

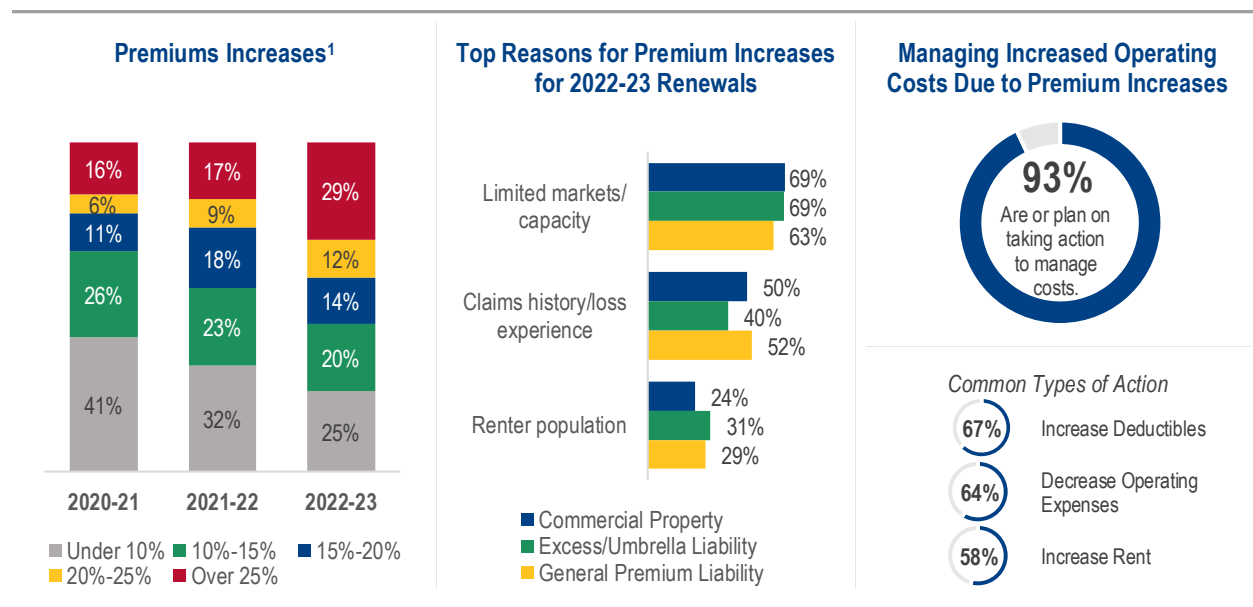
Increased Insurance Costs for Affordable Housing Providers

EXECUTIVE SUMMARY

In August and September 2023, ndp | analytics conducted a survey on changes in housing providers' insurance premiums for 2020, 2021, and 2022 policy renewals. We received 418 responses from housing providers across the United States who operated 2.7 million units, including 1.7 million affordable units.

Nearly all housing providers are taking actions such as increasing insurance deductibles, cutting expenses, or raising rents to manage higher operating costs due to higher insurance premiums driven by limited markets, claims history, and renter populations.

1. **Premium Increases:** Affordable housing providers are experiencing higher premiums across multiple lines of insurance. For 2022-23 policy renewals, 29% of housing providers experienced premium increases of 25% or more compared to 17% in the prior year.
2. **Top Reasons for Premium Increases:** Limited markets and capacity are the top reason for premium increases for housing providers across lines of insurance, followed by claims history and loss experience, and renter population.
3. **Managing Increased Operating Costs due to Premium Increases:** Over 93% of housing providers indicated that they would take action to mitigate cost increases due to higher insurance premiums. Three most common actions are increasing insurance deductibles, decreasing operating expenses, and increasing rent.



¹ Includes commercial property, general premium liability, and excess/umbrella liability insurance.