



NATIONAL ASSOCIATION OF
INSURANCE COMMISSIONERS

Measuring and Assessing (Homeowner) Insurance Affordability



**NAIC 2024 SUMMER
NATIONAL MEETING**

WEDNESDAY, AUGUST 14

1:00 PM – 2:30 PM (CT)

NAIC | CENTER FOR INSURANCE POLICY AND RESEARCH



Measuring and Assessing (Homeowner) Insurance Affordability

August 14, 2024 | 1:00 - 2:30 pm (CT)

Overview

Today it is difficult to not see news coverage highlighting growing U.S. insurance costs and affordability challenges. Here are some fairly recent examples - [“Even if you can afford to buy a home these days, Americans must ask themselves if they can afford to insure it.”](#); [“Majority of Americans say car insurance is becoming unaffordable”](#); [“Why is Health Insurance so Expensive?”](#) But importantly what is driving these insurance costs increases, given cost increases how does one measure and determine whether insurance is affordable versus unaffordable, and facing affordability challenges what options do consumers have at their disposal and are they deploying them? During this event we will address these questions with panelists drawing upon their own existing data, studies, and interactions with consumers to provide objective evidence to the discussion and highlight existing knowledge gaps in the measurement and assessment of insurance affordability.

The event will begin with a presentation of trends in the cost of insurance, focusing largely on homeowner property insurance. The presentation will then present some metrics of insurance affordability and how those have changed over time. Following the presentation will be a panel discussion. The panel will discuss the causes and consequences of cost trends and the implications for insurance affordability, including the best ways to measure affordability. The panel will also discuss what options consumers have when facing affordability of insurance issues and how often and/or well they are aware of and employ these options.

Learning Objectives

- Identify trends in the cost of insurance, focusing largely on homeowner property insurance
- Assess the causes and consequences of cost trends and the implications for insurance affordability, including the best ways to measure affordability
- Highlight options consumers have when facing affordability of insurance issues and how often and/or well they are aware of and employ these options



Plan For Event

1. Opening Remarks (*5 minutes*)
Commissioner Alan McClain, Arkansas Insurance Commissioner
2. Trends in the cost of insurance, focusing largely on homeowner property insurance (*25 minutes*)
CIPR
3. Panel discussion (*60 minutes including audience Q&A*)

PANELISTS

Amy Bach, Executive Director, United Policyholders & NAIC Consumer Representative

Vickie Kilgore, Assistant Vice President, Insurance Research Council (IRC)

Dr. Lars Powell, Director, Center for Risk and Insurance Research, University of Alabama

MODERATED BY

Jeff Czajkowski, Director, Center for Insurance Policy and Research





COMMISSIONER ALAN McCLAIN

Arkansas Insurance Commissioner

On April 3, 2020, Governor Asa Hutchinson appointed Alan McClain as Arkansas Insurance Commissioner. McClain began his career in state government in 1992 with the Arkansas Insurance Department after working with Sedgwick Insurance Group. He worked for the Arkansas Workers' Compensation Commission for 13 years and was the CEO of that Commission for almost nine years.

Most recently, McClain served as Commissioner of the Arkansas Rehabilitation Services (ARS). In this role, which he assumed in 2015, he administered the day-to-day operations of ARS, which administers the Federal Vocational Rehabilitation Act.

McClain has also served on the Arkansas Workforce Development Board and the Governor's Council on Developmental Disabilities. He is a past president of the International Association of Industrial Accident Boards & Commissions and the Council of State Administrators of Vocational Rehabilitation.

He holds an undergraduate degree from Hendrix College and a master's in Public Administration from the University of Arkansas at Little Rock.



AMY BACH

Executive Director, United Policyholders
NAIC Consumer Representative

Amy Bach has been a professional insurance consumer advocate since 1985 and an attorney since 1989. She co-founded United Policyholders in 1991 and serves as the organization's Executive Director and primary spokesperson; shaping and overseeing the Roadmap to Recovery™, Roadmap to Preparedness, and Advocacy and Action programs.

A nationally recognized consumer advocate and an expert on insurance trends, claims, coverage, law and public policy matters; Bach is in her second term as an appointed member of the Federal Advisory Committee on Insurance and has been an official Consumer Representative with the National Association of Insurance Commissioners since 2009. She is also a member of the Fire Victim Trust Oversight Committee and a Redwood Credit Union Associate Board Member.

Bach is frequently interviewed in print and broadcast media, and is the author of numerous publications including "The Disaster Recovery Handbook", "WISE UP: The Savvy Consumer's Guide to Buying Insurance" and a contributor to several editions of "Buying Your First Home" (Nolo Press), Bach's awards include Person of the Year, (NAPIA) and Money Magazine's "Money Hero".



VICKIE KILGORE

Insurance Research Council

Victoria Kilgore is Assistant Vice President at the Insurance Research Council (IRC), a division of The Institutes. The IRC is an independent, nonprofit research organization supported by leading property and casualty insurance companies and associations. It provides timely and reliable information based on extensive data collection and analyses, examining important public policy matters that affect insurers, customers, and the general public. IRC is devoted solely to research and the communication of its research findings. It does not,

however, advocate public policy; nor does it directly influence specific legislative initiatives or engage in lobbying communications.

With more than 20 years of industry research experience, Vickie leads the IRC public policy research process which includes closed claim studies, public opinion surveys, and other data collections. Her primary area of research has been auto injury claims, and she has authored several studies focusing on issues such as the affordability of auto insurance, attorney involvement, and fraud and buildup in auto injury claims. She has presented IRC work to state legislative committees, the Casualty Actuarial Society, the Society of Insurance Research, National Council of Insurance Legislators, and at other industry events. She currently serves on the board of the Society of Insurance Research. Originally from Fort Wayne, Indiana, Vickie is a graduate of Northwestern University where she received a B.A. in economics. She received her M.A., also in economics, from the University of Michigan. She is proud to have earned the CPCU designation.



DR. LARS POWELL

Director, Center for Risk and Insurance
Research, University of Alabama

Dr. Lars Powell is Director of the Center for Risk and Insurance Research (ACIIR) at the University of Alabama. ACIIR identifies and solves insurance problems with research and education. Dr. Powell has previously worked in both academic and industry roles.

Lars' primary research interests include loss mitigation, insurer capitalization, and the effects of regulation on insurance markets. His work appears in several top academic and practitioner journals. Lars is a former Editor of the Journal of Insurance Regulation, a founding board member (emeritus) of Arkansas Mutual Insurance Company, and a recipient of the National Association of Mutual Insurance Companies' NAMIC Service Award. He earned undergraduate degrees from the University of South Carolina, and a Ph.D. in Risk Management and Insurance from the University of Georgia.



JEFFREY CZAJKOWSKI

CIPR Director

Dr. Jeffrey Czajkowski serves as the Director of the Center for Insurance Policy and Research (CIPR) for the National Association of Insurance Commissioners (NAIC). The CIPR provides research and education to drive discussion and advance thought leadership as well as action on current and emerging insurance issues amongst insurance regulators, policymakers, industry, and academics. This is accomplished through CIPR's events, research publications, newsletter and website, the Journal of Insurance Regulation, and its extensive NAIC research library holdings.

Prior to joining the CIPR, he served as the Managing Director for the Wharton Risk Management and Decision Processes Center at the University of Pennsylvania, conducting research on various economic and risk-related issues of natural disasters and resilience, as well as on issues of environmental economics. His work has been published in leading risk management, insurance, natural hazards, and environmental economics journals. A significant amount of his research involves working collaboratively in cross-disciplinary research teams and applying research findings through various interactions with top policymakers and senior executives in the insurance industry. This has included serving on two National Academy of Sciences committees, being an academic advisory board member for the World Economic Forum's Global Risk Report, a member of the Federal Alliance for Safe Homes (FLASH) Resilience Policy Council, and a fellow for the Willis Research Network.

He holds a B.S. from Carnegie Mellon University, an M.S. in environmental and urban systems from Florida International University, and a Ph.D. in economics from Florida International University.

Preceding graduate school, he worked in New York City as a research associate for Coopers & Lybrand Consulting and was a vice-president for JP Morgan. He has taught economic courses for over 15 years at a number of universities and was an adjunct assistant research professor at the International Hurricane Research Center (IHRC) at FIU.



Related Research

[Cost Trends and Affordability of Automobile Insurance in the U.S.](#)

[Auto Insurance Affordability](#)

[Homeowners Insurance Affordability: Countrywide Trends and State Comparisons](#)

[The Council Commercial Property/Casualty Market Index Q2/2023](#)

[Freddie Mac Economic, Housing and Mortgage Market Outlook - March 2024 | Spotlight: Homeowners' Insurance Costs](#)

[Guaranteed Rate - How to Navigate the Home Insurance Market in 2024](#)

[NAIC Dwelling Fire, Homeowners Owner-Occupied, and Homeowners Tenant and Condominium/Co-operative Unit Owner's Insurance Report: Data for 2021](#)

[NAIC, 2023 Annual Health Insurance Industry Analysis Report](#)

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The National Association of Insurance Commissioners (NAIC) is the U.S. standard-setting and regulatory support organization created and governed by the chief insurance regulators from the 50 states, the District of Columbia and five U.S. territories. Through the NAIC, state insurance regulators establish standards and best practices, conduct peer review, and coordinate their regulatory oversight. NAIC staff supports these efforts and represents the collective views of state regulators domestically and internationally. NAIC members, together with the central resources of the NAIC, form the national system of state-based insurance regulation in the U.S.

For more information, visit www.naic.org.

