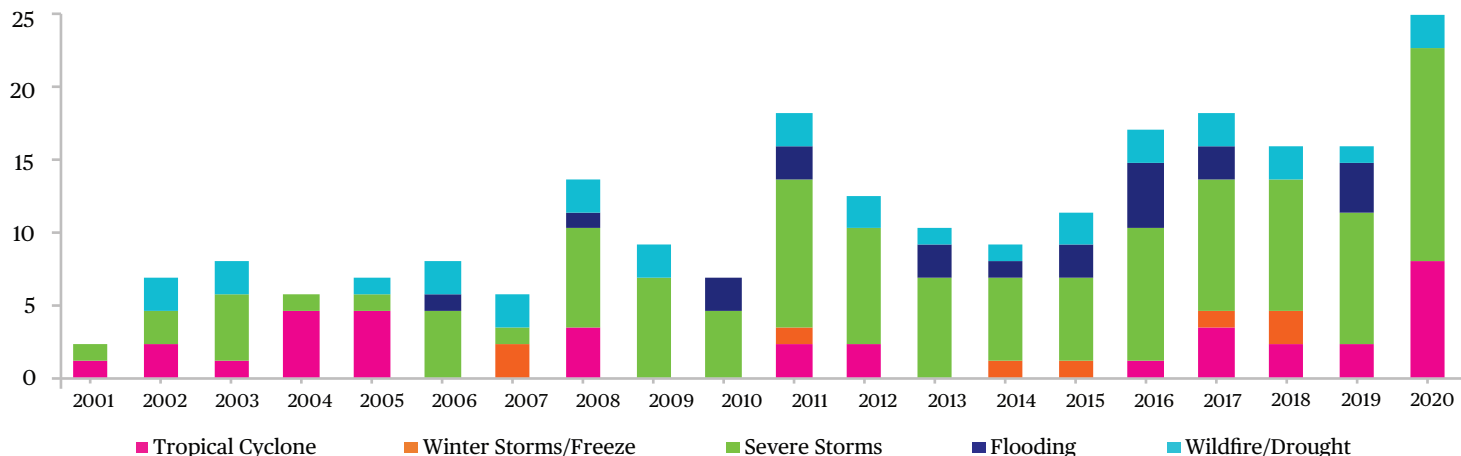


# Market Trends 2021

Trends affecting the personal insurance market for successful families and individuals

## Record Year For \$1B Weather and Climate Disaster Events with 22 Events

### U.S. Billion-Dollar Disaster Events<sup>1</sup>



### 2020 Data Review

In the last decade, the U.S. has seen 129 \$1B weather and climate events, **more than double** the 64 events in the decade prior



### 2020 Hurricanes<sup>2</sup>

#### 30 Named Storms

This is the highest number of named storms on record, surpassing 28 from 2005, and the second-highest number of hurricanes on record

#### Above Normal Season

2020 was the fifth consecutive above-normal season. The last five years saw 90 named storms, a 22% increase over the previous five years

#### 12 Storms hit the U.S. Coastline

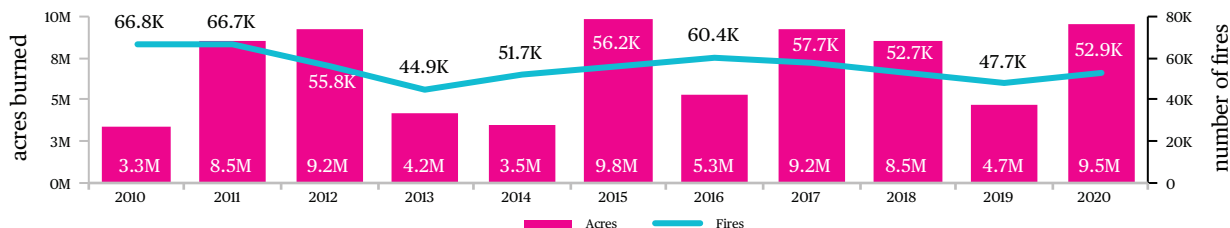
5 of these storms came ashore in Louisiana. Prev. record was in 1916 when 9 storms hit the U.S. coastline

#### Est. Damages

More than \$41 billion (2020 USD)



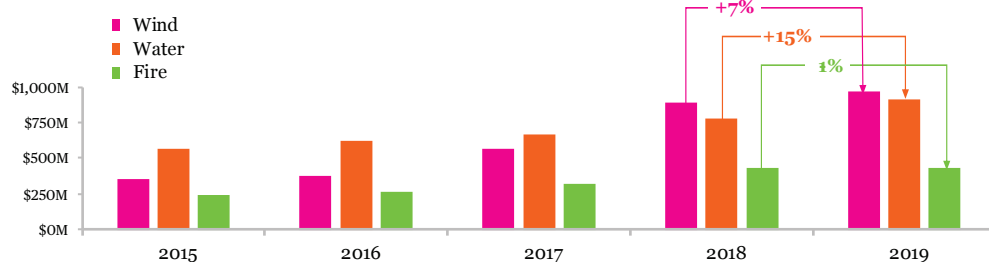
### U.S. Wildfires<sup>3</sup>



5 of the top 6 largest California wildfires occurred in 2020

## Water And Wind Paid Losses Continue To Rise

### 5-Year Trend of P&C Industry-Paid Losses in Luxury Home / Condo



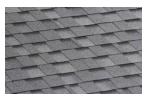
### Key Facts on Damage Trends<sup>4</sup>

- From 2015 to 2019, industry-paid losses were up significantly for water, wind, and fire.
- Year over year, paid water losses are increasing at a larger percentage than wind and fire
- Plumbing-supply system failure remains the #1 source of residential water losses

## Replacement Cost Trends for Home, Auto, and Boat

### Home:<sup>5</sup> Material Costs for 3,000 Square Foot Roof, 2008 vs 2020

#### Asphalt Roofing



+77%

#### Metal Roofing



+31%

2008 **\$2,600** (in 2020 \$)  
2020 **\$4,600**

2008 **\$9,700** (in 2020 \$)  
2020 **\$12,800**

### Material Costs Common in Reconstruction

#### Framing Lumber<sup>6</sup>



+155%

#### Sheet Rock<sup>7</sup>



+32%

2008 **\$310** (in 2020 \$)  
2020 **\$790**

2008 **\$180** (in 2020 \$)  
2020 **\$230**

### Cost Impacts to a Kitchen Renovation<sup>8</sup>

Cost increases from 2010-2020

**31%**  
Millwork (Moldings, trim, cabinetry)

**10%**  
Household cooking appliances

**22%**  
Paint products (Paint and painting materials)



**22%**  
Plumbing fixtures (Faucets and pipes)

**25%**  
Variations to cut stone (Countertops)

### Newer Models with Advanced Technology Increasing the Costs for Vehicle Components<sup>9</sup>

Mercedes CLS Front Bumper Cover    Mercedes CLS Headlamp Assembly



+173%



+50%

2018 **\$610**    2020 **\$1,670**    2018 **\$2,446**    2020 **\$3,674**

### Newcomers Join the Boating World in 2020



Reports that retail unit sales of new powerboats in the U.S. increased last year by an estimated 12% compared to 2019. This is at levels the recreational boating industry has not seen since before the great recession in 2008.<sup>10</sup>

1. NOAA National Centers for Environmental Information (NCEI) U.S. Billion-Dollar Weather and Climate Disasters

2. NOAA, Redzone.com

3. NIFC, fire.ca.gov

4. DisasterSafety.org, ISO

5. Data obtained from individual manufacturer websites and related articles in Forbes, NYTimes, and Consumer Reports

6. Cost per 1,000 board feet, Source: Fast Markets RISI

7. Cost per 1,000 square feet gypsum, Source: U.S. Federal Reserve Board

8. U.S. Bureau of Labor Statistics Monthly Pricing Indexes

9. Data obtained from individual manufacturer websites and related articles

10. NOAA, Redzone.com

11. Artneus.com

12. NYTimes

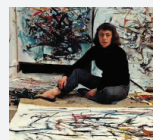
13. Robbreport.com, jekonline, collectability.com, rolex.com

14. Jekonline, kito.com, NyTimes

15. Public auction sites

## Values Increasing in the Collections Market

### Contemporary Art Is Appreciating at Rapid Rates<sup>11</sup>



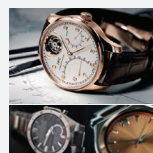
- Contemporary art represents 15% of the global art market vs just 3% 20 years ago.
- Contemporary is the segment of the art market where most millennials collect.

### Spirits have also Appreciated Significantly<sup>12</sup>



- Spirits have had a growing presence at wine auctions, with rare whiskies being the most collectable spirit.
- More collectors are buying bourbon and seeking out vintage bottles from the 1960s through the 1990s.

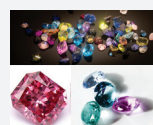
### Watches a Growing Source of Investment<sup>13</sup>



Auction houses show booming sales in jewelry and watch items.

- A Patek Philippe Nautilus watch retails for \$30,000; collectors are willing to pay up to \$80,000 in the secondary market.
- The Rolex Daytona has a list price of \$13,150; in the secondary market it is closer to \$30,000.

### Prices Rising with Precious Gemstones and Gold<sup>14</sup>



- Gold prices per ounce reached an all-time high.
- The world's largest vivid purple-pink diamond, The Spirit of the Rose, sold for \$26.6 million at Sotheby's auction, setting a global auction record.

### Significant Growth for Sports Memorabilia<sup>15</sup>



- The world record for the highest price ever paid for a modern sports card was \$5.2 million for a 1952 Mickey Mantle baseball card. Previously, the record was held by a Mike Trout baseball card sold for \$3.94 million in August 2020.