Figure 17 presents a history of the loss ratios for the entire market since 2014:

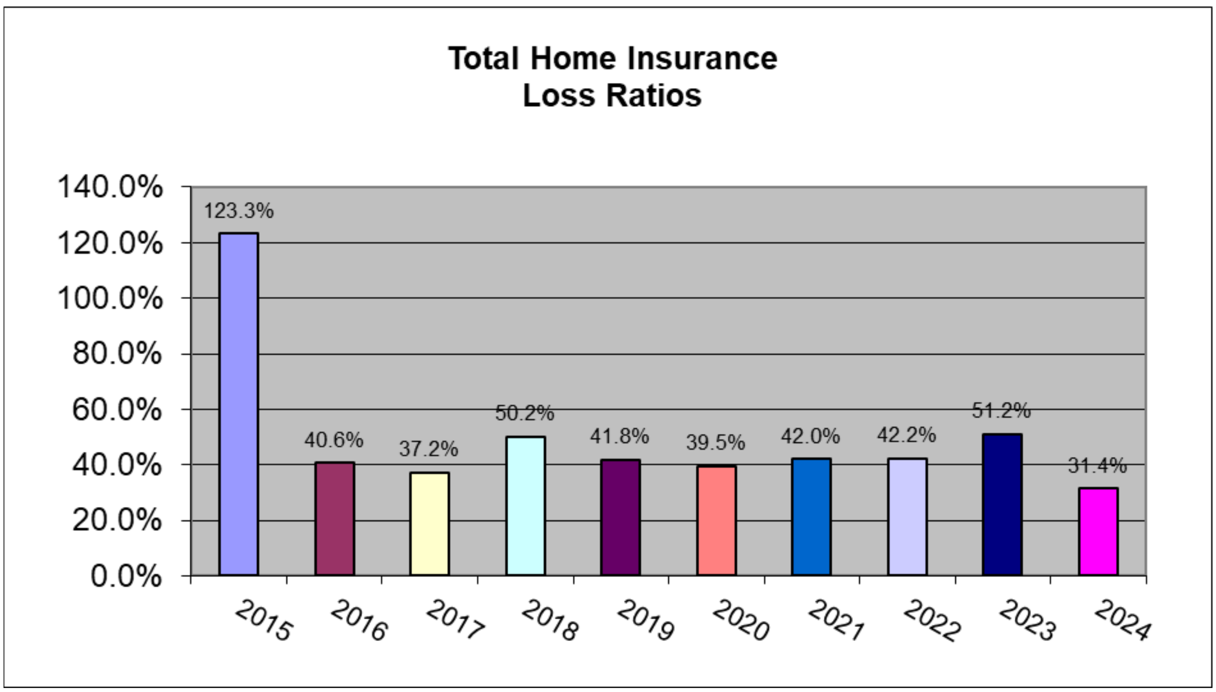



**Figure 17**

Non-weather events do not usually cause major shifts in loss trends.[21] Weather-related events, on the other hand, can cause significant shifts, depending on the severity of the events. Looking back on the past 10 years, there were two "catastrophe" events that resulted in losses in Massachusetts in 2014, six in 2015, three in 2016, one in 2017, five (four weather-related) in 2018, five in 2019, nine in 2020, six in 2021, three in 2022, eight in 2023, and seven in 2024 with the resulting losses varying with the severity of the events. As presented in Figure 18, the traditional homeowners loss ratio was 31.4%, the condominium loss ratio was 33.8%, and the tenant coverage loss ratio was 24.1% in 2024.

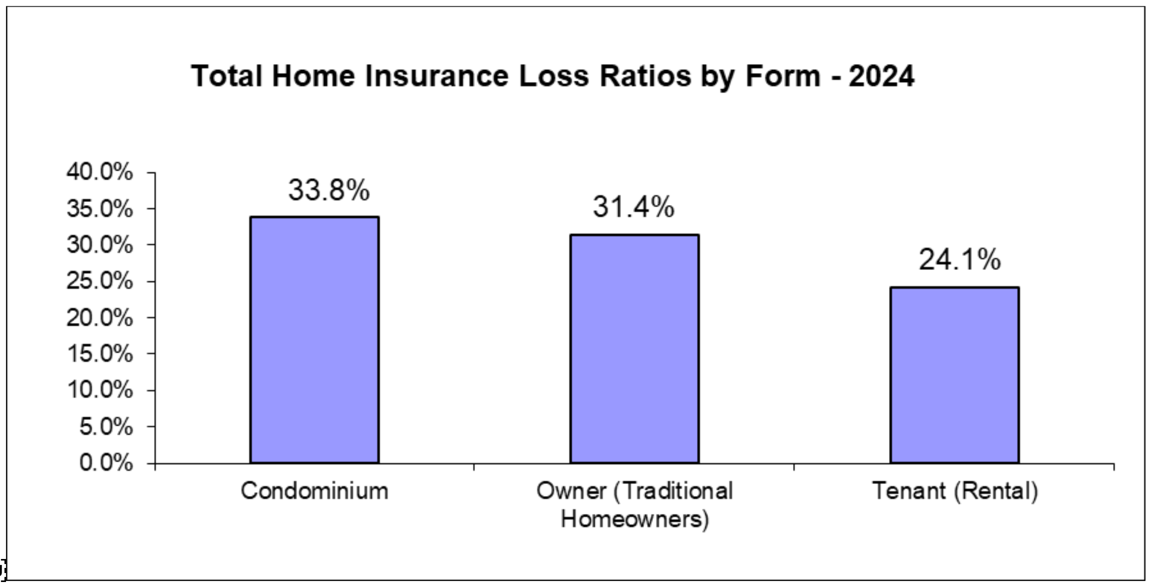



**Figure 18**

[21] Fire losses are an exception since fires involving multiple dwellings can significantly impact losses for a year.

## Combined Ratios: Loss and Expense Experience Compared to Premiums Collected

The combined ratio (the combination of company expenses and incurred claims costs divided by earned premium) is a measure of the overall experience of property insurance companies in a market. A lower combined ratio corresponds with a higher potential profit for the company. The research which forms the basis for this report does not include information on insurance company operating expenses. To get a more complete picture of insurers' financial results, the Division has incorporated industry expense data that insurance companies submit as part of their annual financial statements. Figure 19 calculates the percentage of premium that insurance companies paid out for Massachusetts home insurance losses and the percentages of premium that can be attributed to various operating expenses. The result is an "Adjusted Combined Ratio" for the Massachusetts home insurance market.

**Calculation of Adjusted Combined Ratios**

| Year | (A) Earned Premium ($000's) | (B) Incurred Losses ($000's)* | (C) = (B)/(A) Loss Ratio* | (D) Incurred Losses + All Loss Adj Expense | (E)= (D)/(A) Adjusted Loss Ratio (incl All Loss | (F) Producer Commissions | (G) Taxes and Licensing Fees | (H) Other Acquisition Expense | (I) General Expenses | (J) = ]+(G)+(H)+( Expense Ratio | (K)= (E)+(J) Combined Ratio (Adj Loss Ratio + | (L) Mutual Company Dividends to Policyhold | (M)= (K)+(L) Adjusted Combined Ratio (incl Mutual Divs) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2024 | 3,404,748 | 1,040,753 | 30.6% | 1,147,267 | 33.7% | 17.7% | 3.1% | 6.5% | 5.1% | 32.4% | 66.1% | 0.5% | 66.5% |
| 2023 | 2,905,523 | 1,437,929 | 49.5% | 1,576,208 | 54.2% | 16.8% | 3.1% | 6.5% | 5.0% | 31.4% | 85.6% | 0.5% | 86.1% |
| 2022 | 2,576,584 | 1,057,599 | 41.0% | 1,170,191 | 45.4% | 16.6% | 3.0% | 7.5% | 4.9% | 32.0% | 77.4% | 0.5% | 77.9% |
| 2021 | 2,511,260 | 1,020,230 | 40.6% | 1,125,851 | 44.8% | 16.4% | 3.4% | 8.0% | 5.5% | 33.3% | 78.2% | 0.5% | 78.7% |
| 2020 | 2,322,933 | 910,749 | 39.2% | 1,012,361 | 43.6% | 16.7% | 3.1% | 8.1% | 5.8% | 33.8% | 77.4% | 0.6% | 78.0% |
| 2019 | 2,246,346 | 902,910 | 40.2% | 1,008,333 | 44.9% | 16.4% | 3.0% | 8.4% | 5.7% | 33.5% | 78.4% | 0.7% | 79.1% |
| 2018 | 2,185,328 | 1,066,072 | 48.8% | 1,179,216 | 54.0% | 16.3% | 3.0% | 8.5% | 5.5% | 33.3% | 87.3% | 0.6% | 87.8% |
| 2017 | 2,108,513 | 775,707 | 36.8% | 868,110 | 41.2% | 16.4% | 2.9% | 8.8% | 5.8% | 33.9% | 75.1% | 0.6% | 75.6% |
| 2016 | 1,995,190 | 790,618 | 39.6% | 895,001 | 44.9% | 16.2% | 3.0% | 9.1% | 5.5% | 33.8% | 78.7% | 0.5% | 79.2% |
| 2015 | 1,907,594 | 2,452,064 | #### | 2,793,791 | 146.5% | 15.6% | 2.9% | 8.9% | 5.5% | 32.9% | 179.4% | 0.7% | 180.1% |
| 2014 | 1,823,597 | 721,727 | 39.6% | 820,789 | 45.0% | 16.8% | 2.8% | 8.8% | 5.5% | 33.9% | 78.9% | 0.7% | 79.6% |
| 2013 | 1,739,644 | 660,369 | 38.0% | 755,269 | 43.4% | 17.0% | 2.9% | 7.8% | 4.7% | 32.4% | 75.8% | 0.7% | 76.4% |
| 2012 | 1,627,267 | 607,289 | 37.3% | 684,780 | 42.1% | 17.3% | 2.8% | 7.7% | 4.3% | 32.2% | 74.3% | 0.7% | 74.9% |
| 2011 | 1,442,793 | 1,442,793 | 92.2% | 1,600,343 | 110.9% | 16.6% | 2.8% | 7.8% | 4.5% | 31.7% | 142.6% | 0.6% | 143.2% |
| 2010 | 1,496,800 | 683,987 | 45.7% | 758,677 | 50.7% | 16.6% | 2.8% | 7.8% | 4.5% | 31.7% | 82.4% | 0.6% | 83.0% |
| 2009 | 1,470,373 | 630,921 | 42.9% | 704,924 | 47.9% | 17.7% | 2.7% | 8.0% | 4.4% | 32.8% | 80.7% | 0.7% | 81.4% |
| 2008 | 1,449,187 | 630,002 | 43.5% | 720,089 | 49.7% | 17.8% | 2.7% | 7.8% | 4.6% | 32.9% | 82.6% | 0.7% | 83.2% |
| 2007 | 1,374,607 | 520,492 | 37.9% | 581,418 | 42.3% | 18.5% | 2.7% | 7.7% | 4.6% | 33.5% | 75.8% | 0.6% | 76.4% |
| 2006 | 1,285,696 | 480,453 | 37.4% | 542,379 | 42.2% | 18.9% | 2.6% | 7.5% | 4.3% | 33.3% | 75.5% | 0.6% | 76.1% |
| 2005 | 1,193,270 | 573,842 | 48.1% | 657,111 | 55.1% | 19.6% | 2.8% | 7.5% | 5.2% | 35.1% | 90.1% | 0.7% | 90.8% |

* For the purpose of these columns, incurred losses includes both incurred losses and allocated loss adjustment expenses (defense and cost containment expenses). Premium & loss data is voluntary market only. Reinsurance expenses are not included in this calculation and are more fully discussed below.

**Figure 19**

Figure 19 also presents various home insurance company expenses as a percentage of premiums. The adjusted combined ratio illustrates how other necessary expenses, when combined with losses, can be compared to homeowners' insurance premiums.[22] The adjusted combined ratio of 66.5% for 2024 shows a significant decrease from 86.1% in 2023.

[22] Insurance companies pay claims handling expenses (also known as "loss adjustment expenses") which, if added to incurred losses to calculate an adjusted loss ratio, provide a clearer picture of the proportion of premium dollars that are devoted to claims and claims handling expenses. In addition to claims, companies need to pay other expenses, including producer commissions, taxes and licensing fees, other acquisition costs, and general administrative expenses in order to run their businesses. These expenses, when combined with the adjusted loss ratio, generate a combined ratio reflecting the overall costs of business during a calendar year. Finally, some mutual insurance companies make payouts to policyholders in the form of dividends that should be factored into the analysis, as these are real expenses paid out by companies to their policyholders.

This analysis does not include what insurance companies pay to reinsurers for catastrophe and hurricane reinsurance. Based upon information submitted as part of individual company rate filings, the Division estimates that reinsurance expenses could account for as much as 25% of a company's premiums, depending on that company's portfolio of coastal exposures. The analysis also omits reinsurance recoveries, or payments from reinsurers to insurance companies that partially reimburse the insurance company for losses paid.

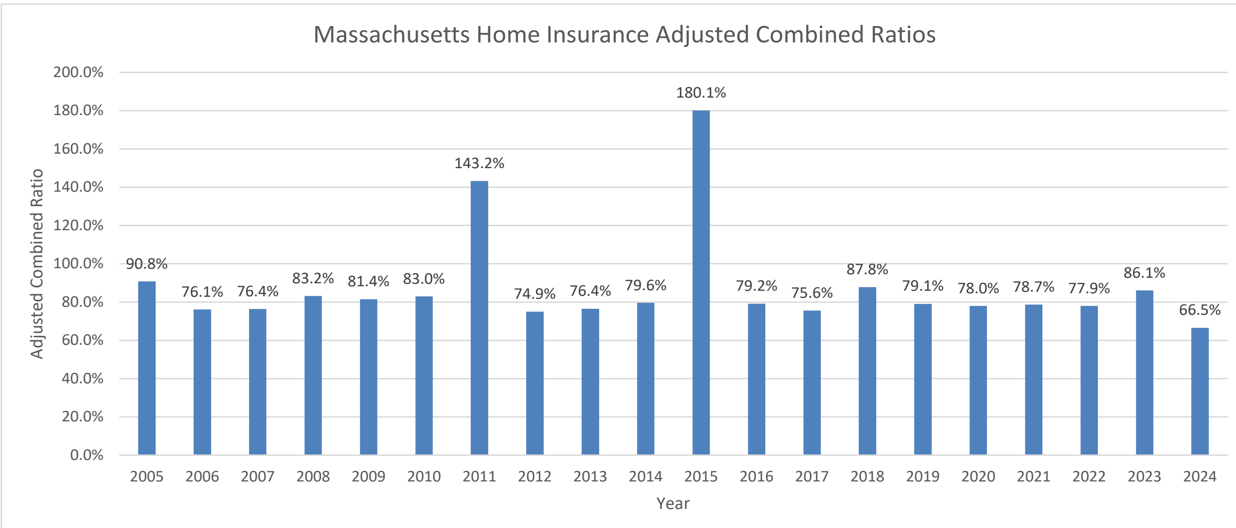



**Figure 20**

Figure 20 illustrates fluctuations in the market's adjusted combined ratio. This can often be caused by weather-related disasters, as observed, for example, in the higher combined ratio in 2015 when Massachusetts was impacted by winter storms/ice dams.

## FAIR Plan Financial Results

During its 2024 fiscal year, the FAIR Plan had an underwriting gain of $33,381,000[23] (see accompanying Statistical Supplement). The mix of FAIR Plan underwriting gains and losses from year to year as shown in Figure 21 demonstrates the high volatility of results in the home insurance lines of business. Please note that the FAIR Plan underwriting results are on a direct basis and do not reflect reinsurance premiums paid by the FAIR Plan or reinsurance recoveries.

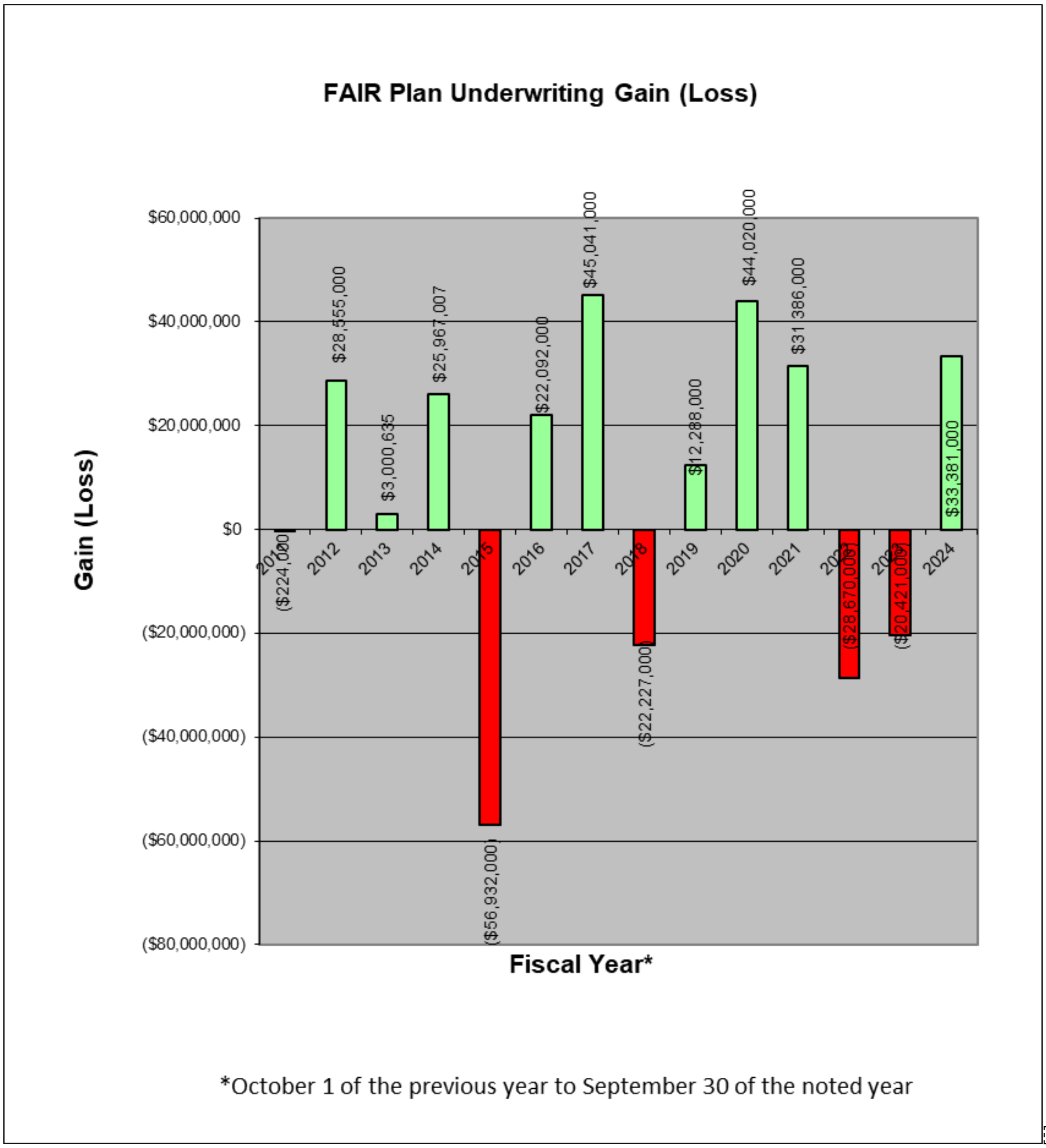



Figure 21

[23] The FAIR Plan fiscal year runs from October 1st of one calendar year to September 30th of the noted calendar year.

Figure 22 illustrates on a per policy basis the FAIR Plan's $193 per policy fiscal year 2024 underwriting result – sometimes termed a "contribution to" (or "charge against") surplus.[24] This gain follows an underwriting loss of $129 per policy in 2023.

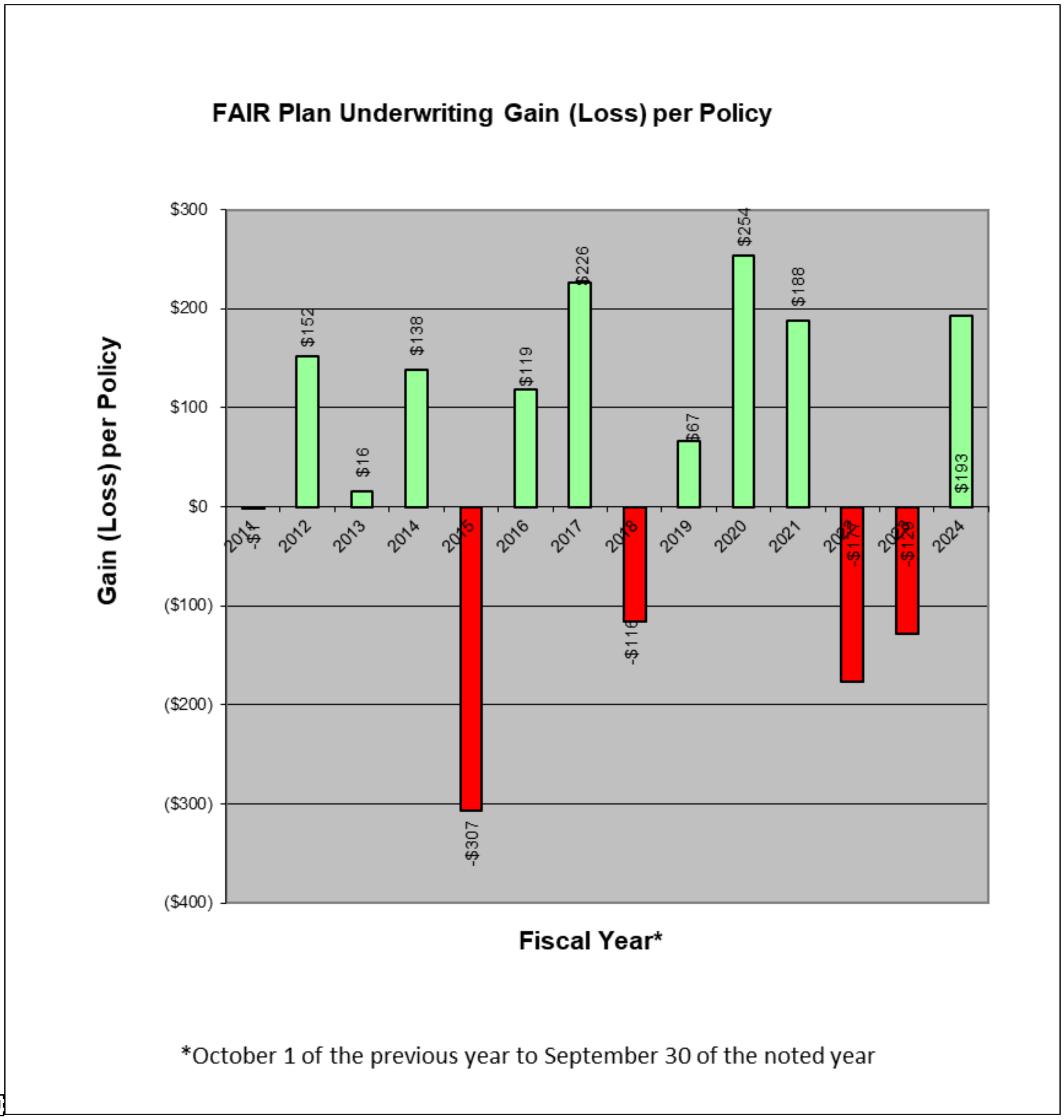



**Figure 22[25]**

[24] The MPIUA (and the FAIR Plan in its post-1976 structure) is not an insurance company or legal entity but, instead, a statutorily mandated association of all the insurance companies writing homeowners' insurance in the Commonwealth. The FAIR Plan refers to its underwriting profit as its contribution to surplus and its underwriting loss as its charge against surplus. For the purpose of this analysis, the report will continue to refer to these as underwriting profit and underwriting loss for owner, condominium, and tenant policies, as reported by the FAIR Plan.

[25] Fair Plan underwriting gain (loss) per policy is calculated by dividing the fiscal year's underwriting profit (loss) by the number of fiscal year owner, condominium and tenant policies issued.

## Changes in FAIR Plan Rates

Between 1996 and 2010, the FAIR Plan filed to revise its rates 11 times. In April 2013, the FAIR Plan submitted a request for an overall statewide increase of 6.8% for home insurance forms. The filing was reviewed in accordance with state law with the hearing on this rate proceeding concluding in 2014. The filing was disapproved in June 2014.

There have been no filings to revise annual average rates by the FAIR Plan since 2013.

**FAIR Plan Home Insurance Rate Changes**

| Effective Date* | Percent |
|---|---|
| 12/31/1996 | 5.3% |
| 12/31/1997 | 2.2% |
| 12/31/1998 | 0.9% |
| 12/31/1999 | 0.1% |
| 12/31/2000 | -0.5% |
| 12/31/2001 | -0.2% |
| 12/31/2002 | 1.9% |
| 12/31/2003 | 2.8% |
| 12/31/2004 | 3.2% |
| 10/1/2006 | 12.4% |
| 3/31/2010 | -0.7% |

*Years not shown had no rate change

**Figure 23**

## FAIR Plan Clearinghouse

The Massachusetts Property Insurance Underwriting Association (MPIUA) -- serves as the residual market insurer. Many of the homes currently insured through the MPIUA could potentially qualify for voluntary market coverage from one or more Massachusetts licensed insurers.

In 2018, the MPIUA Board of Directors authorized and implemented the clearinghouse initiative to help insurance companies work with homeowners' producers to give more residual market (i.e., FAIR Plan) policyholders the opportunity to find coverage in the voluntary market and to depopulate the FAIR Plan.

For an insurance company to participate in the Clearinghouse, the company must be an admitted carrier, licensed to write homeowners' insurance in Massachusetts and must sign a Clearinghouse Agreement containing the terms and conditions under which the MPIUA will provide information to the company.

The information provided to the company does not include any personally identifiable information but does include certain information about the insured and about the property to assist the member company in determining whether to offer homeowners' insurance, through the policy's listed producer, to an existing FAIR Plan policyholder.

The Clearinghouse Agreement and procedure recognizes the producer's ownership of the renewal rights in the policy by permitting a MPIUA member company to participate only if the company first has a contractual relationship with the producer under an agency agreement or a limited servicing agreement. Further, any offer must be made through the insurance producer listed on the FAIR Plan policy. Additionally, the company may contact the listed producer to obtain more information on the risk it is interested in insuring.

# Cancellations and Nonrenewals

Under M.G.L. c. 175, §4B, the Division collects information from the top 25 insurers[26] and the FAIR Plan regarding policies in force, total cancellations, and total nonrenewals for each urban and coastal zip code designated by the Commissioner for additional review and reporting. The data is collected on a calendar year basis for policies written during the reporting period.[27]

## Aggregate Cancellation/Nonrenewal Data for Urban/Coastal Areas[28]

Figures 24A and 24B depict the percentage of cancellations and nonrenewals in the designated areas. The top 25 companies and the FAIR Plan reported that they had 604,835 policies in force in urban and coastal areas as of December 31, 2024. Of the total policies in force, there were 394,351 policies in urban areas and 210,340 policies in coastal areas. The top 25 companies covered 473,846 homes and the FAIR Plan covered 130,989 homes.

Home insurance products are term products, almost always written with a one-year policy period. At the end of the one-year period, insurance companies and insureds must decide whether to continue the coverage for another policy period or to nonrenew the policy. There are no Massachusetts statutes that limit the reasons for the nonrenewal of coverage by an insurer, but an insurer must provide the policyholder or policyholder's insurance producer with at least 45 days advance notice.

A policy cancellation is the termination of a policy before its one-year effective period has expired. The policies may be cancelled by the insured, or, under certain circumstances, the insurance company can cancel the policy.

During 2024, there were a total of 91,815 policies cancelled in urban or coastal areas, with 74,436 cancellations among the top 25 companies and 17,379 cancelled FAIR Plan policies. Of the total number of cancellations, 67,291 policies were cancelled in urban areas and 24,524 policies were cancelled in coastal areas.

[26] The top 25 insurers, primarily insurer groups that were writing homeowners' insurance in Massachusetts in 2024 based on written premium data from the National Association of Insurance Commissioner's database for homeowners' multiple peril, are listed within footnote 6. Some of these insurer groups are better known by the names of their individual insurance companies.

[27] The designated zip codes are identified in Exhibit 8A of the Statistical Supplement to this report.

[28] Statutory cancellation and nonrenewal provisions can be found in M.G.L. c. 175, §§ 4C, 99 and 193P. Detailed information identifying the number of cancellations and nonrenewals by zip code for each of the noted companies is included within the Statistical Supplement to this report.

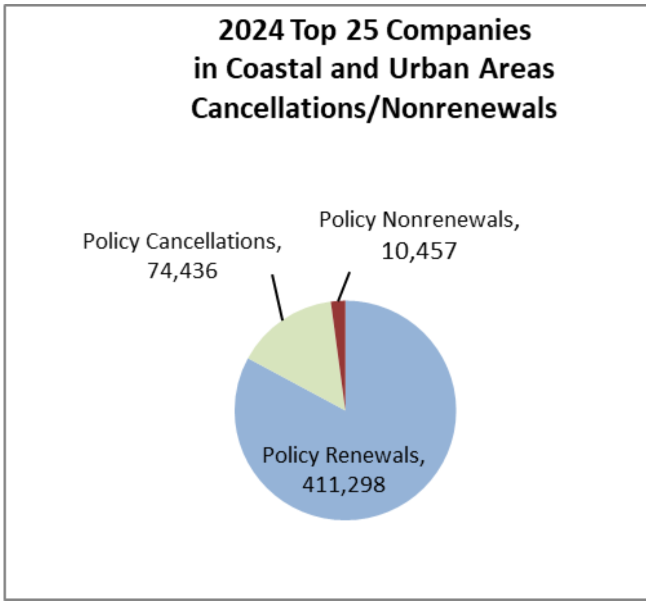



Figure 24A

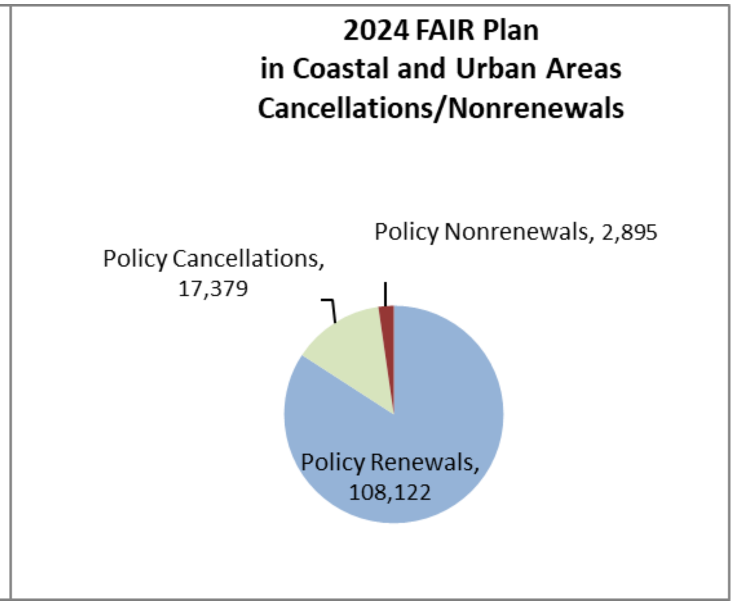
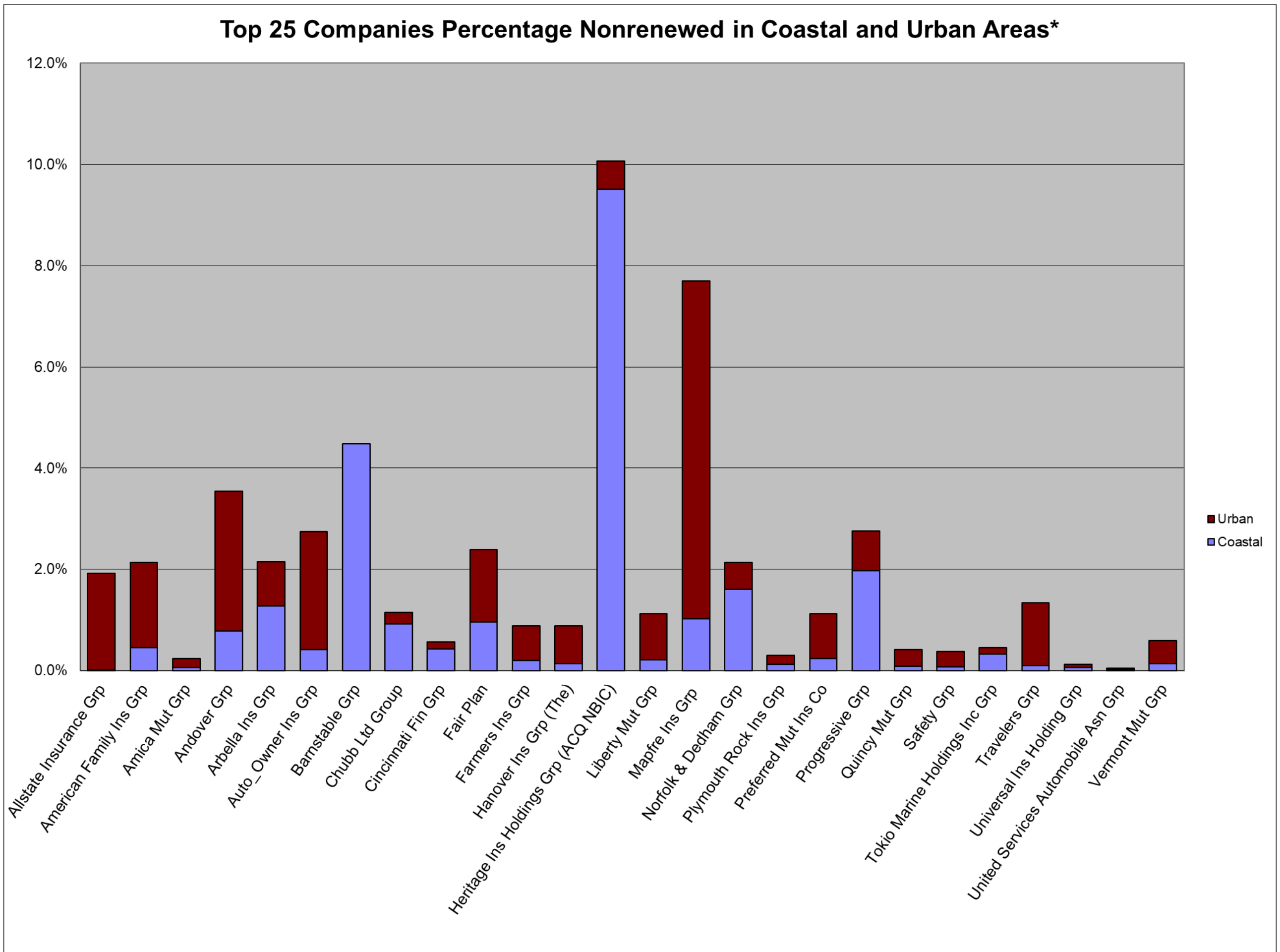



Figure 24B

For purposes of this report, policy nonrenewal refers to the insurance company not offering to renew a policy when it expires. The top 25 companies and the FAIR Plan report that there was a total of 13,352 policies nonrenewed in the urban and coastal designated zip codes in 2024, with 10,457 policies nonrenewed among the top 25 companies and 2,895 nonrenewed FAIR Plan policies. Of the total number of nonrenewals, 6,363 policies were nonrenewed in urban areas and 4,094 policies were nonrenewed in coastal areas.

When examining the information submitted on a company-by-company basis, as illustrated in Figure 25, three companies – Heritage Insurance Holdings Group, Mapfre, and Barnstable Group had the highest nonrenewal percentages in 2024.




*The number of nonrenewals percentage is relative to the number of in-force policies each insurer has in designated zip codes .
"Nonrenewals consist of both "Total Nonrenewals" and "Insurer initiated Nonrenewals due to Company's Geographic Withdrawal".

**Figure 25**

## Cancellations for Urban/Coastal Areas

In examining cancellations in urban and coastal areas, the Division asked companies to report whether cancellations were policyholder-initiated or insurer-initiated, and if insurer-initiated, whether they were made in the first 60 days (when an insurer may do so without reason) or were due to nonpayment or for other permitted reasons after the first 60 days of a policy. The Division requested information regarding the number of cancellations specifically associated with geographic concerns, as opposed to those undertaken for any other reasons.

The top 25 companies and the FAIR Plan reported:

- 91,815 cancellations during 2024.
  - 59,064 were initiated by the policyholder; and
  - 32,751 were initiated by the insurer, of which:
    - 3,331 initiated by the insurer in the first 60 days,
    - 25,196 cancelled due to nonpayment, and
    - 4,224 cancelled for other reasons permitted by law.

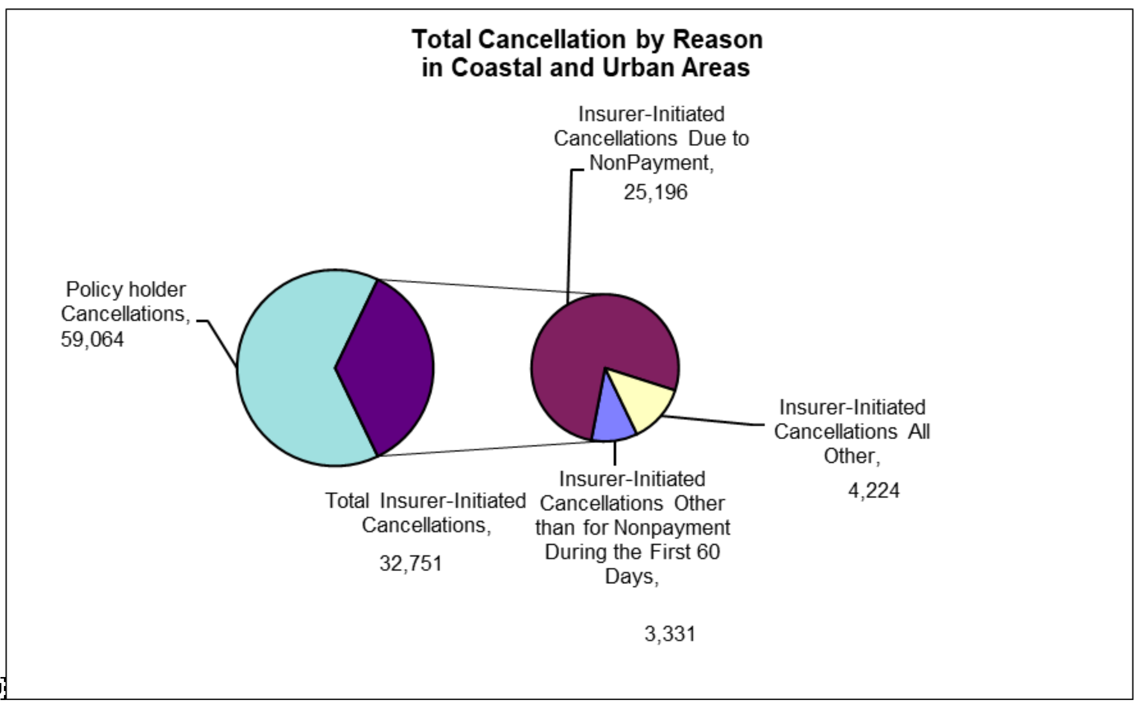



**Figure 26**

From an examination of those policies that were in urban areas:

- 67,291 cancellations occurred during 2024.
  - 41,990 were initiated by the policyholder; and
  - 25,301 were initiated by the insurer, of which:

        - 2,602 initiated in the first 60 days,
        - 19,658 cancelled due to nonpayment, and
        - 3,041 cancelled for other reasons permitted by law.

From an examination of those policies that were in coastal areas:

- 24,524 cancellations occurred during 2024.
    - 17,074 were initiated by the policyholder; and
    - 7,450 were initiated by the insurer, of which:
        - 729 initiated in the first 60 days,
        - 5,538 cancelled due to nonpayment, and
        - 1,183 cancelled for other reasons permitted by law.

The Division does not ask companies to report data where a renewal offer was made and the policyholder did not accept the offer, instances where the policyholder requested that the policy not be renewed, and any nonrenewals connected to an insurance agency that did not produce business for the company during the years 2022, 2023, and 2024. The Division requested that companies distinguish nonrenewals of particular policies from nonrenewals that were made based on (a) the risk of natural perils (*i.e.,* windstorm, hurricane) that are usually covered under the standard homeowner's policy and (b) all other reasons.

The top 25 companies reported that there were 10,457 insurer-initiated policies nonrenewed in the urban and coastal designated zip codes in 2024,[29] with 269 of the nonrenewals resulting from insurer withdrawal from certain geographic areas. Of the reported 10,457 nonrenewals in 2024, there were 4,094 nonrenewals in those zip codes identified as coastal areas and 6,363 nonrenewals in those zip codes identified as urban areas.

In addition to the top 25 company nonrenewals, the FAIR Plan did not renew 2,895 policies according to what is permitted within its Plan of Operations.

[29] The designated zip codes are identified in Exhibit 8A of the Statistical Supplement to this report.

## Claims History of Policyholders Renewed and Nonrenewed in Urban/Coastal Areas in 2024

The Division asked the top 25 home insurance companies to separately report the claims history of policies that were renewed or nonrenewed.[30]

In 2024, of the reported 468,813 urban or coastal policies renewed by the top 25 home insurance companies, there were an estimated 24,261 claims filed during the reporting period, an average of 52 claims filed per 1,000 policies renewed in 2024. The companies reported having paid $428,513,942 in claims during the reporting period for those renewed in 2024, with an average claim size of $14,957.

By comparison, in 2023, of the reported 456,219 policies renewed by the top 25 home insurance companies, there were an estimated 27,918 claims filed during the reporting period, or an average of 61 claims filed per 1,000 policies renewed. The companies reported having paid $455,987,004 in claims during the period for those renewed, with an average size of $13,330.

When comparing urban and coastal renewed policies, there were 54 claims filed per 1,000 coastal policies, as compared to 51 claims filed per 1,000 urban policies. The average claim size for renewal policies was $18,019 per claim for coastal policies, as compared to $13,589 per claim for urban policies.

Of the reported 10,188 policies nonrenewed by the top 25 insurance companies, there were a total of 1,799 claims filed in 2024, or an average of 177 claims filed per 1,000 nonrenewed policies. The companies reported having paid $57,738,664 in claims on these nonrenewed policies during the reporting period, with an average claim size of $32,095.

When comparing urban and coastal nonrenewed policies, there were 202 claims filed per 1,000 coastal policies, as compared to 161 claims filed per 1,000 urban policies. The average claim size for nonrenewed policies was $27,078 per claim for coastal policies, as compared to $35,927 per claim for urban policies.

## Summary of Cancellation/Nonrenewals in Urban/Coastal Areas

It is apparent from survey data that insureds who have been nonrenewed have, on average, filed more claims and more expensive claims during the experience period compared to insureds who were renewed. Nevertheless, a significant number of insureds whose policies were renewed also filed claims. In 2023, approximately 34,208 of those whose coverage was renewed did file claims sometime in the prior three years and companies made payments of $455,987,004 on these claims.

[30] In collecting the claims history for those policies renewed in 2024, the Division requested in its survey that the company report the number of claims reported and dollar value of claims paid during each of 2022, 2023 and 2024. Similarly, in collecting the claims history for those policies nonrenewed in 2024, the Division requested that the company report the number of claims reported and dollar of claims paid during each of 2022, 2023 and 2024.

In 2024, we calculate that 28,649 of those whose coverage was renewed did file claims sometime in the prior three years and companies made payments of $428,513,942 on these claims.

In urban areas, 95.1% of those policyholders with claims were renewed by their insurers. Similarly, 91.9% of those policyholders with claims in coastal areas were renewed by their insurance companies[31]. See Figures 27A and 27B.

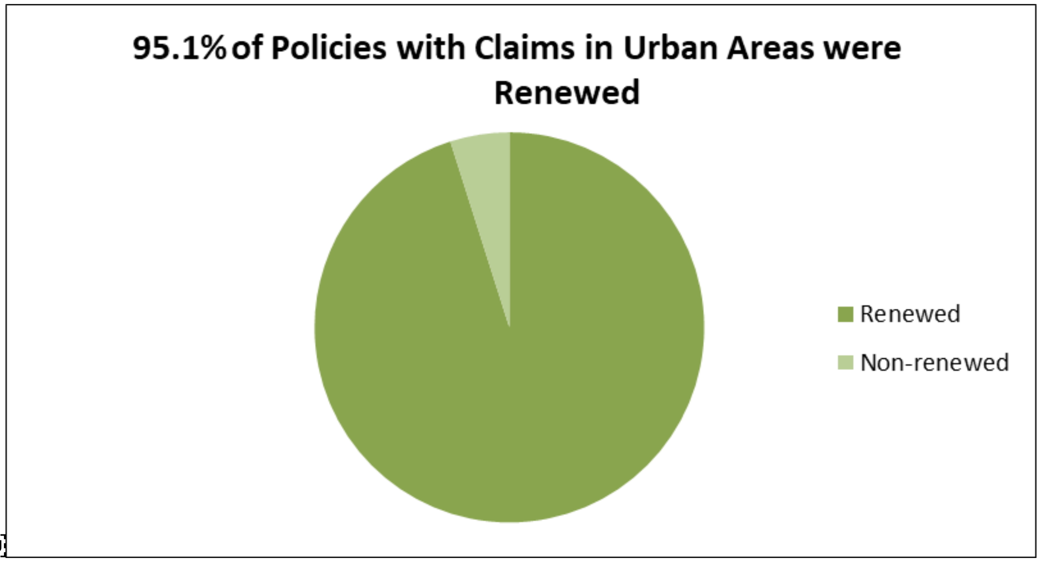



**Figure 27A**

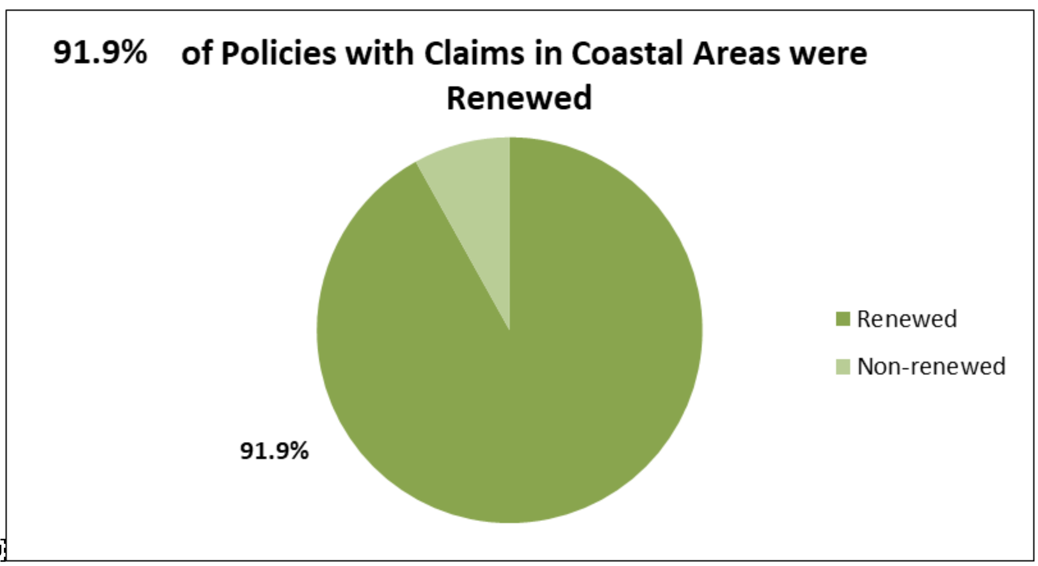



**Figure 27B**

[31] Based on the assumption that there was only one claim per policyholder.