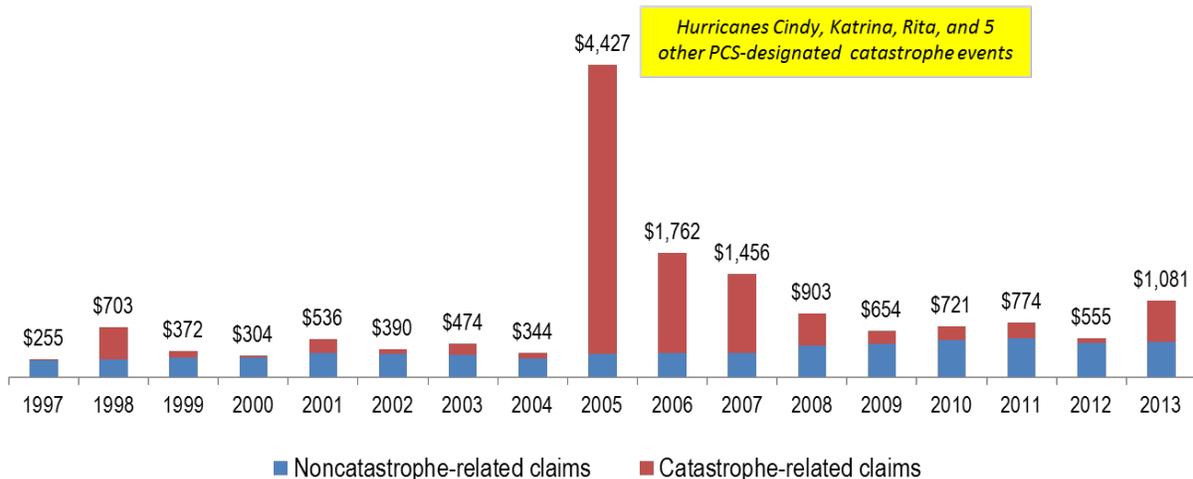




## Trends in Homeowners Insurance Claims *Findings from Mississippi*

The following is an analysis of fundamental trends in the frequency and cost of homeowners insurance claims paid in Mississippi between 1997 and 2013. The analysis is based primarily on data reported by insurance companies participating in the Fast Track Monitoring System. The Fast Track system is a cooperative effort of three major statistical agencies, ISO Data, Inc., Independent Statistical Service, Inc., and National Independent Statistical Services. Insurance companies participating in the system represent approximately one half of the homeowners insurance market countrywide. The findings presented here were previously published in the IRC report *Trends in Homeowners Insurance Claims, 2015 Edition*. More information about the data and methodology can be found in the report.

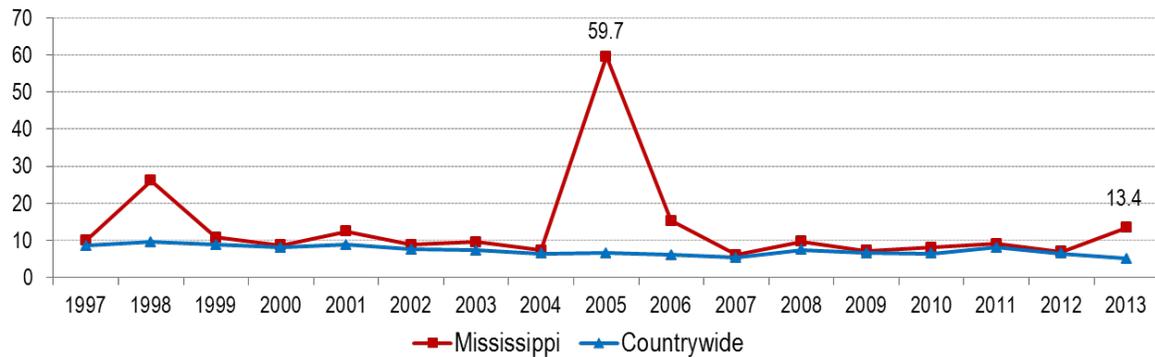
Figure 1  
Homeowners Insurance Claim Trends in Mississippi  
Average Claim Payment per Insured Home, All Policy Forms Combined



Sources: Fast Track Monitoring System; National Climatic Data Center.

- In 2013, homeowners insurance companies paid an average \$1,081 in claim payments for every insured home in Mississippi—145 percent more than the \$442 paid on average countrywide. Although dwarfed by some earlier years, Mississippi's average claim payment per insured home was second highest among all the states in 2013.
- As clearly seen in Figure 1, Mississippi experienced extraordinarily high homeowners claim costs during the period 2005-2007, due to Hurricanes Cindy, Katrina, Rita and several other catastrophe-related events.

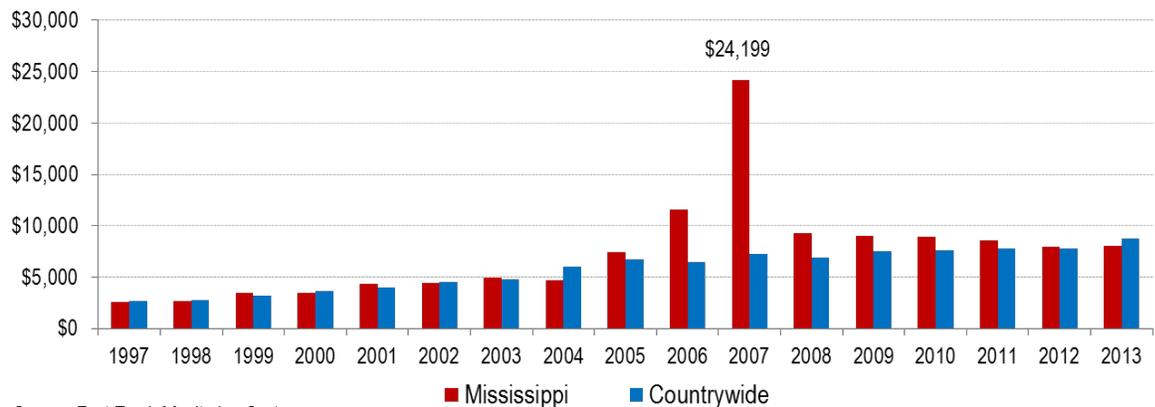
Figure 2  
Homeowners Insurance Claim Frequency in Mississippi  
Number of Claims Paid per 100 Insured Homes, All Policy Forms Combined



Source: Fast Track Monitoring System.

- The frequency of paid homeowners insurance claims, depicted in Figure 2, is the number of paid claims per 100 insured homes.
- In 2013, the paid claim frequency rate in Mississippi was 13.4, which was 166 percent greater than the countrywide average of 5.0. The higher costs per insured home in 2013, depicted in Figure 1, was due primarily to higher claim frequency.
- The volatility of homeowners insurance claim frequency in Mississippi over the 17-year period examined was attributable primarily to catastrophe-related experience, producing extraordinarily high claim frequency rates in 2005.

Figure 3  
Homeowners Insurance Claim Severity in Mississippi  
Average Insurance Payment per Paid Claim, All Policy Forms Combined



Source: Fast Track Monitoring System.

- Claim severity, depicted in Figure 3, is the average payment per paid homeowners insurance claim. The average severity of homeowners insurance claims in Mississippi was similar to average claim severity countrywide over the 17-year period examined, with the obvious exceptions of 2006 and 2007, when claim severity climbed to \$11,537 and \$24,199.
- Increases in the severity of homeowners insurance claims in Mississippi has multiple causes, including an increase in the size and complexity of new homes, the increased severity of storms, and major increases in the price of oil-based building materials such as asphalt and tar roofing.