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# NEWSALERT

Homeowner's, Renter's & Condo Insurance

## Large Rate Hikes, Non-Renewals Hitting Policyholders

**H**OMEOWNERS, RENTERS and condo owners are starting to get hit by large insurance rate hikes, while more are receiving non-renewal notices from their insurers.

These increases and non-renewals come as the homeowner's insurance market struggles with years of losses after paying out billions of dollars each year for claims resulting from increasingly destructive wildfires in the Golden State, inflation and a host of other factors.

Many insurers have already pulled out of California, restricted how many policies they will accept or imposed strict underwriting criteria for homeowners, like requiring a defensible space around the home or using only non-flammable construction materials.

Reflecting the market turmoil, State Farm in May 2023 announced that it would stop accepting new policies in California, preceded months earlier by Allstate. A lesser household name, Amguard Insurance, informed agents that it would not accept new homeowner's policies in California.

All three companies cited the rising cost of catastrophic claims from wildfires, higher construction costs and volatility.

### Why rates are climbing

**Higher rebuilding costs:** According to the U.S. and Canada Construction Outlook, construction material costs increased 16% in 2022, while construction labor costs rose 6.5%. The time needed to complete a project has also increased.

In turn, insurers have been increasing their replacement and repair cost estimates for homes, which has a knock-on effect on the final policy premium.

**Reinsurance costs:** Just like you mitigate your risks by buying insurance, your insurance company does the same by purchasing reinsurance. This coverage steps in to pay catastrophic claims, like those from wildfires, when they reach a certain level.

These reinsurers, which are international entities, have been losing money as the cost, number and scope of natural catastrophes worldwide have rapidly escalated.

**More frequent natural disasters:** The U.S. suffered 16 \$1 billion-plus insured events in 2022, for a total estimated cost of \$100 billion. In 2021, there were 20 such events, and 22 in 2020. The last three years were the top three most-expensive catastrophe years in U.S. history.

**Wildfires:** More people have found their properties are in wildfire-prone areas as the threat of such events has widened. Wildfires are burning hotter and they are burning more acreage.

See 'Candles' on page 2

### SOME OF THE FACTORS DRIVING INSURANCE RATES

Not only are claims more prevalent, repairs and replacements are more costly.

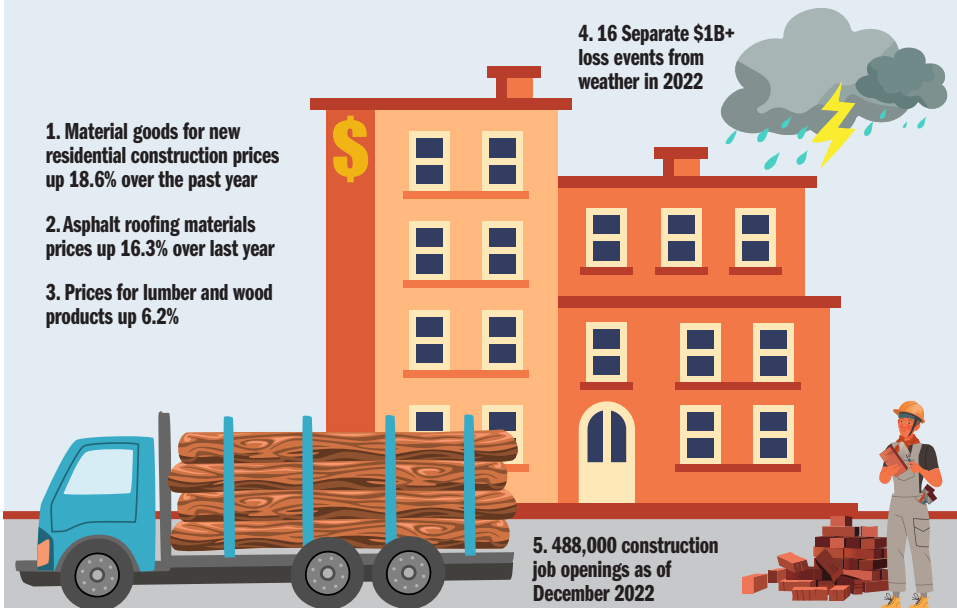
1. Material goods for new residential construction prices up 18.6% over the past year

2. Asphalt roofing materials prices up 16.3% over last year

3. Prices for lumber and wood products up 6.2%

4. 16 Separate \$1B+ loss events from weather in 2022

5. 488,000 construction job openings as of December 2022



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# Seven Tips for a Safe Summer Road Trip

**R**OAD TRIPS are part of the American lifestyle, but when it's time to hit the road, you should be prepared.

The National Highway Traffic and Safety Administration (NHTSA) offers the following tips to make your next family road trip safe and enjoyable, and with minimal risk.

## Service your vehicle

Before hitting the road for a long stretch, you need to make sure that your car is in good working order and has had its latest regular service and tune-up. Take your car to the shop and have them check your tires, battery, belts, fluids and air conditioner.

## Get a good night's sleep before you leave

Driving while drowsy can reduce your reaction time and judgment as if you were impaired by alcohol. Drive only when well rested, and if another licensed driver is in the car, it's a good idea to switch every few hours.

## Emergency preparedness

The NHTSA recommends packing an emergency kit that includes:

- Water
- A flashlight
- Flares
- A first aid kit
- Warm blankets
- Jumper cables
- Tools to change a tire
- A fully charged cellphone

You may also want to consider buying a roadside assistance plan that will cover the costs of a tow and assistance if your vehicle breaks down.

## Pack heavy items low

Store heavy items low in the seat wells so they won't become projectiles during a sudden stop.

And if you have an SUV with an open cargo area in the back, make sure that you strap or batten down heavy items like suitcases or strollers.

## Take frequent breaks

Try to avoid driving more than two hours straight without a break. Also drink lots of fluids, which will force you to make bathroom stops and stretch your legs.

## No Mr. Magoo driving

Make sure that you are looking far enough down the road to survey what's ahead and so that you can see any oncoming dangers. In dense traffic, you need to look at least 10 cars ahead, the NHTSA recommends. In faster-flowing traffic, reduce that length to five.

## Don't touch the phone

If you're on vacation, no phone calls should be so important that you have to pick them up right away – and certainly not when you are behind the wheel.

And it's been proven that even talking using a hands-free device is distracting.

Talking on the phone and driving at the same time is like talking on the phone and watching TV. You won't be as focused on the task at hand and may not see a danger that could imperil you and your family. ❖



# Protecting Your Family Against Gas Leaks

**I**F YOU ARE one of the millions of Americans whose home is heated by gas, or you use gas appliances, including a hot water heater, you know it's safe and cheap.

That said, although rarely do home gas systems suffer a leak, it does happen. As a homeowner with a gas system you should know how to prevent and detect gas leaks.

Doing so can save your family's lives and possibly your home, since a gas leak is also a fire hazard should there be a spark in the house.

## HOW TO DETECT A GAS LEAK

**Odor:** A natural gas leak is described as smelling like a rotten egg or sulfur. This smell is produced by sulfur-based compounds that are added to natural gas to aid in its detection.

**Sound:** You may hear a hissing or a blowing, which could be the sound of your gas leaking.

**Discoloration:** If you have an underground leak, you may notice a yellow or brownish patch on the ground covering the leaking pipe.

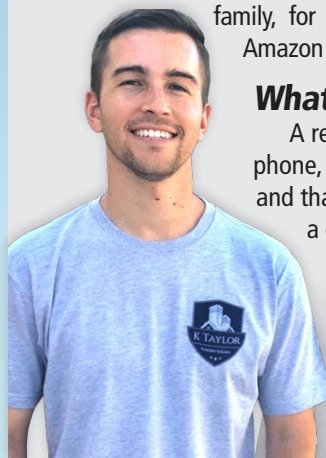
**Physical:** You may feel light-headed, dizzy and/or nauseous, and going outside in fresh air causes the symptoms to subside.

### What to do

- If you have a strong smell of gas in your home, you should evacuate immediately.
- If you smell gas, do not use light switches, cell phones, lighters, matches, candles, stoves, or anything with an open flame. A flashlight is a safer lighting option.
- Open as many doors and windows as possible to allow air to flow through.
- Check your stove (if it's gas) to see that all of the burners and the oven are completely shut off. Make sure all dials are pointed at zero.

## THE K TAYLOR INSURANCE SOLUTIONS "THANK YOU" REFERRAL PROGRAM

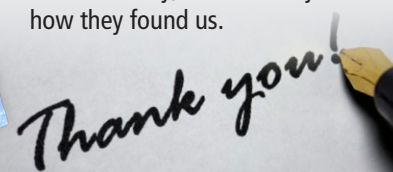
Your referrals mean the world to us. We work hard to earn each referral with great service and appreciation for your business every day. As a way of saying thank you to clients that refer friends and family, for each referral you will receive a \$20 Amazon gift card.



### What qualifies as a referral?

A referral is when we are contacted by phone, e-mail or social media for a quote and that friend or family member becomes a client of K Taylor Insurance Solutions.

Don't worry, we ask every caller how they found us.



- If you are unable to detect where the leak is coming from, you should find the gas main and shut down the gas. Then you can call the local gas company or a repair service.

### Prevention

**Gas leak detectors** – If you have any gas lines going into your house, having a gas leak detector is just as important as a smoke detector. The detectors will often detect a leak before you even smell it and they will sound the alarm.

**Change furnace air filter regularly** – Filters get clogged with dust over time and this blocks the airflow to your furnace. If airflow is blocked, it can damage your furnace over time, leading to a leak in your gas line. A small amount of maintenance each month can prevent a much larger problem later on.

**Check your gas appliances regularly** – Normal wear and tear caused by simple aging can lead to gas leaks. Schedule an annual inspection to bird-dog problem areas before they develop into leaks. Also, if you've been through a natural disaster (earthquake, hurricane, etc), you should schedule an inspection.

*Remember:* Gas leaks are serious business and not something you should try to take care of yourself. ❖

**HAVE A NATURAL GAS DETECTOR? YOU  
MAY QUALIFY FOR A POLICY DISCOUNT  
CALL US! (562) 758-3482**

