



NEWS RELEASE

# Insurers, Adjusters and Contractors Can Benchmark Performance Against Trends with Verisk's 2021 Property Report

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JERSEY CITY, N.J. , July 05, 2022 (GLOBE NEWSWIRE) -- As volatile construction costs persist, a historical view of trends paired with up-to-date pricing better equips insurers, adjusters and contractors to understand the impact of these costs on losses. Verisk's **2021 Property Report for the United States** provides insights into property insurance trends for benchmarking.

The report analyzed 7,606,375 assignments totaling \$68.5 billion in losses from 2021. Findings include:

- Virtual claims-handling trends
- The impact of COVID-19 on personal protective equipment costs
- Rate changes for reconstruction costs by state
- Total volume and value of property estimates
- Trends for common building materials, such as lumber, drywall and roofing

"The restoration and construction industries are dealing with significant inflation and supply chain challenges, leading to substantial increases in loss severity for insurers," said Mike Fulton, president of Verisk property estimating solutions.

"While 2021 was already a very active year for storm activity, which is typically what drives these expenses, a combination of issues — including continued demand surge in the housing market and overall inflation — had a significant role in pushing costs to record levels."

The report found that average reconstruction costs experienced slight increases during Q1 and Q2, followed by a nearly 9 percent increase in the third quarter of 2021. Costs then decreased nearly 5 percent in the fourth quarter, primarily driven

by changes in lumber costs. The COVID-19 pandemic, winter storms, hurricanes and tornadoes, particularly the Texas storm, Hurricane Ida and Kentucky tornadoes, drove claims and building cost activity last year. In response to the COVID-19 pandemic, many insurers rapidly pivoted to virtual claims handling using solutions such as Verisk's **ClaimXperience®** for a wide range of property claims, from collapse and theft to hurricane and wind claims.

This industry perspective on the pricing of labor and materials is uniquely embedded in the Verisk property estimating solutions suite with over 100 million price points updated at least monthly. The interactive property report is now available at **Verisk.com**.

## **About Verisk**

Verisk (Nasdaq: VRSK) provides data-driven analytic insights and solutions for the insurance and energy industries. Through advanced data analytics, software, scientific research and deep industry knowledge, Verisk empowers customers to strengthen operating efficiency, improve underwriting and claims outcomes, combat fraud, and make informed decisions about global issues including climate change and extreme events as well as political and ESG topics. With offices in more than 30 countries, Verisk consistently earns certification by **Great Place to Work** and fosters an **inclusive culture** where all team members feel they belong. For more, visit **Verisk.com** and the **Verisk Newsroom**.

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