



Why Homeowners Insurance Premiums are Rising.

A variety of circumstances have driven up homeowners insurance premiums in recent years. Here are a few facts:

1. **Climbing materials costs:** Between 2020 and 2021, the [cost of construction materials rose 18.6%](#): lumber, 6.2%, and asphalt roofing materials rose 16.4%.
2. **Weather-related disasters:** In 2021, there were 18 weather-related disasters nationwide, with losses totaling over \$1B. Damage estimates from Hurricane Ian are approaching \$75 billion.
3. **A shortage of skilled labor:** According to the U.S. Bureau of Labor Statistics, there were 358,000 job openings in the construction industry in September 2021.
4. **Insurers are increasing Dwelling Limits** on homeowner policies to keep pace with rising Replacement and Rebuilding costs.

Why Auto Insurance Premiums are Rising

It's not just homes—auto insurance is being impacted, too. Here's why auto premiums are on the rise:

1. **Supply chain issues:** Lingering supply chain issues have triggered a shortage of chips and, therefore, the production of new cars.
2. **Increase in parts costs:** In addition to the average car insurance claim being up 20%, individual parts to repair these damaged vehicles are also up 6%.
3. **Severe accidents on the rise:** In the past few years, there's been an increase in the severity of auto accidents—in fact, the number of fatal car crashes in the first six months of 2021 was up 18.4% compared to the same period in 2020.
4. **A shortage of skilled labor:** Right now, the automotive industry needs three times as many trained technicians as they currently have.

The bottom line for insurance companies? Claims are more prevalent, and payouts are more costly. The bottom line for you? Insurers have been forced to increase their annual premiums to offset their costs. While that may be true, **it's times like these that you can really benefit from being a Halstead Insurance customer.** We are ready to review your current policy to see if any adjustments can be made or any additional discounts applied that will lower your premium and still allow you to maintain any loyalty credits with your current insurer. We can also discuss if it may be a good time to consider switching to another one of our insurance companies.

Bottom line...We are here to help however we can. If you'd like to talk more about how you can cut costs, please contact us. I'd be happy to review your policies with you.

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