

# Many factors are driving auto and home insurance rates.

## Help your customers understand some industry trends impacting their rates.

The insurance landscape continues to evolve under labor shortages, increasing repair costs and extreme weather. Although the rate of inflation can fluctuate, prices for many items remain high. Here are some of the economic factors impacting premiums.

### Labor shortages are driving repair costs.

There were 434,000 job openings in the construction industry as of December 2023.<sup>1</sup>  
It is projected that 465,825 auto technicians are needed to meet demand through 2027.<sup>2</sup>

### Extreme weather events are more costly than ever.

In 2023, there were 28 weather-related disasters across the U.S. that exceeded \$1B in losses each.<sup>3</sup>

### Car prices and repairs are up over the last 3 years.

Bodywork repairs are up 27%. New car prices are up 21%.  
Used car and truck prices are up 32%.<sup>4</sup>

### Residential building loss dollars from fires are up.

Over the past 10 years, there was an 11% increase in dollar loss from residential building fires.<sup>5</sup>

### More fatal car crashes today than before the pandemic.

While the number of fatal car crashes did decline in the first half of 2023 from 2022, it is still 15% higher than in 2019.<sup>6</sup>



See back for ways you can help customers reduce the impact on their rates.

<sup>1</sup>U.S. Bureau of Labor Statistics, U.S. Department of Labor, Economic News Release, March 6, 2024. <https://www.bls.gov/news.release/jolts.t01.htm>; <sup>2</sup>TechForce Foundation, Technician Supply & Demand Report, Jan 2, 2024. <https://www.aftermarketnews.com/techforce-foundation-releases-2023-supply-demand-report/>; <sup>3</sup>Climate.gov, 2023: A historic year of U.S. billion-dollar weather and climate disasters, Jan 8, 2024. <https://www.climate.gov/news-features/blogs/beyond-data/2023-historic-year-us-billion-dollar-weather-and-climate-disasters>; <sup>4</sup>U.S. Bureau of Labor Statistics, CPI Consumer Price Index, 2023 compared to 2020. <https://beta.bls.gov/dataViewer/view/timeseries/CUSR0000SS45011>; <sup>5</sup>U.S. Fire Administration, Residential Fire Estimate Summaries, April 28, 2022. <https://www.usfa.fema.gov/statistics/residential-fires/>; <sup>6</sup>National Highway Traffic Safety Administration, Early estimate of motor vehicle traffic fatalities for the first half of 2023, Sept 2023. <https://crashstats.nhtsa.dot.gov/Api/Public/ViewPublication/813514>

## Things to consider when customers question premium increases.

- **Use the educational materials** Travelers offers to help customers put the cost of their insurance into context with what's happening in the economy.
- **Offer to conduct a coverage review** so you can help your customers select insurance to meet their needs in light of the rising costs.
- **Customize coverage as needed** to tailor your customers' protection — and their pricing — to fit their specific situation.
- **See if customers are willing and interested** in considering a higher deductible to reduce the amount regularly paid for insurance by increasing the amount they would be willing to pay out of pocket, in the event of a claim.
- **Use Travelers industry-leading Renewal Premium Compare Tool**, which highlights key changes affecting customers' renewal premium and shows discounts a customer may be eligible for.
- **Consider bundling auto and home coverage** when appropriate and where available to help your customers qualify for Travelers' multiple policy discounts.
- **Share these QR codes with your customers** for additional information on what's affecting auto and home rates.



Auto

[travelers.com/WhatAffectsAutoInsurancePrices](https://travelers.com/WhatAffectsAutoInsurancePrices)



Home

[travelers.com/WhatAffectsHomeInsurancePrices](https://travelers.com/WhatAffectsHomeInsurancePrices)

**For Auto:** Suggest valuable options that provide additional protection. Options like Premier Responsible Driver Plan® with Accident Forgiveness and Decreasing Deductible® (*not available in all states, including CA*), Premier New Car Replacement® and Premier Roadside Assistance® can help reduce costs in the event of a claim.

**Offer Travelers IntelliDrive® program**, which rewards safe driving behaviors.\* (*Not available in all states, including CA.*)

**For Home:** Remind customers of the benefits of purchasing Decreasing Deductible® (*not available in all states, including CA*) or Loss Forgiveness. Customers with Decreasing Deductible® receive up to a \$100 credit each year that will be applied toward the deductible in the event of a loss. Loss Forgiveness helps customers avoid a rate increase related to one loss every five years.

**Consider any upgrades that may qualify for discounts.** Installing safety features like smoke detectors, fire alarms, water sensors, interior sprinkler systems, home security systems or smart home technology could offer additional savings.

## How Travelers supports your customers — and you.

With Travelers, you're able to offer customers valuable protection at competitive rates, while helping them save more with our packages and discounts. And your customers are supported by:

- **Claim professionals with extensive knowledge and tools**, such as virtual inspections that allow us to remotely assess damage. We also offer a vast network of convenient repair shops that guarantee repairs for as long as your customer owns the vehicle.
- **A strong and stable partner** with an A.M. Best A++ financial strength rating.\*\* Plus, Travelers can help you connect with consumers on social media, increase your web presence and drive leads into your agency with industry-leading, complimentary marketing resources on *toolkitPlus*.
- **Innovative digital marketing tools and resources** include:
  - Social media campaigns
  - Videos
  - E-brochures and sell sheets
  - Acquisition, cross-sell and retention campaigns

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To find out more, check out *toolkitPlus* at [Travelers.com/ForAgents](https://Travelers.com/ForAgents)

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**TRAVELERS** 

\*Riskier driving behaviors may result in a higher premium.

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