



Session 6K: Climate Events and Insurance Affordability

November 5, 2025

Moderator:

Rebecca Owen, MAAA, FSA

Presenters:

The Honorable Patty Kuderer, Washington State Insurance Commissioner
Peter Ott, FCAS

SOA Antitrust Compliance Guidelines

Active participation in the Society of Actuaries is an important aspect of membership. While the positive contributions of professional societies and associations are well-recognized and encouraged, association activities are vulnerable to close antitrust scrutiny. By their very nature, associations bring together industry competitors and other market participants. The United States antitrust laws aim to protect consumers by preserving the free economy and prohibiting anti-competitive business practices; they promote competition. There are both state and federal antitrust laws, although state antitrust laws closely follow federal law. The Sherman Act, is the primary U.S. antitrust law pertaining to association activities. The Sherman Act prohibits every contract, combination or conspiracy that places an unreasonable restraint on trade. There are, however, some activities that are illegal under all circumstances, such as price fixing, market allocation and collusive bidding.

There is no safe harbor under the antitrust law for professional association activities. Therefore, association meeting participants should refrain from discussing any activity that could potentially be construed as having an anti-competitive effect. Discussions relating to product or service pricing, market allocations, membership restrictions, product standardization or other conditions on trade could arguably be perceived as a restraint on trade and may expose the SOA and its members to antitrust enforcement procedures.

While participating in all SOA in person meetings, webinars, teleconferences or side discussions, you should avoid discussing competitively sensitive information with competitors and follow these guidelines:

- **Do not** discuss prices for services or products or anything else that might affect prices
- **Do not** discuss what you or other entities plan to do in a particular geographic or product markets or with particular customers.
- **Do not** speak on behalf of the SOA or any of its committees unless specifically authorized to do so.
- **Do** leave a meeting where any anticompetitive pricing or market allocation discussion occurs.
- **Do** alert SOA staff and/or legal counsel to any concerning discussions
- **Do** consult with legal counsel before raising any matter or making a statement that may involve competitively sensitive information.

Adherence to these guidelines involves not only avoidance of antitrust violations, but avoidance of behavior which might be so construed. These guidelines only provide an overview of prohibited activities. SOA legal counsel reviews meeting agenda and materials as deemed appropriate and any discussion that departs from the formal agenda should be scrutinized carefully. Antitrust compliance is everyone's responsibility; however, please seek legal counsel if you have any questions or concerns.

Presentation Disclaimer

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Soon To Be Released From Various Workstreams:

- Insurance Affordability
- ORSA Climate Scenarios
- Attribution Science

1. How concerned are you about the financial costs of climate change to the U.S. economy?

- A. Very concerned
- B. Somewhat concerned
- C. Not very concerned
- D. Not at all concerned

2. In the past 5 years, have climate-related events (e.g. wildfires, floods, hurricanes, extreme heat) directly affected you or your community?

- A. Yes, significantly
- B. Yes, somewhat
- C. No, but I know people who have been affected
- D. No, not at all

3. In the past 5 years, do you believe homeowners' insurance rates in your state have increased faster than household incomes?

1. Yes, much faster
2. Yes, somewhat faster
3. About the same
4. No, slower
5. Don't know / unsure

The Consumer Perspective

Tracking the numbers

- Nationally, home insurance rates rose 11.3% in 2023, according to S&P Global Market Intelligence. They shot up 33.8% from 2018 through 2023. However, costs have risen by much more in some states. In Texas, they rose 59.9% over the same time period.
- Nearly half of all U.S. homes are at risk of severe or extreme damage from environmental threats, affecting nearly \$22 trillion in real estate, according to a recent Realtor.com® report.

<https://www.realtor.com/news/trends/the-states-where-home-insurance-rates-are-rising-the-most/>

States with highest increases 2018 - 2023

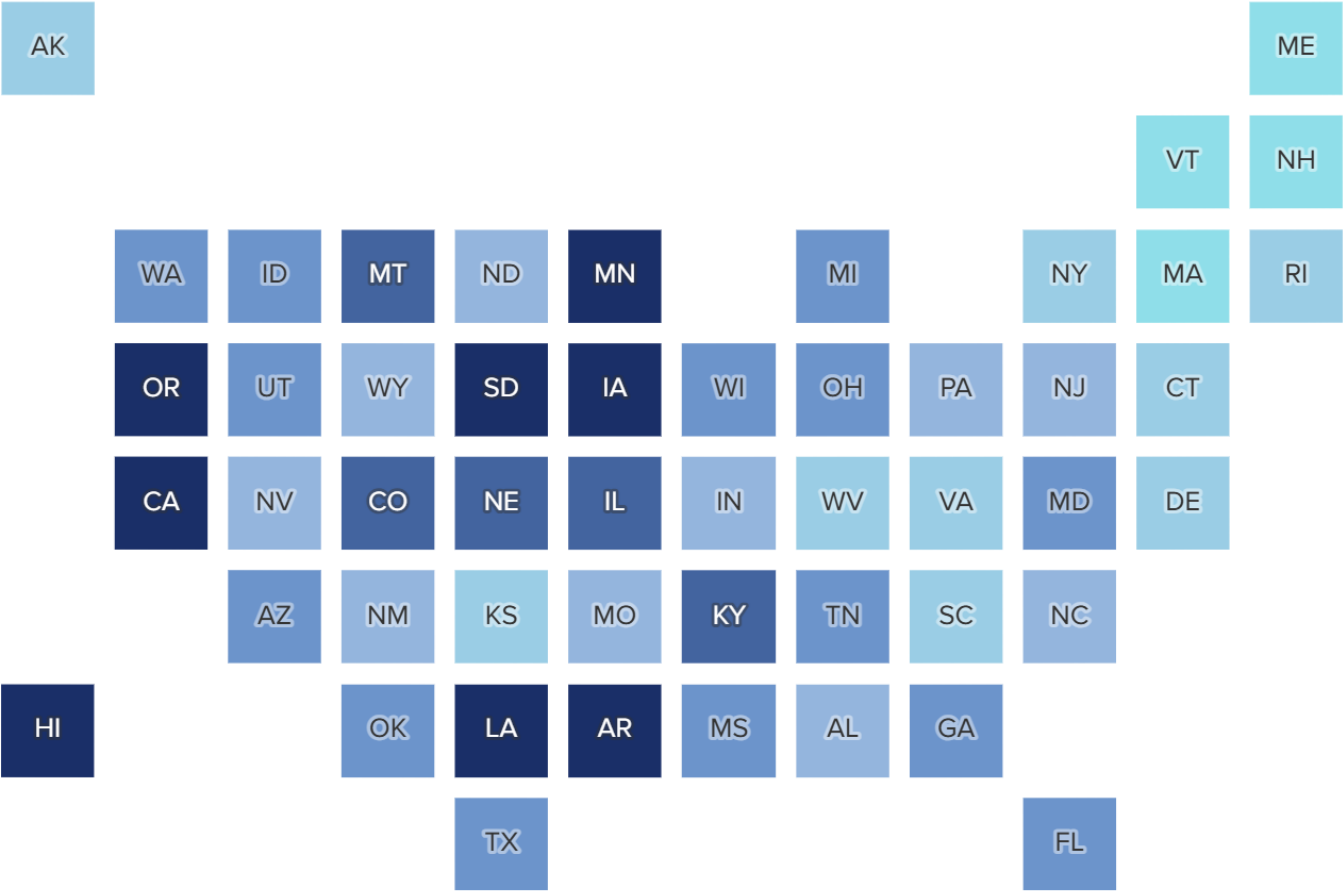
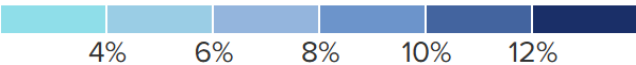
1. Texas – 59.9%
2. Colorado – 57.9%
3. Arizona – 52.9%
4. Utah – 51.9%
5. Nebraska – 48.6%
6. Illinois – 45.8%
7. Oregon – 44.8%
8. California – 43.7%
9. Florida – 43.2%
10. Oklahoma – 42.2%

National average is 33.8%

Projected increases for homeowners insurance premiums in the U.S. in 2025

Average percent and dollar change from 2024

YEAR-OVER-YEAR PERCENT INCREASE



People perceive they have few affordable choices

- ValuePenguin did a survey and concludes it's growing ever harder for homeowners to find affordable insurance for their homes and property.
 - Premium increases hit 66% of homeowners in 2024
 - 25% of homeowners have seen their insurance dropped by their insurer in 2025 – ValuePenguin insurance expert Rob Bhatt reports this is a 19% increase over 2024.

... And they are talking about it in public forums

Reddit has a lot to say about this:

From Florida: “My 1961 ranch, 3/2.5, 2,200 sq ft., block and brick construction, in a high priced neighborhood, went from \$7k to \$13k to \$20k in 3 years. My mortgage lender of 30 years refused to allow me to drop or reduce home owners insurance.”

From Oregon: “So I got my renewal for homeowners insurance and they just decided on raising rates by 33% because... I have received a few other quotes and they are very similar in price. Which companies do you find offer the best rates for home insurance in Bend? I have lived here for a while and have never seen an increase like this.”

From Texas: “Mine went up 40% this year, they cited increased deductibles, rebuild costs, storm damage and weather being the main culprits.”

Our Presenters Today

- Patty Kuderer, Insurance Commissioner, State of Washington
- Peter Ott, FCAS - Senior Pricing Officer & Vice President
Reinsurance - Property & Specialty Underwriting
Swiss Re America Holding Corporation

Questions?

For more information, please contact Will Behnke, the Academy's Risk Management and Financial Reporting policy project manager
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2025
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CONFERENCE

Questions?



Provide Your Feedback