



How are Property Insurance Rates Determined?

Unfortunately, prices are going up everywhere. Whether it is your electric bill or higher prices at the gas pump – rising costs are affecting everyone. Many factors determine what you pay for property insurance. Rates are primarily based on the risk of unexpected damage to the property, along with the actual cost to repair property damages.

Some of the other factors that can change your insurance rate:



MATERIAL AND LABOR COSTS

Just like everyone else, insurance companies are paying more for things like building materials and labor. In some cases, supply chain shortages and skilled labor costs are escalating much higher than the rate of inflation.



OVERALL CLAIM TRENDS

In recent years, wind, hail, water damage, and damage from freezing temperatures due to shifting weather patterns have increased the number of claims.



NATURAL DISASTERS

Record-breaking wildfire seasons, stronger hurricanes and historic temperature fluctuations have contributed to the increase in property insurance costs.



POLICY CHANGES

Home renovations, including new windows, new siding, upgraded bathrooms and kitchens, new appliances, and other enhancements, may increase replacement costs, leading to an increase in insurance premiums.

What can you do to lower your insurance costs?

At MAPFRE, what matters to you is what we're made for—being dedicated to our customers, protecting what you value most. We want to ensure that you have the right protection and that you are taking advantage of the many credits, discounts and added coverages we offer. Reach out to your trusted agent for more information about:

- Bundle your Home and Auto Discount
- MAHA Homesafe Discount
- Protective Device Discount

Sources

Facts + Statistics: Homeowners and renters insurance - Homeowner insurance expenditures. Insurance Information Institute
Best and worst states for climate change. PolicyGenius October 5, 2022