



# Verisk Property Estimating Solutions

## Quarterly Property Report Q2 2024

Unless otherwise stated, the values reported in this bulletin are national averages for North America (United States and Canada) and will vary from local prices.



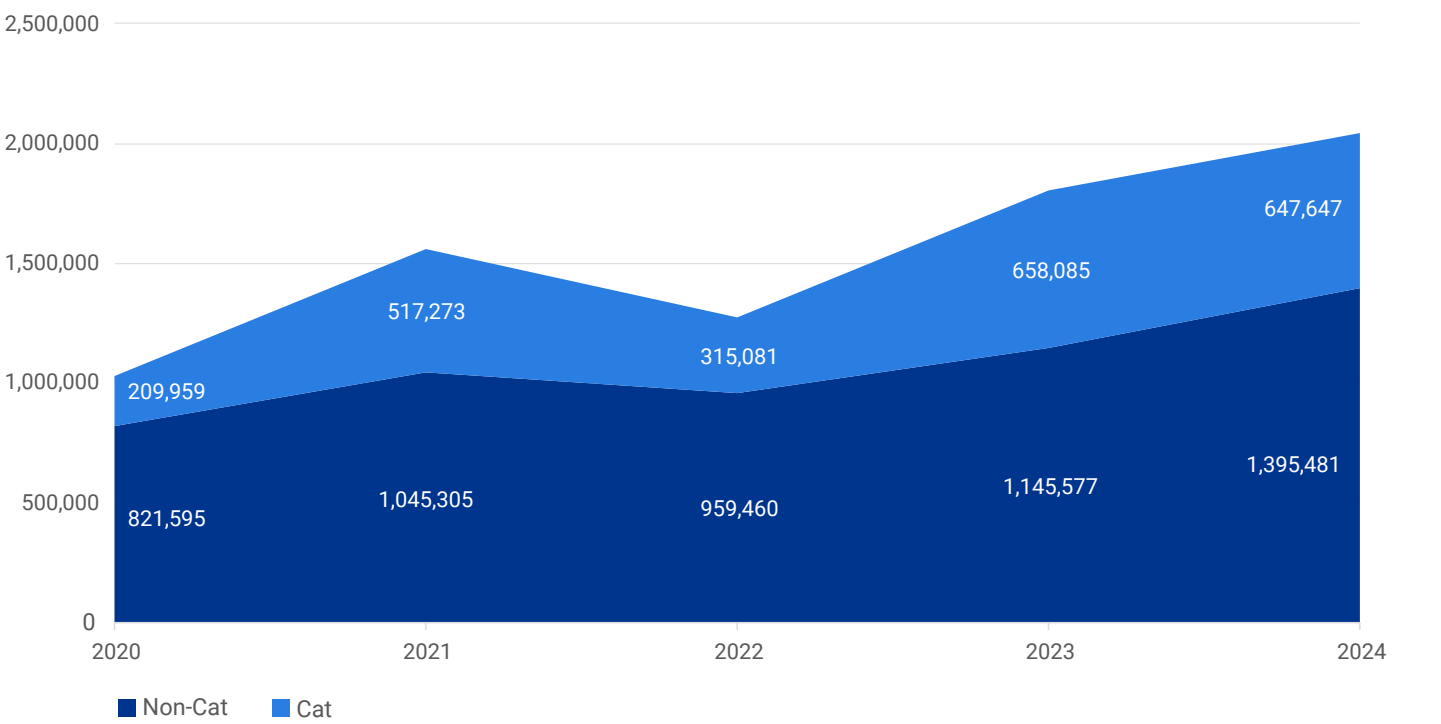
Every quarter, Verisk examines vast market price data from many third-party outlets, synthesizing the results into a comprehensive report to give property insurers a detailed overview of key elements affecting property expenses, encompassing labor and materials, reconstruction, claims, and relevant economic trends in the U.S. and Canada. We also review our own internal claims data to identify trends, outliers, and comparisons to prior years.

# Claims

## Volume

In Q1 2024, the industry experienced a slight increase in the number of claim assignments, totaling 1,918,266 and representing a 5.2% rise over the same quarter of the previous year. This volume increase continues the trend of quarterly increases occurring since the previous low in 2022, with Q1 2024 representing a 48.3% increase since that time.

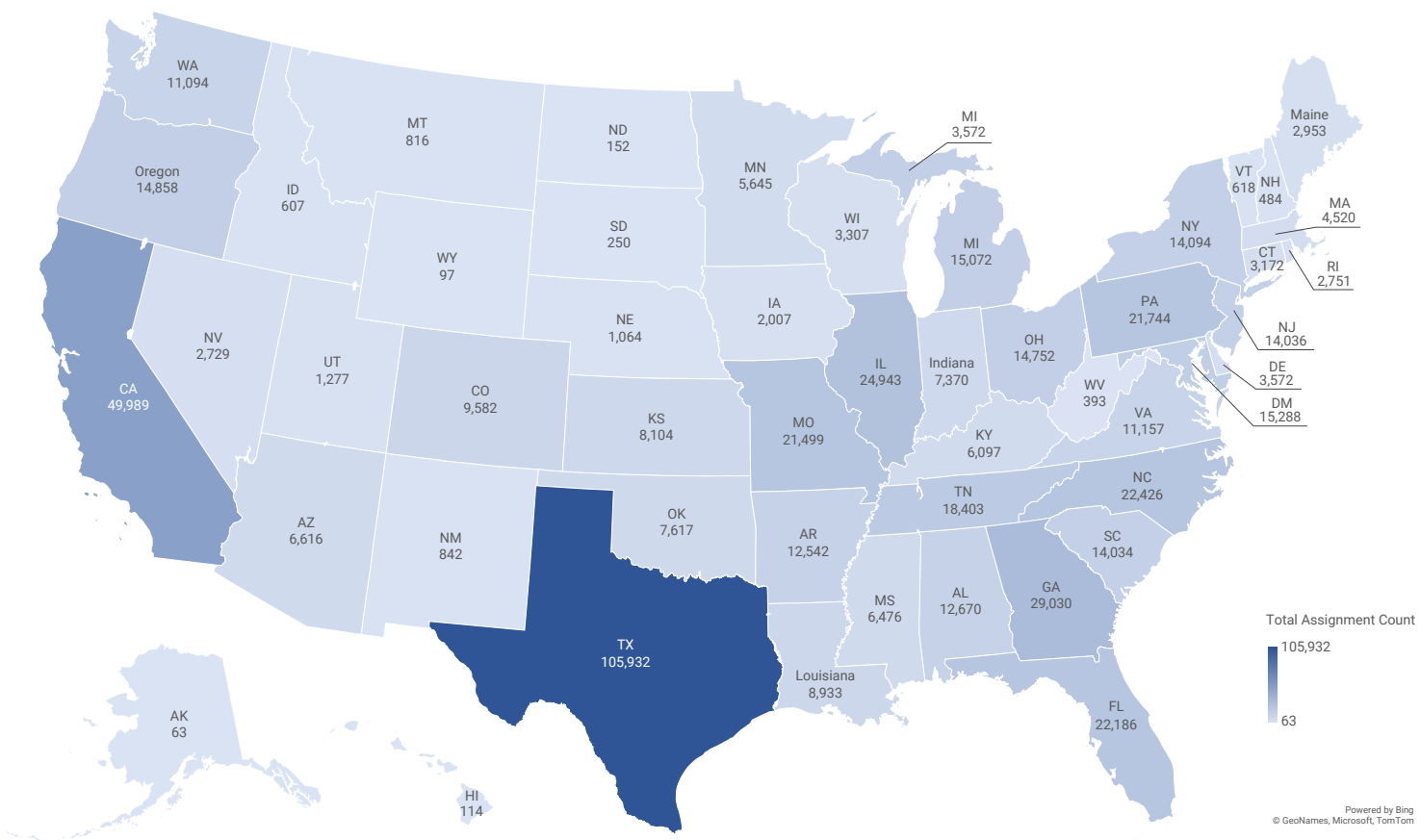
Q1 2024 Assignment Count by Year and Cat Status



Although Q1 2024 experienced a higher overall assignment count, it was comprised of significantly fewer catastrophic (cat) claims than Q1 2023. Cat claims represented 29.8% of all Q1 2024 claims compared to 36.9% of all claims for Q1 2023.

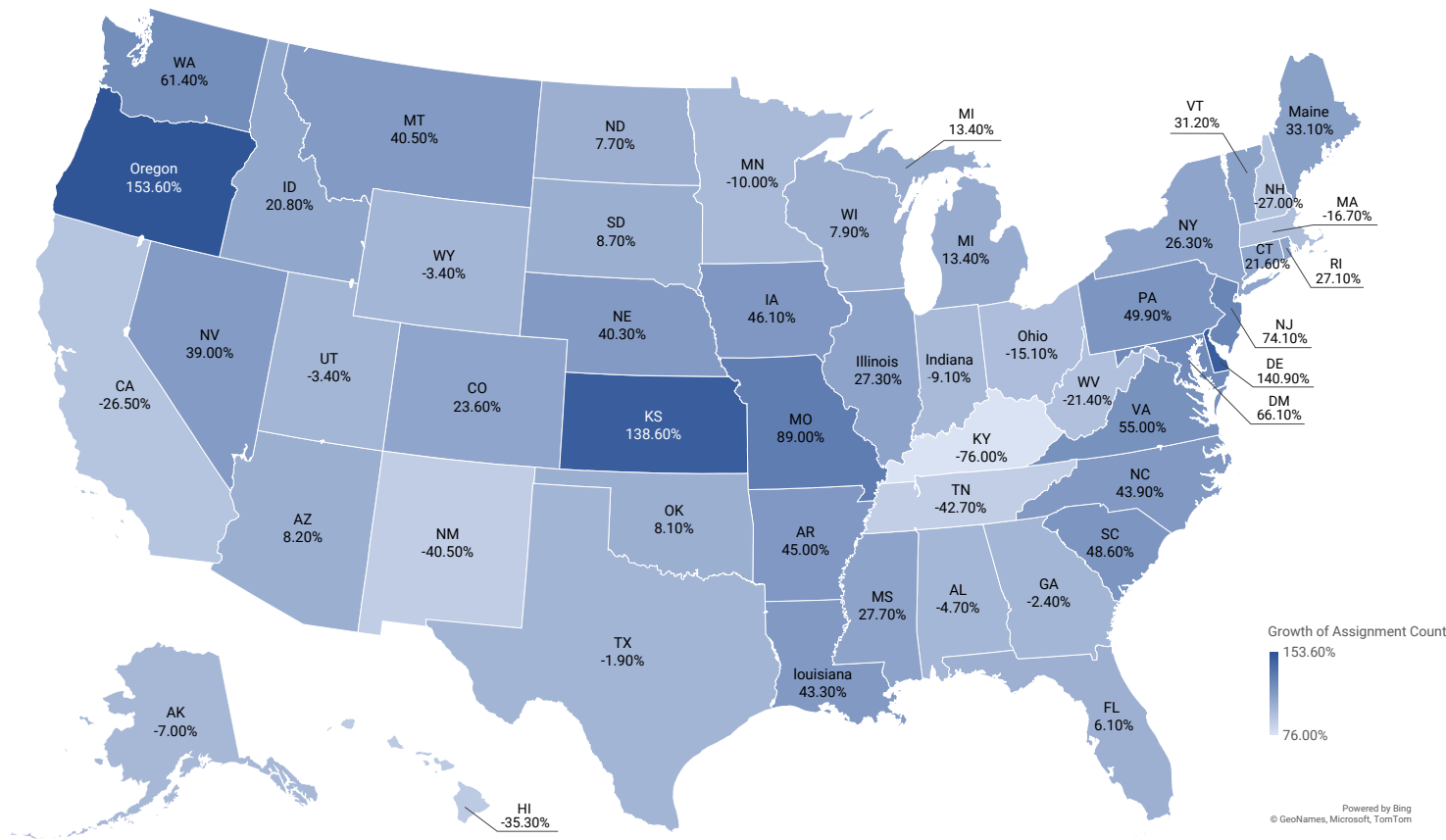
While overall cat volume was down industry-wide, Texas, California, and Georgia all experienced significant cat activity in Q1 2024. Even with the cat volume in those three states, their overall volumes were all less than those seen in in Q1 2023 (cat and non-cat): -1.9%, -26.5%, and -2.4%, respectively.

Q1 2024 Cat Assignment Volume by State



The states that saw the highest year-over-year claim volume growth for Q1 were Oregon, Delaware, and Kansas, with each experiencing an increase of over 100%. These states all experienced significantly higher cat volume in 2024 than they did in 2023, with increases of +434% for Oregon, +750% for Delaware, and +366% for Kansas.

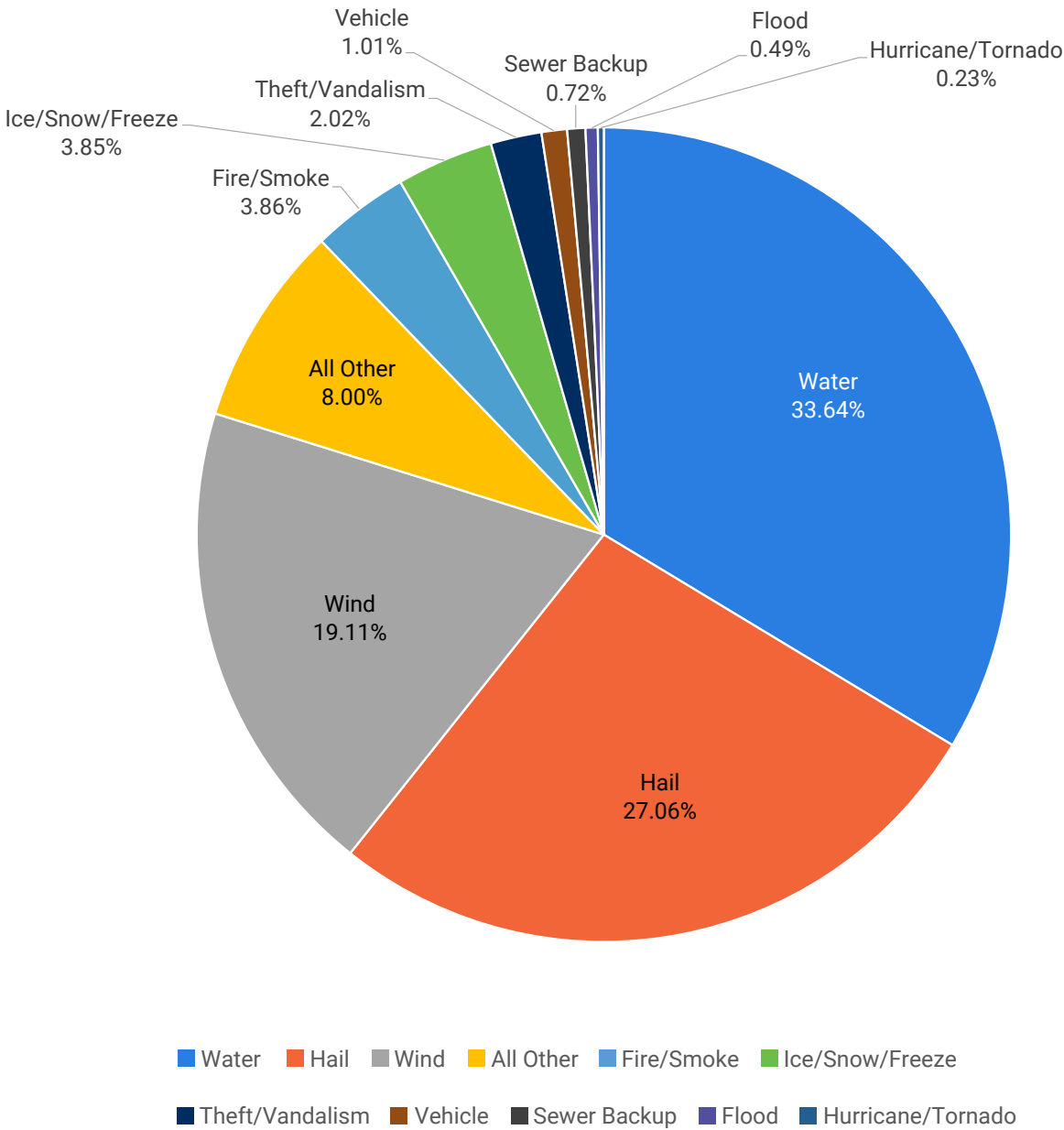
Q1 2024 Year-over-year Assignment Volume Increase by State (Cat and Non-Cat)



# Loss types

In Q1 2024, water and wind/hail represented nearly 80% of all assignments. This is consistent with prior years, with a couple of notable differences. The portion of claims from hail increased from 19.5% to 27.1% between 2023 and 2024 (a proportionate increase of 38.9%). Conversely, wind claims (excluding hail) dropped to 19.1% from 25.3% over that same period (a proportionate decrease of 32.5%).

Q1 2024 Claim Assignment Count by Type of Loss

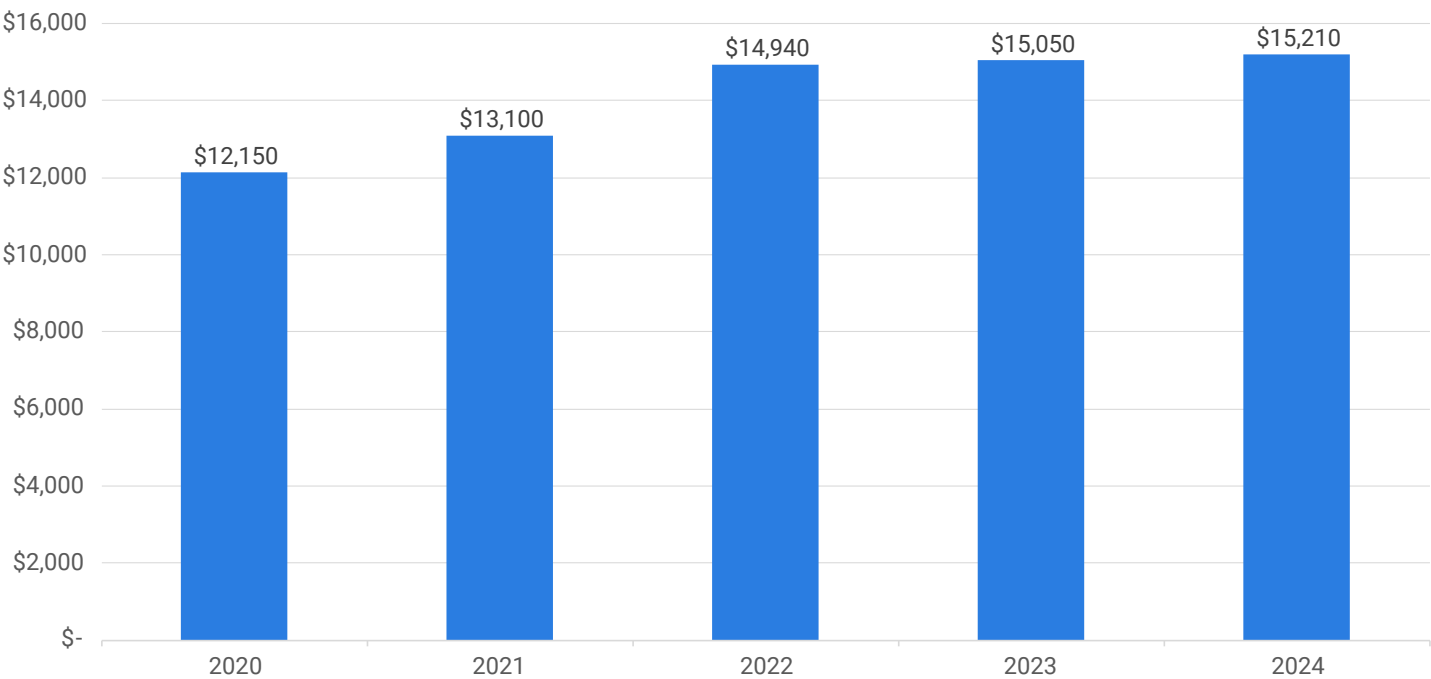


## Severity

It can often be misleading to report on claim severity in the short term. Many of the largest, most complex claims from the previous quarter are not yet finished and sent back to XactAnalysis. These claims have higher replacement cost values (RCVs), so the average value for all claims is generally not fully reflected until 2–3 months after the claims are first received. The result is that severity generally appears artificially low for that 2–3 month “immature” period. Consequently, we still do not have the data back for many of the large loss claims received toward the end of Q1 2024.

Unexpectedly, the average severity for Q1 2024 increased by about \$150 compared to Q1 2023. This is a significant jump, and we expect this difference to keep increasing as the larger and more complex estimates are returned in the coming months.

### Average Recovery Values (RCVs) by Year



## Roles

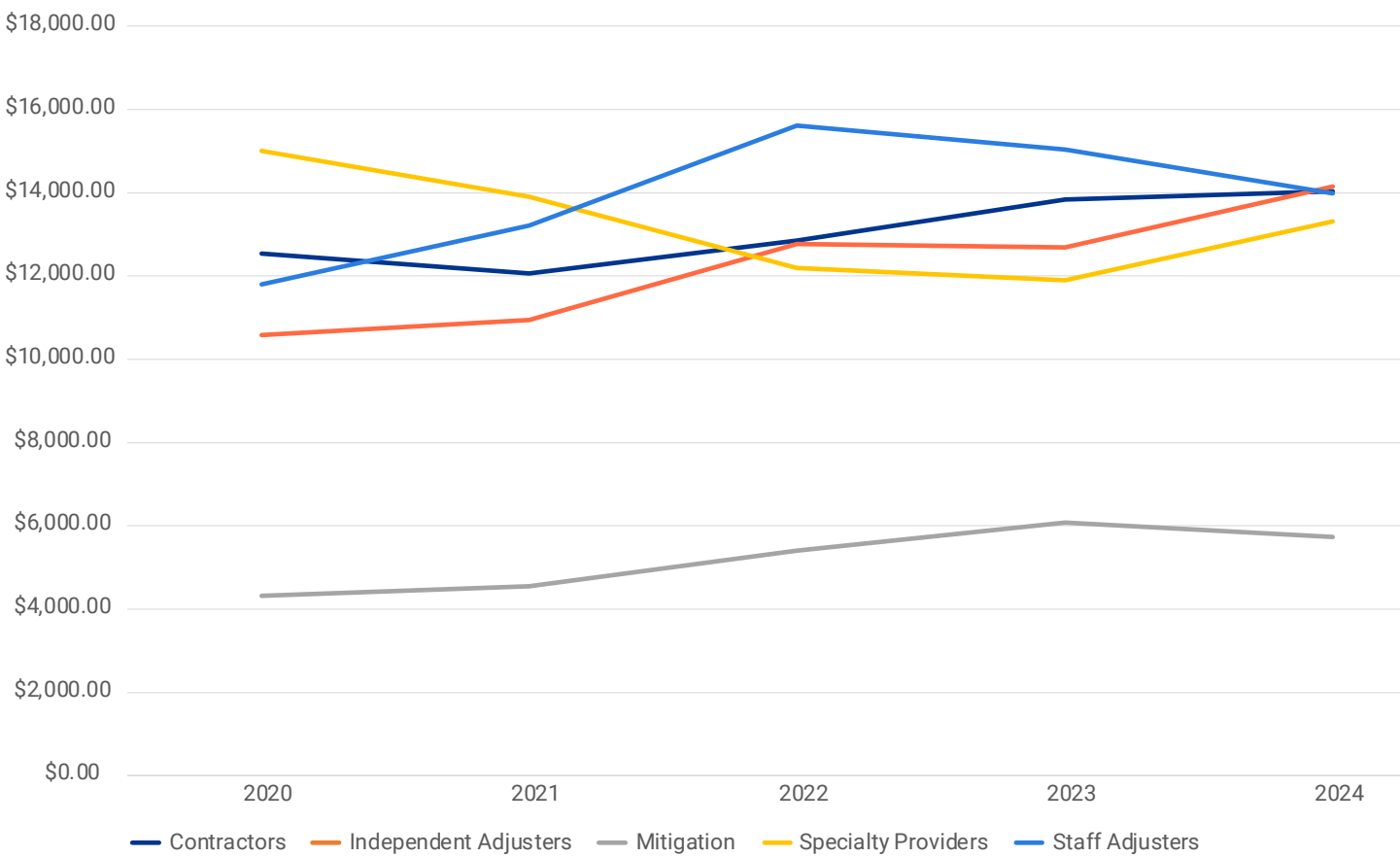
When looking at the data by industry role, we see the anticipated trend of lower average RCVs until 2–3 months after the final received date holds true for staff adjusters and mitigation providers.

Interestingly, this is not the case for independent adjusters and specialty providers. Their average RCVs increased significantly, by 11.4% and 16.8% respectively.

Contractors’ average RCVs have remained relatively steady year-over-year, but, as previously noted, we expect that average severity for contractors, as well as all provider types, will continue to trend upwards.

### Average Claim Severity by Industry Role

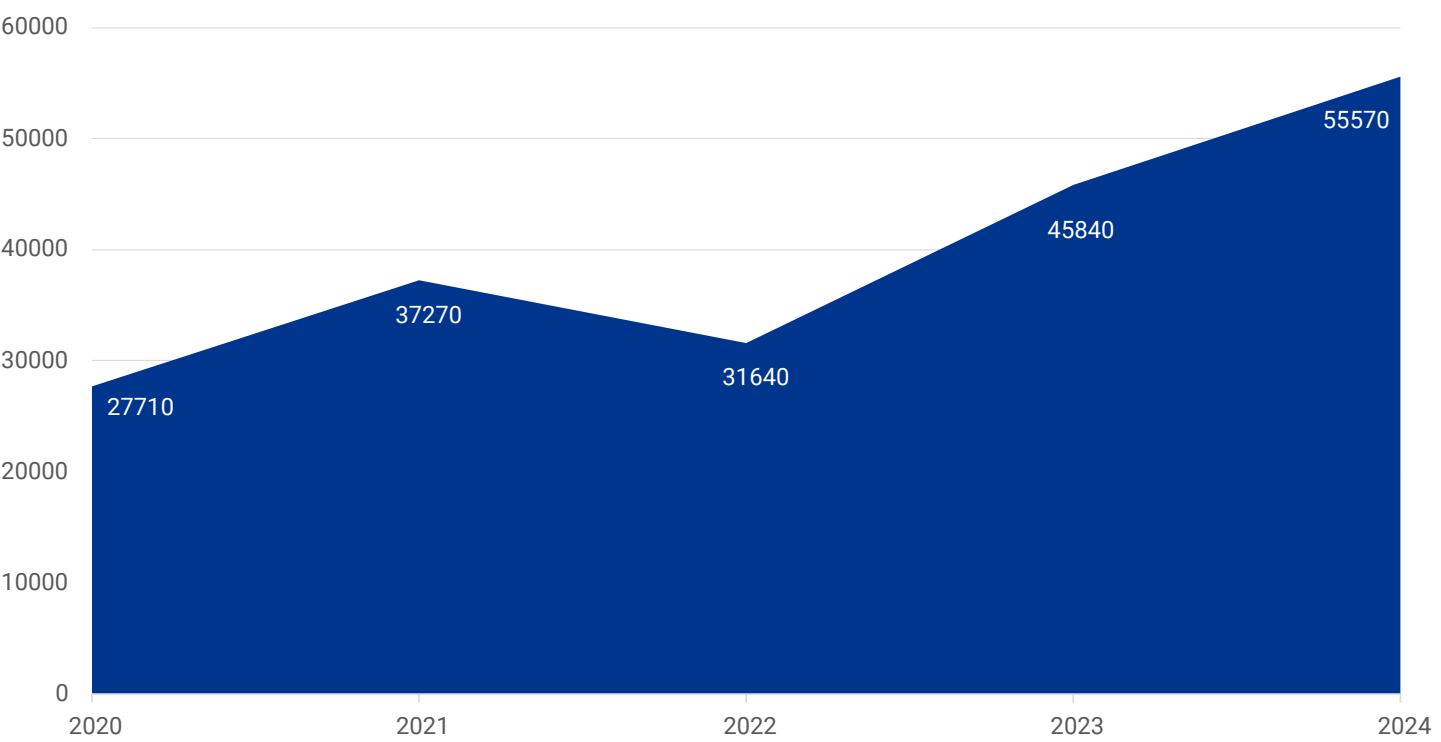
Yearly Q1 Assignment Count



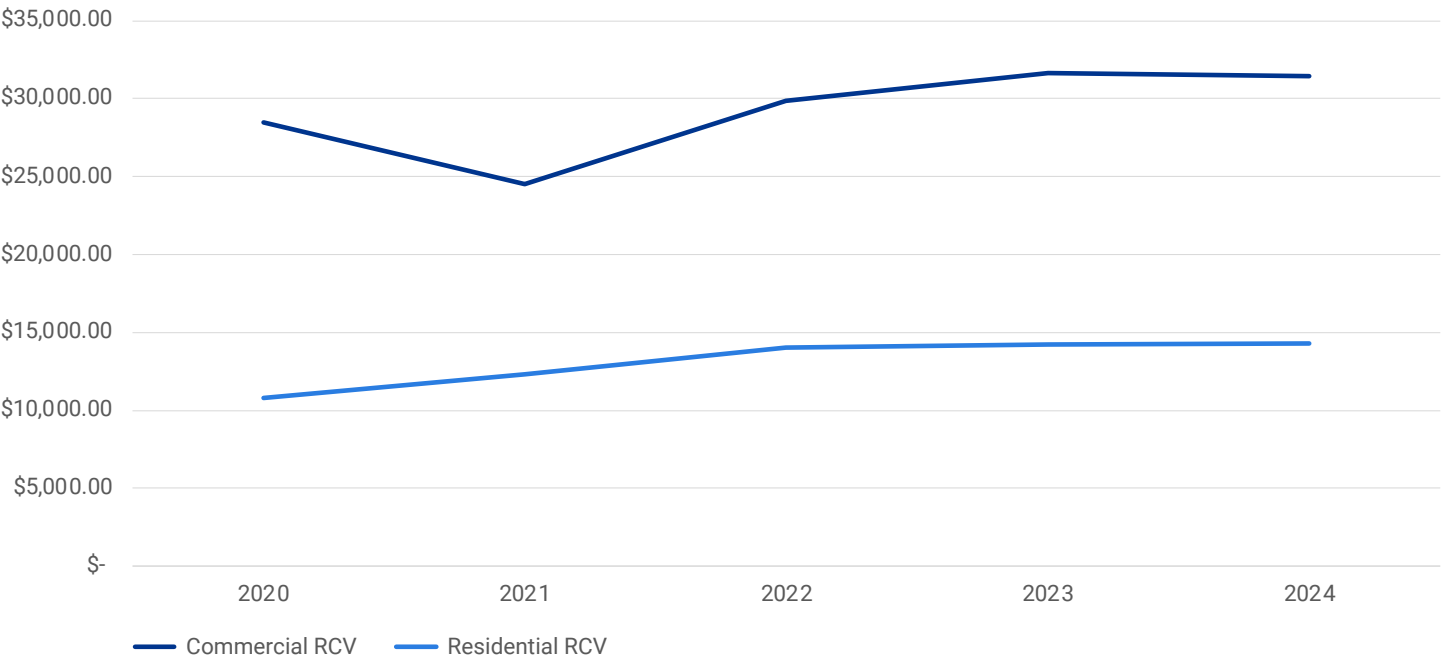
# Commercial losses

The overall market had only a 5.2% increase in the number of assignments for Q1 2024 compared to Q1 2023. However, the commercial sector saw a much larger 19.2% increase (55,567 total assignments). This significant increase follows an even bigger 36.7% increase between Q1 2022 and Q1 2023.

Commercial Claim Assignment Count Per Year



Commercial vs Residential RCVs by Year



Although commercial claims appear to have had a slight drop in severity for Q1 2024, we expect these RCVs to increase in the coming months as the larger, more complex claims are processed.

Additionally, commercial claims tend to take longer to resolve than residential claims. So, the impact from maturing claims will likely be even more pronounced for commercial claims compared to residential ones.

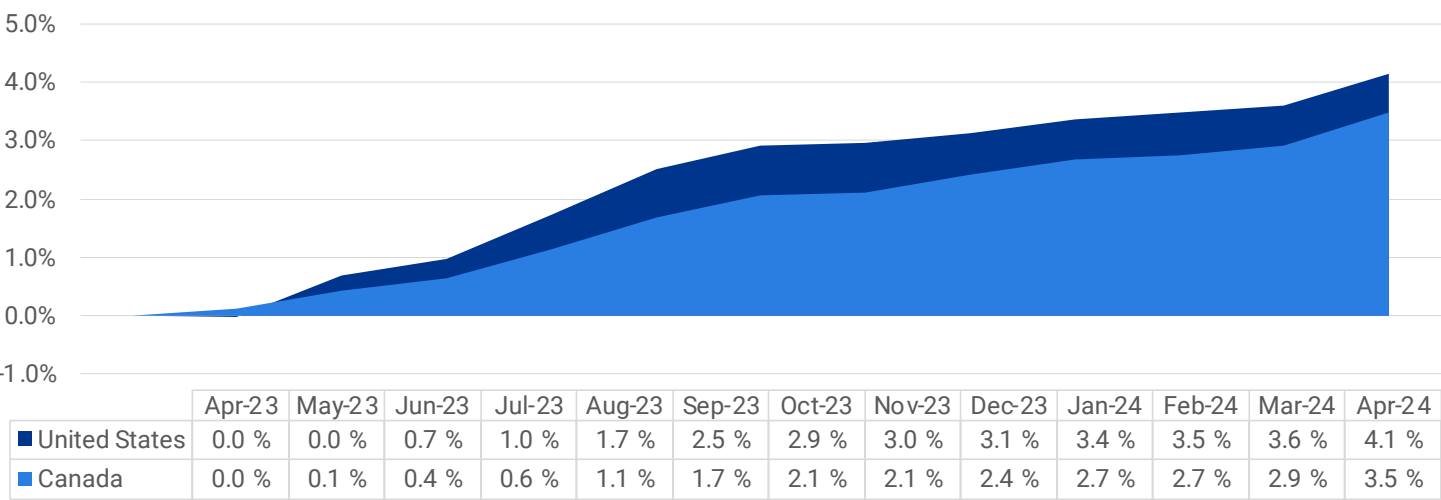
# Pricing Data Services

## Labor and materials

In April, the cost increase for labor and materials was the highest for Q1 2024. In the U.S., the cost rose by 0.54%, while in Canada, it rose by 0.56%. These increases were more than double any other monthly increase during the quarter. Furthermore, the April increase in the U.S. was more than four times higher than the previous month's change, and in Canada, it was over three times higher than the previous month's change.

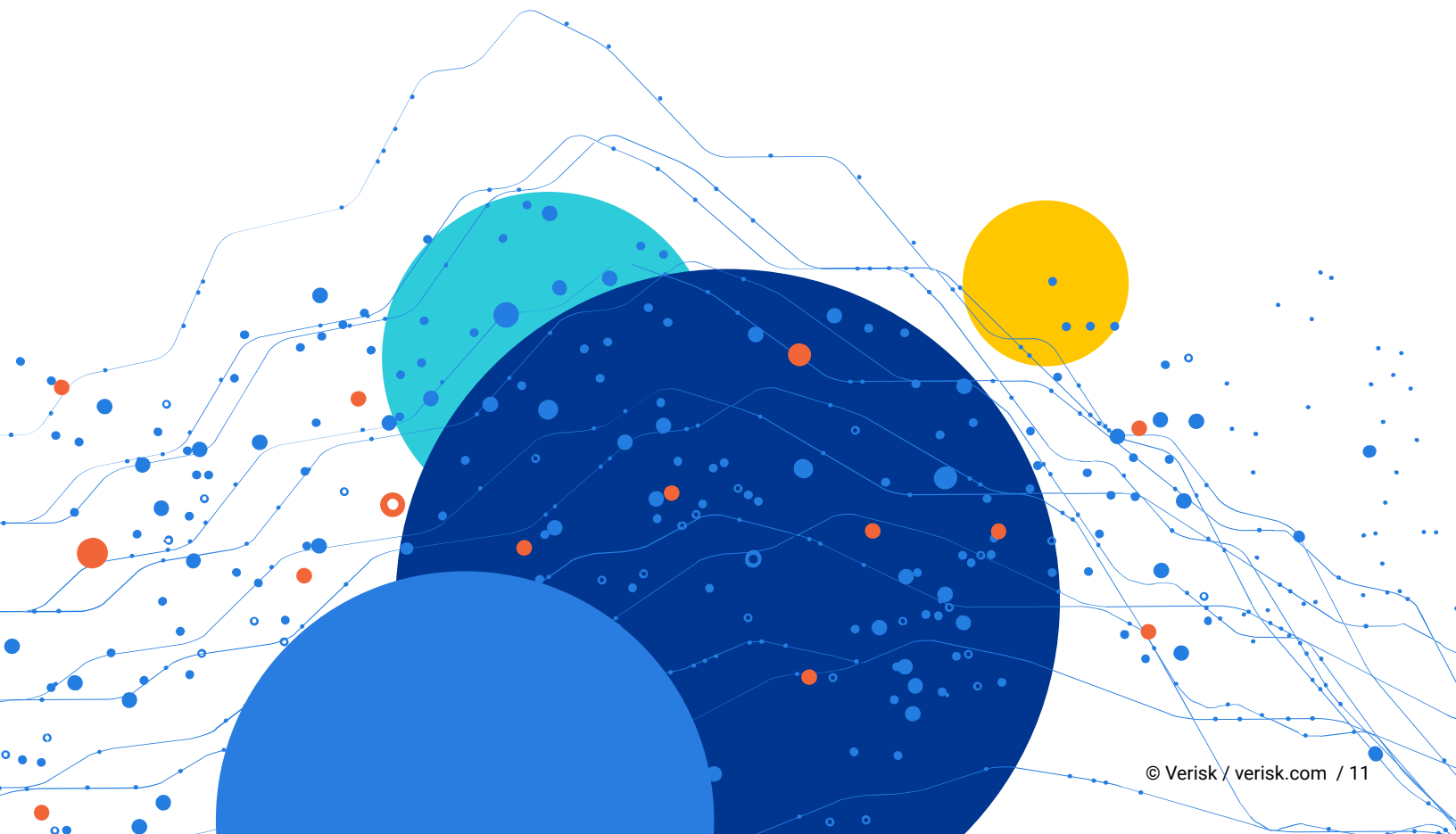
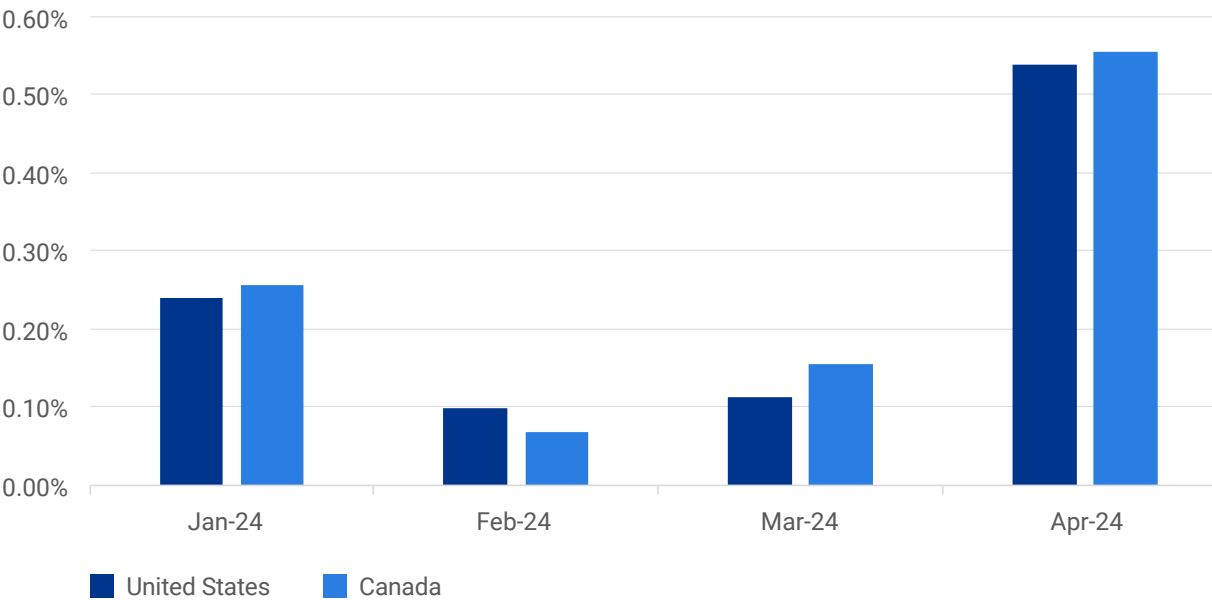
### Labor and Materials Cost Increase Trend, U.S. and Canada

April 2023 - April 2024



Q1 2024 Monthly Cost Change for Labor and Materials

January 2024 - April 2024



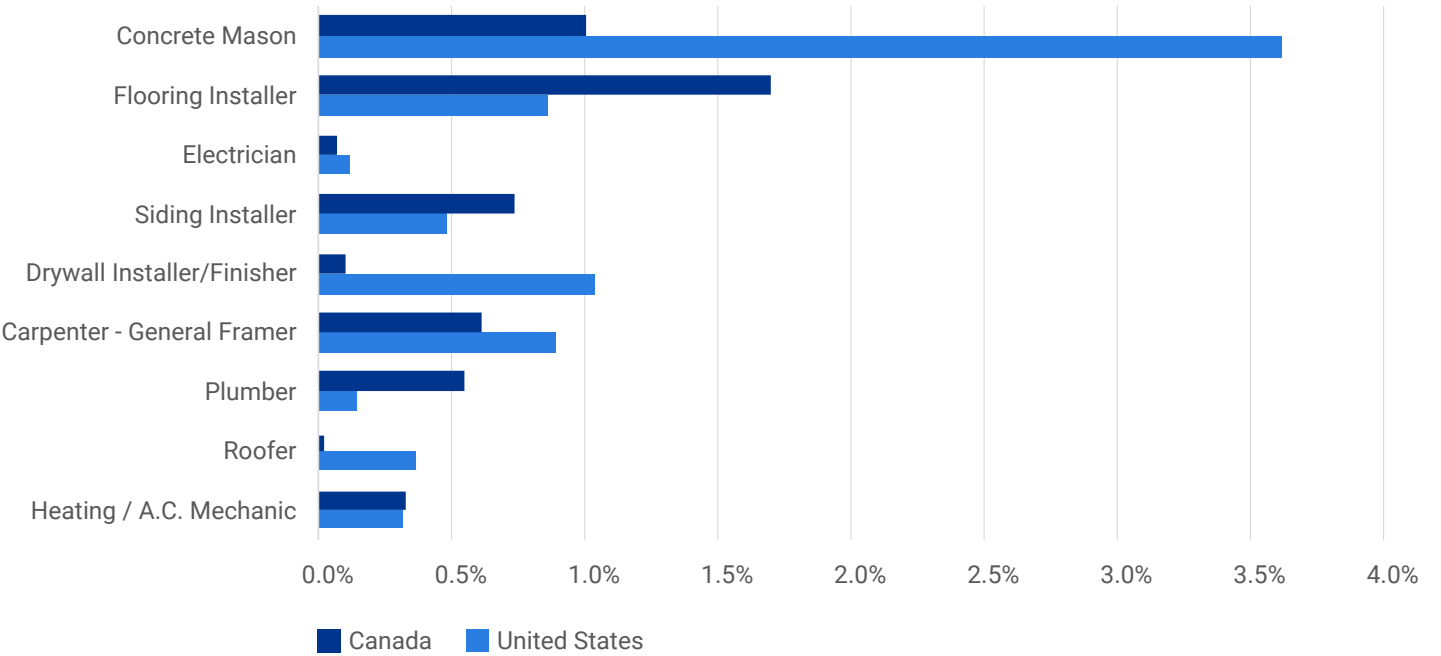
## Labor costs

The cost of concrete masons increased significantly from January to April 2024, increasing 3.62% in the U.S. This follows another significant increase of 4.2% the prior quarter.

Concrete masons had the largest increase for the quarter and year in the U.S. If the current trend continues, the cost of concrete masons would have an annual increase of 14.40% in 2024. This would follow an 11.95% increase in 2023.

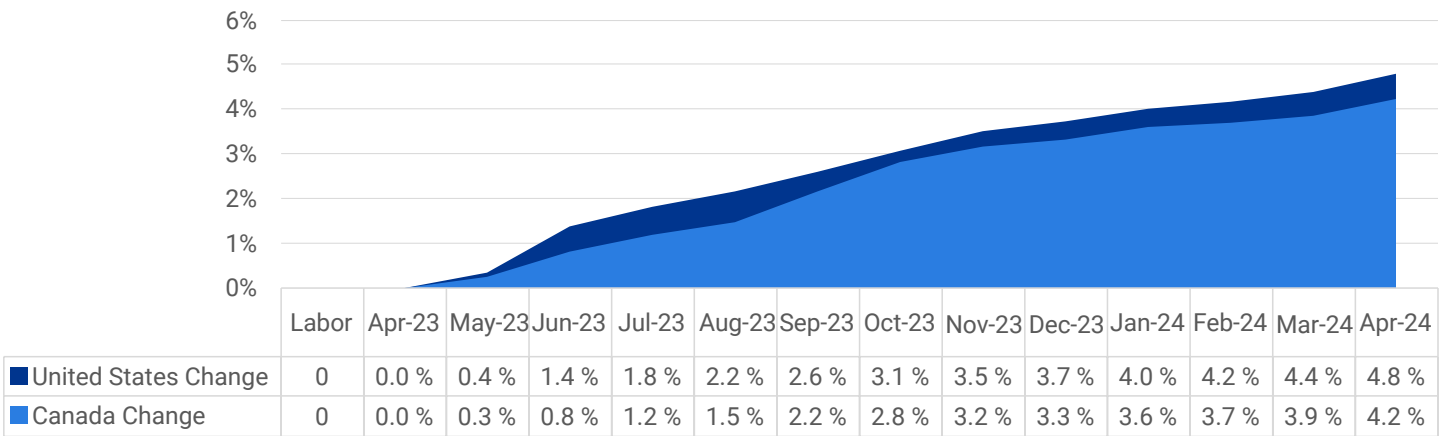
### Q1 2024 Cost Increases by Key Labor Category

January 2023 - April 2024



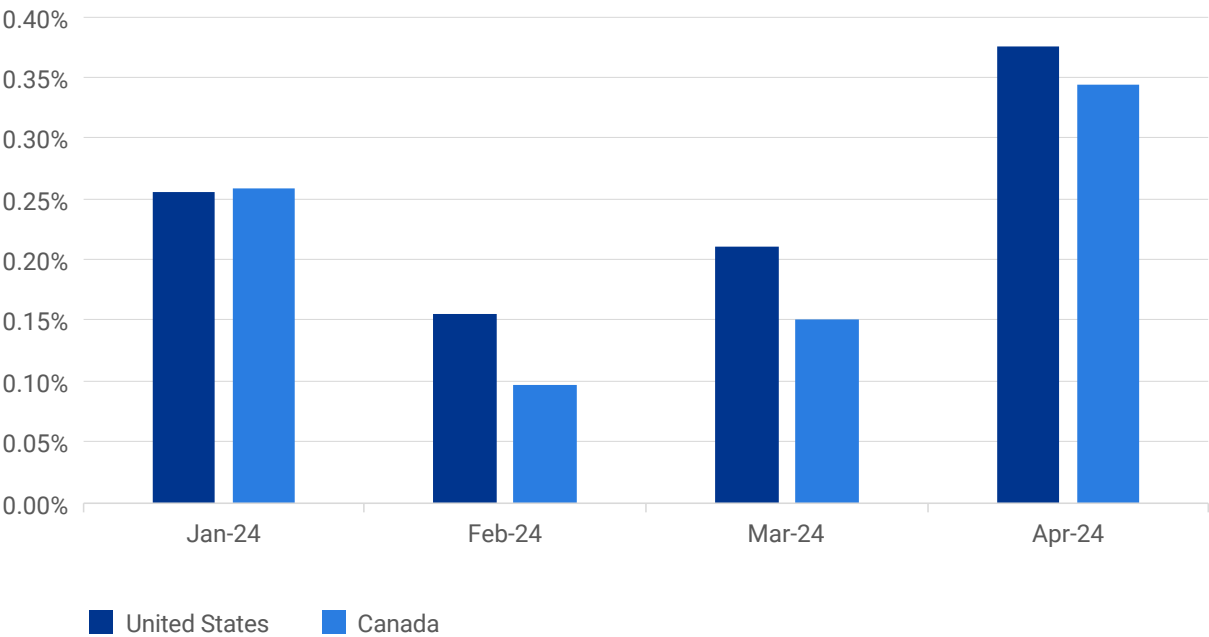
12-month Cost Increases for Labor

April 2023 - April 2024



Q1 2024 Cost Increases by Month for Labor

January 2024 - April 2024



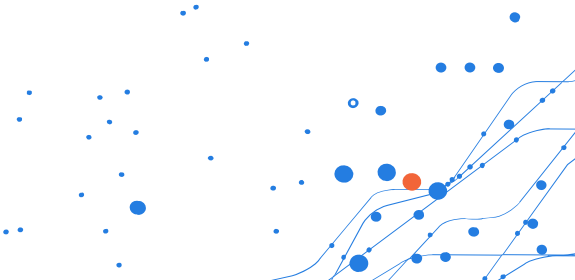
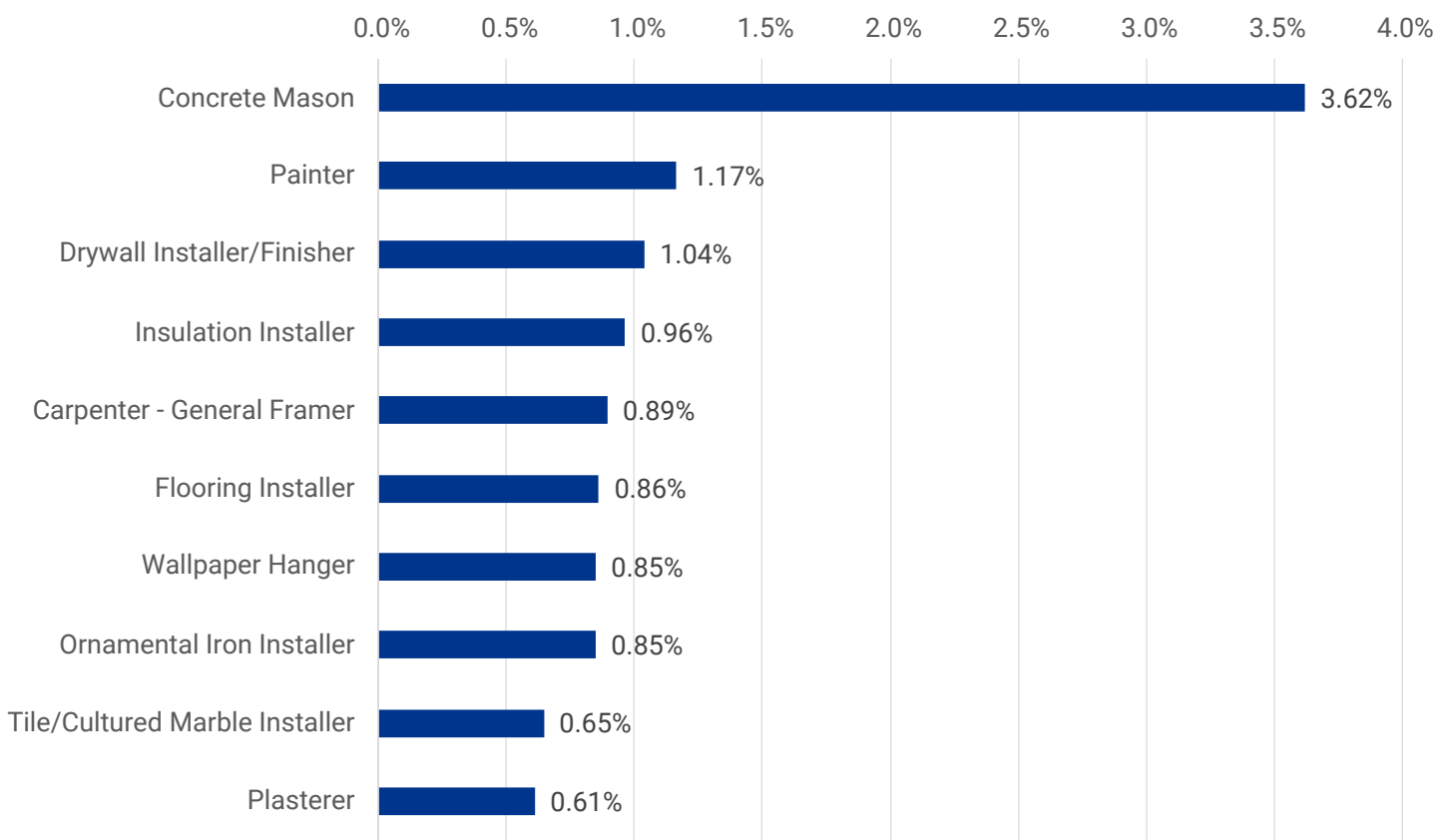
## Labor costs by trade

The impact of increasing labor rates differed between trades. Growth rates among trades for Q1 2024 are further explored in the following charts.

### Top 10 Trades by Retail Labor % Change (U.S.)

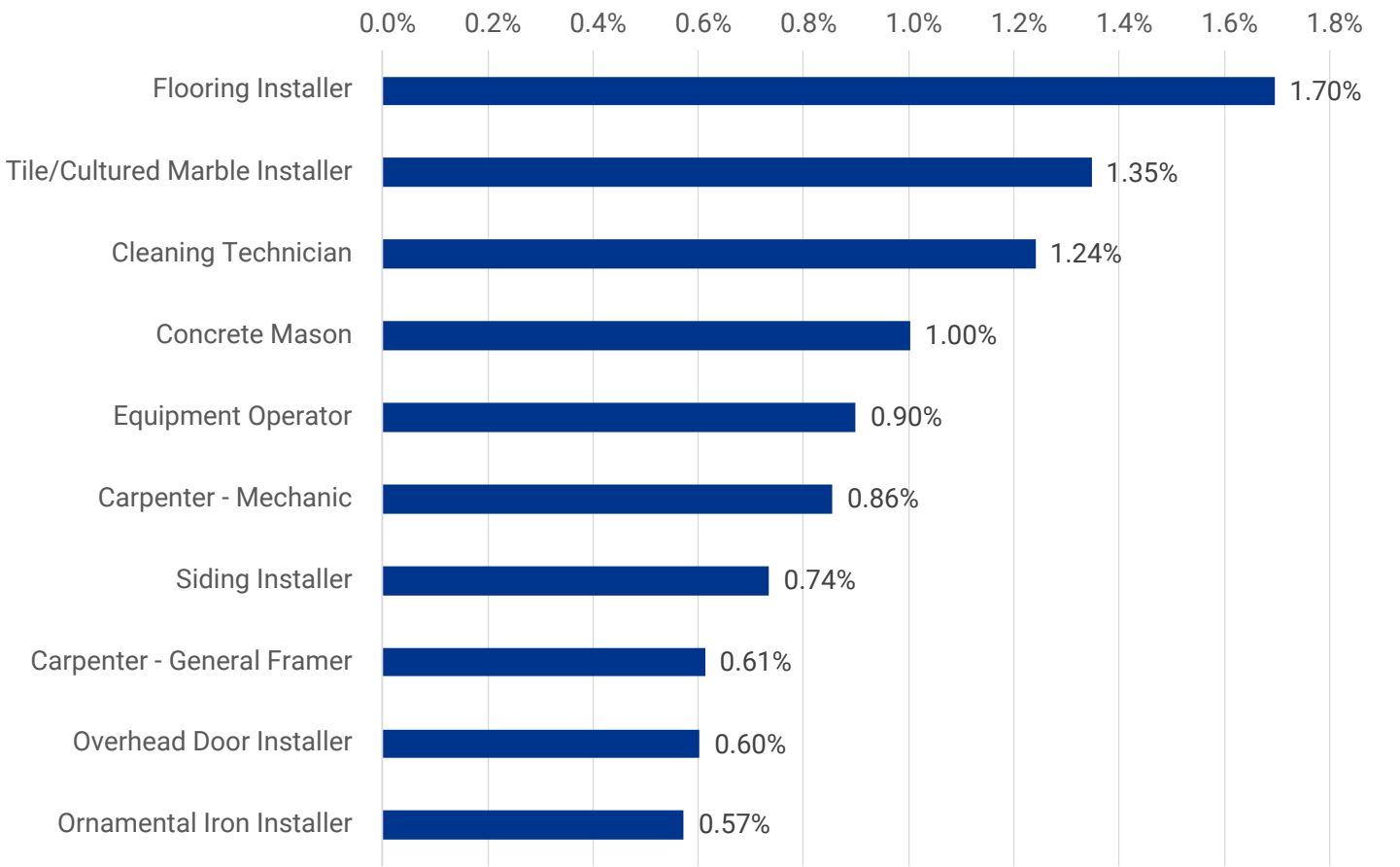
January 2024 - April 2024

United States



Top 10 Trades by Retail Labor % Change (Canada)

January 2024 - April 2024

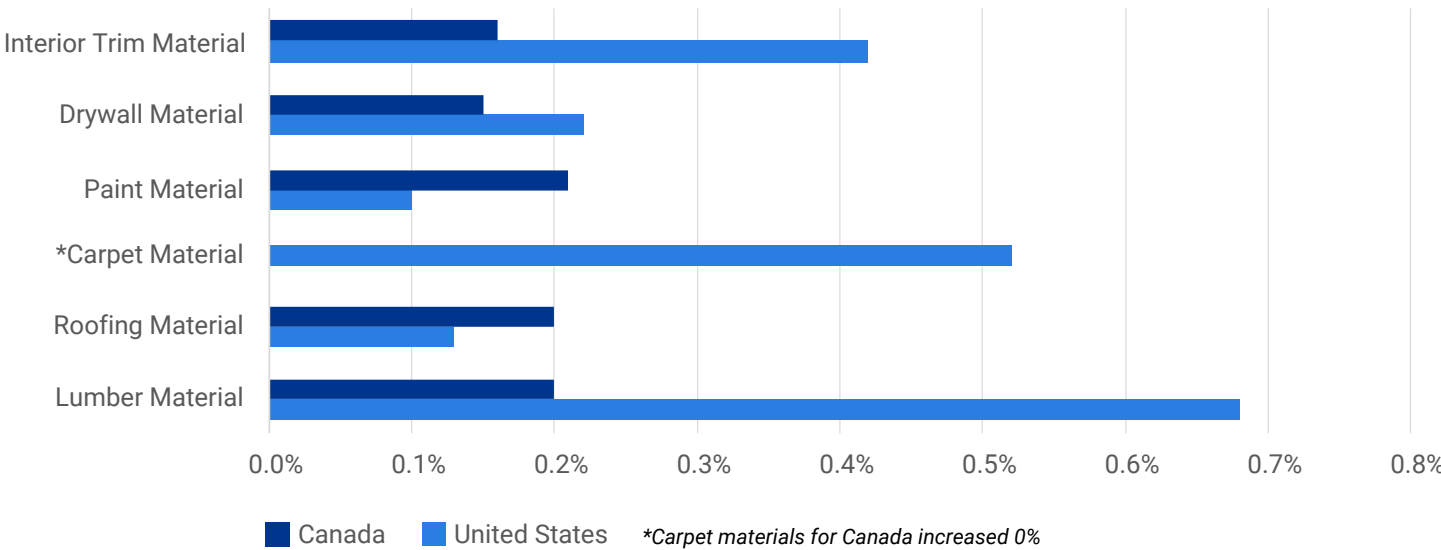


## Materials

The largest monthly change in Q1 2024 occurred in April for both the U.S. and Canada. The cost of stucco, OSB sheathing, fascia, soffit, and carpet pads are the main drivers in the U.S. The cost of soffit, range hoods, fascia, OSB sheathing, and vinyl siding are the main drivers in Canada.

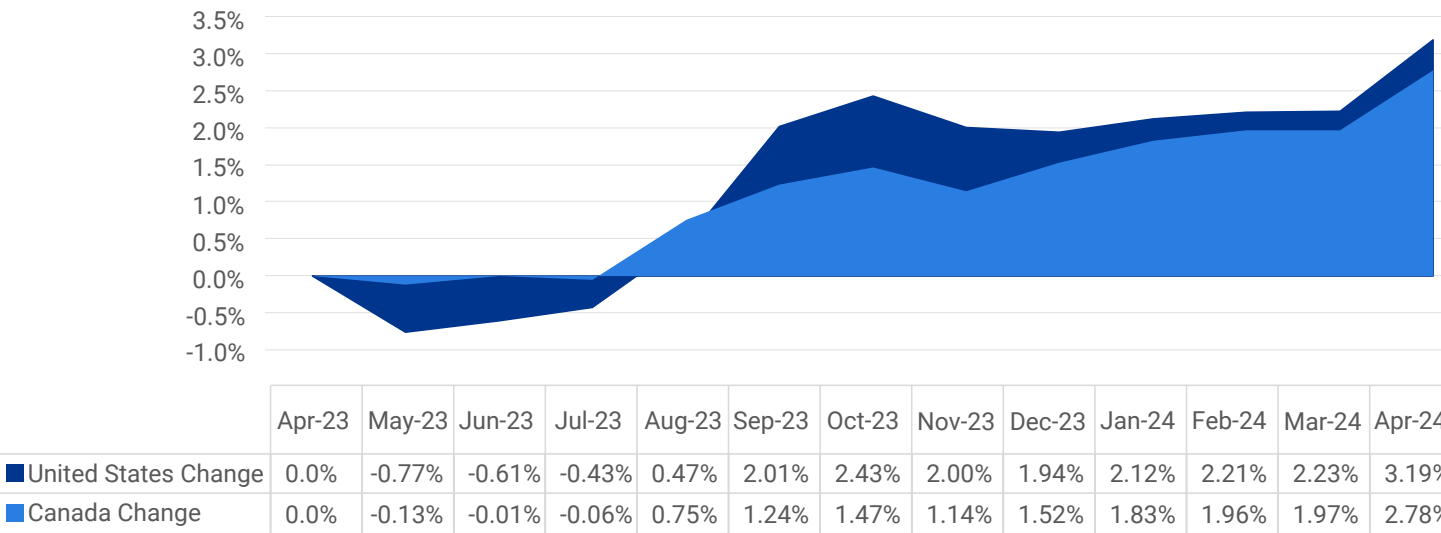
### Q1 2024 Cost Increases by Key Material Category

January 2024 - April 2024



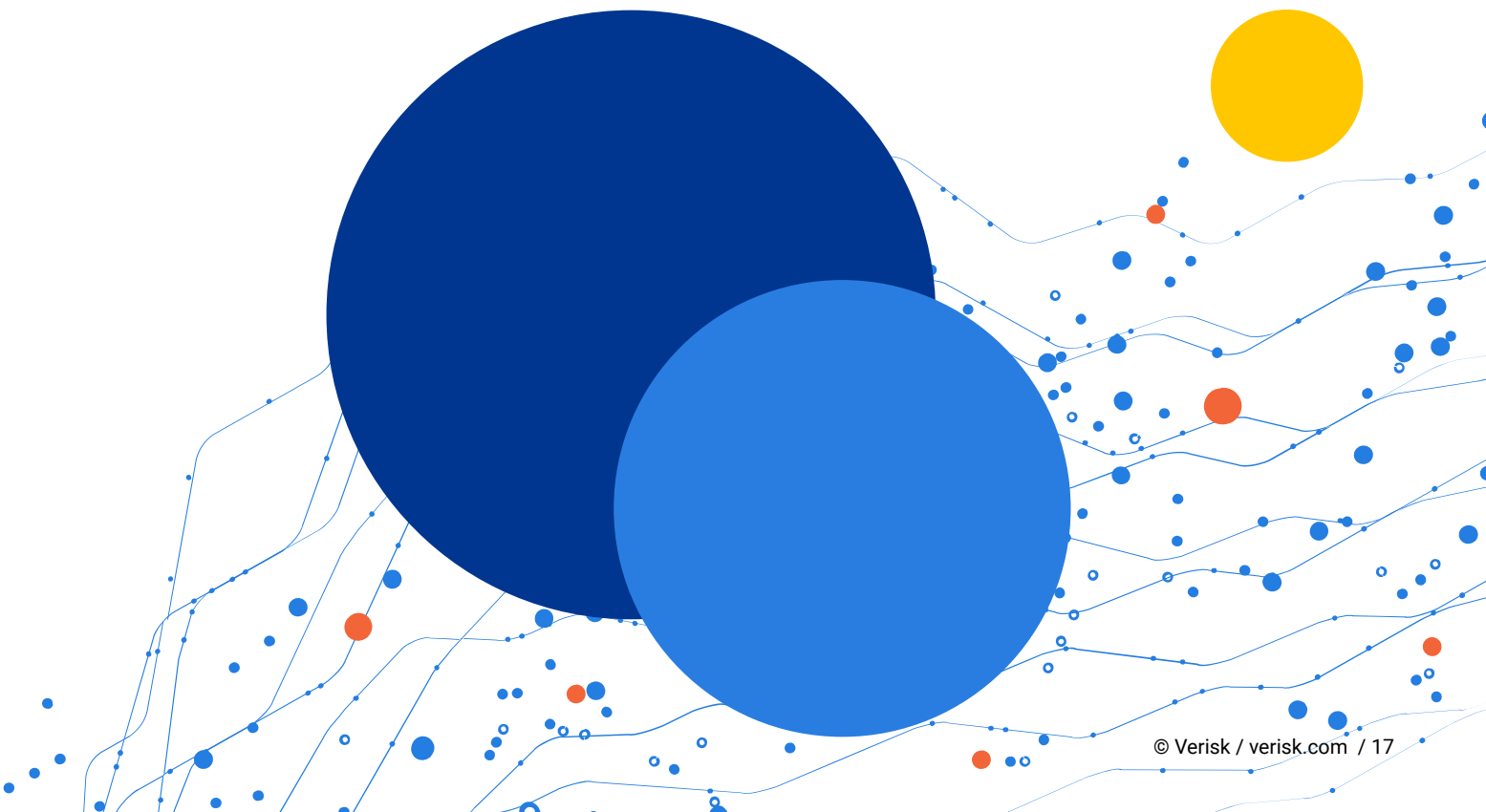
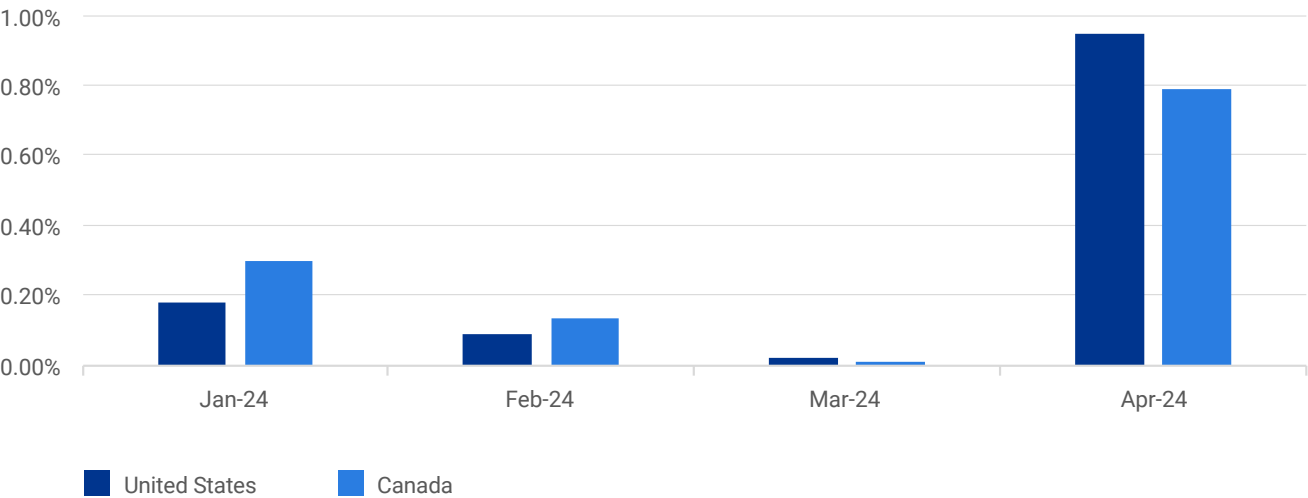
### 12-month Material Composite Index

April 2023 - April 2024



Q1 2024 Materials Cost Increases by Month

January 2024 - April 2024

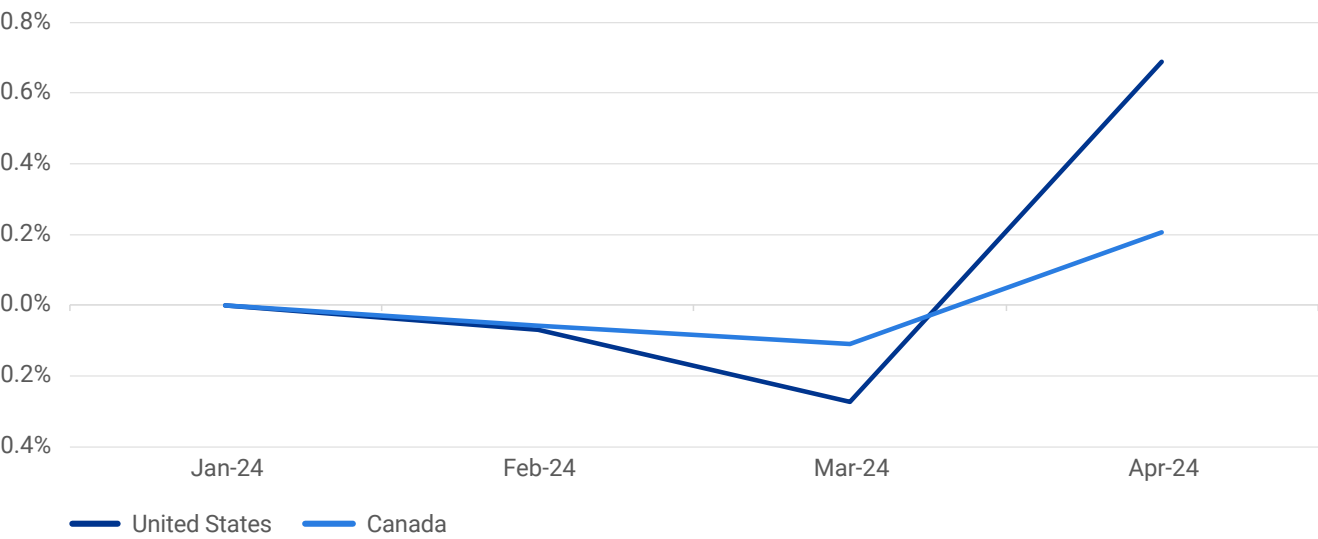


# Lumber costs

Lumber costs rose in Q1 due to an increase in the price of sheathing materials—2.4% in Canada and 3.1% in the U.S.

## Q1 2024 Composite Lumber Material Costs (U.S. and Canada)

January 2024 - April 2024

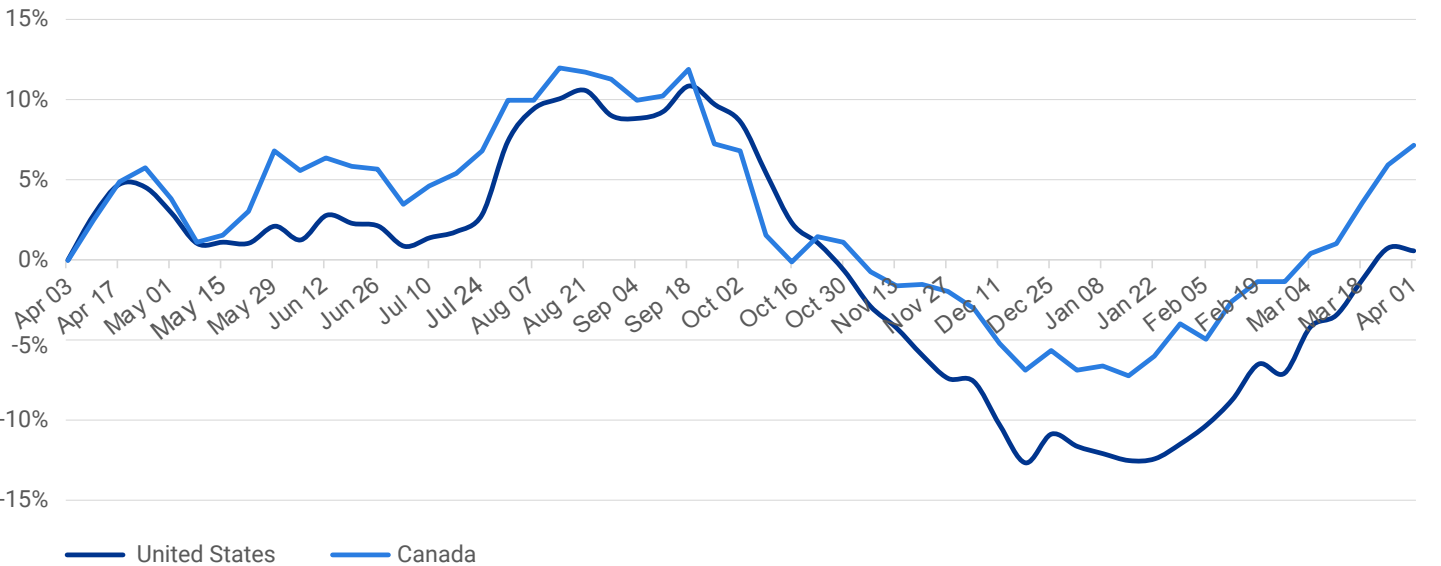


## Fuel costs

Fuel prices have seen a sharp increase in recent months. After declining significantly from September 2023 to January 2024, with a 16% drop in the U.S. and a 21% drop in Canada, the trend has now reversed. Over the past two months, fuel prices have risen by 12.15% in the U.S. and 12.72% in Canada.

### Average Weekly Retail Fuel Price Changes

April 2023 - April 2024



## Conclusion

In Q1 2024, property insurance claims and pricing data revealed several notable trends:

- Claim assignment volume increased 5.2% year-over-year, continuing an upward trend since 2022 but with less catastrophic claim volume compared to Q1 2023.
- Water and wind/hail losses represented nearly 80% of all claims, with hail claims increasing 40.1% and wind claims decreasing 32.5% proportionately.
- Average claim severity increased unexpectedly by around \$150 compared to Q1 2023, and severity is expected to trend higher as larger, complex claims mature.
- Commercial claims saw a 19.2% increase, concentrated in certain cities along the eastern seaboard and other major metropolitan areas.
- Labor costs rose significantly, with concrete masons experiencing the largest increase of 3.62% in the U.S. for Q1 2024.
- Material costs spiked in April, driven by stucco, OSB sheathing, fascia, soffit, and carpet pad prices in the U.S.
- After declining from September 2023 to January 2024, fuel prices reversed course, rising 12.15% in the U.S. and 12.72% in Canada over the past two months.

## Where to get more insights

### Industry Trends Reports

Using [Industry Trend Reports](#), Verisk customers can examine pricing trends on national, state or province, and local levels for key material and labor pricing changes in multiple trades. Trends can be viewed by the month or over extended periods. For more information about Verisk's Industry Trend Reports or to receive access to them, please get in touch with your sales representative or call 1-800-424-9228.

### Pricing Methodology White Paper

For more information about Verisk's methodology for researching and publishing pricing information, please see the Pricing Research Methodology white paper on the [eService Center](#).

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