

# Making Informed Decisions in a Hard Market

The market is ever-changing and can have significant impacts on insurance pricing and terms of coverage. The insurance industry is in a hard market – understanding what this means as you navigate the renewal process is critical to making informed decisions.

A hard market is a term used in the insurance industry to describe a period when insurance premiums increase, coverage becomes more restrictive, and insurers are less willing to take on risks.

The change in the insurance cycle occurs due to a combination of factors such as reduced competition, increased claims, and higher underwriting and investment losses.

During a hard market, policyholders may find it more difficult to obtain affordable insurance coverage and could struggle to manage their risk exposure effectively. Today, property insurance rates are certainly on the rise due to several factors:

## HARD VS. SOFT MARKET CHARACTERISTICS



### CATASTROPHE

- ▶ Increased frequency and severity of hurricanes, floods, tornadoes, etc.
- ▶ Increased severity of hurricanes, floods, tornadoes, etc.

### REINSURANCE

- ▶ Increased premiums
- ▶ Restricted coverage
- ▶ Reduced capacity

### INFLATION

- ▶ Increased cost of material
- ▶ Increased cost of labor
- ▶ Shortage of labor
- ▶ Increased claims costs

Being well-informed will help you make the most of your coverage and ensure you get the protection you require. At AMERIND, we are taking the necessary steps to remain your most affordable coverage provider as we ride out this hard market together. Reach out with any questions or concerns as you review your policies and consider your options.