

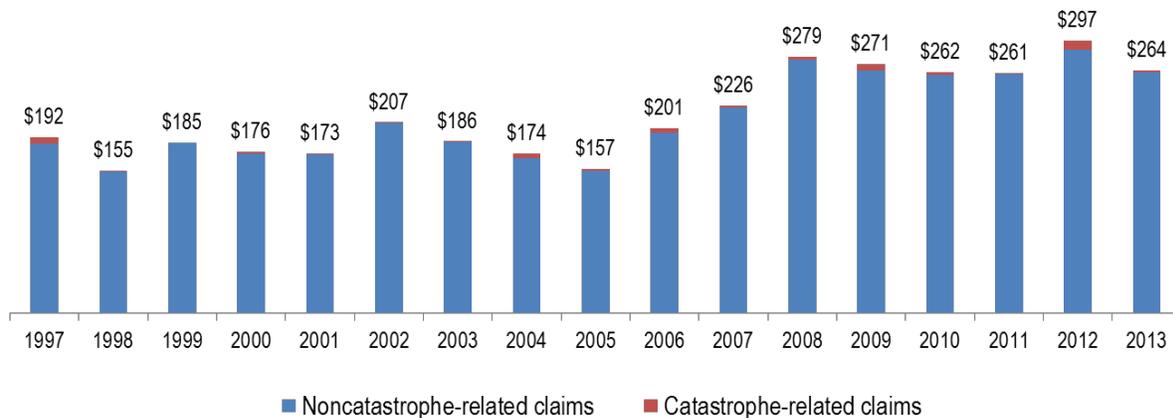


Trends in Homeowners Insurance Claims

Findings from Idaho

The following is an analysis of fundamental trends in the frequency and cost of homeowners insurance claims paid in Idaho 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.

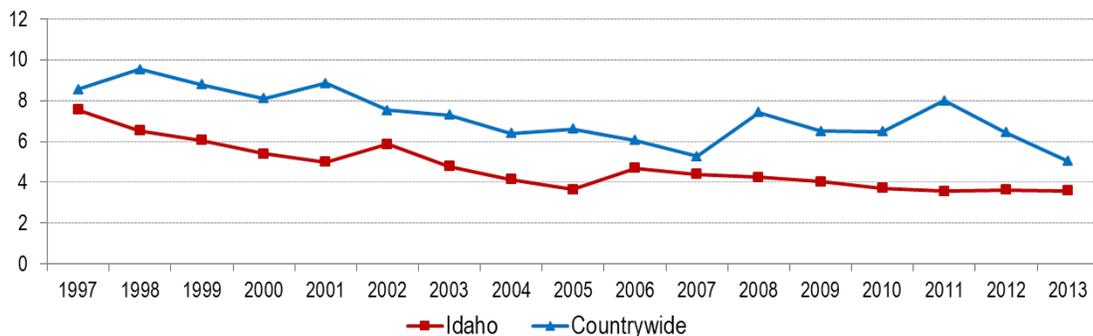
Figure 1
Homeowners Insurance Claim Trends in Idaho
Average Claim Payment per Insured Home, All Policy Forms Combined



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

- In 2013, homeowners insurance companies paid on average \$264 in claim payments for every insured home in Idaho—40 percent less than the \$442 paid on average countrywide.
- Average claim payments per insured home in Idaho were substantially lower than the countrywide average payment every year from 1997-2013.
- According to reporting insurance companies, catastrophe-related claim payments accounted for one percent of overall costs in 2013, which is far less than the 30 percent reported countrywide.

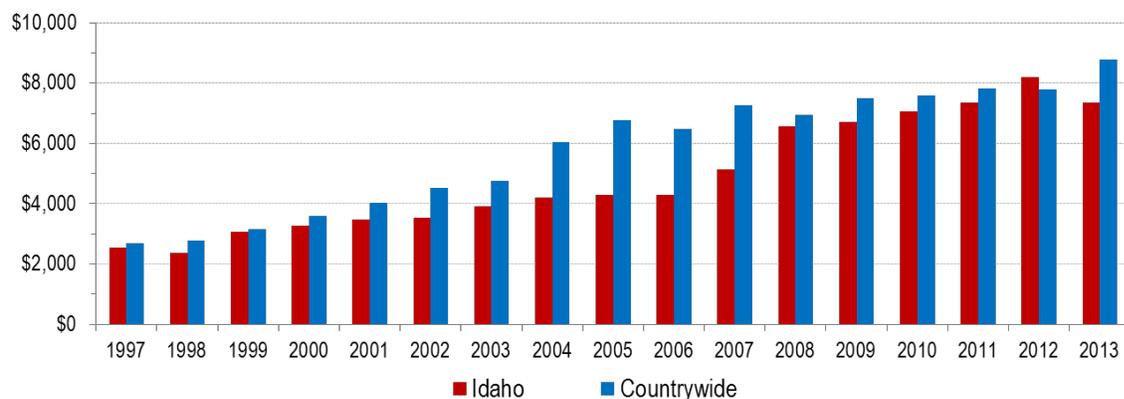
Figure 2
Homeowners Insurance Claim Frequency in Idaho
Number of Claims Paid per 100 Insured Homes, All Policy Forms Combined



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.
- Homeowners insurance claim frequency in Idaho has been on a general decline since 1997, when 3.6 homeowners insurance claims per 100 insured homes were reported by insurance companies. Claim frequency in Idaho was lower than the countrywide average over the entire 1997-2013 study period.

Figure 3
Homeowners Insurance Claim Severity in Idaho
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.
- Although claim severity was lower in Idaho than countrywide in all but one year (2012), claim severity grew more rapidly in Idaho than countrywide. The average severity of homeowners insurance claims in Idaho grew from \$2,538 in 1997 to \$8,201 in 2012, before falling to \$7,360 in 2013. Over the entire 17-year study period, claim severity in Idaho grew at an annualized rate of 9.0 percent. Average claim severity countrywide grew at an annualized rate of 7.8 percent, and inflation during the period averaged 2.4 percent per year.
- The rapid and continuing increase in the severity of homeowners insurance claims 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.