

HUB 2025

Outlook

Mid-Year
Rate Report

How Embedded Personal Insurance
is Evolving in 2025

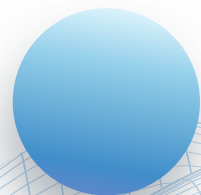


Seven months into 2025, the personal insurance market continues to face uncertainty. While rates are stabilizing in some areas, challenges like rising claims costs, persistent inflation and severe weather events are still creating volatility. Consumers are navigating higher household expenses and are more frustrated than ever with the rising costs of insurance.

In response, consumers are seeking more transparency, personalized support and trusted guidance, favoring brands that combine human expertise with meaningful AI tools and deliver unbiased advice through experiences that feel both modern and personal.¹

In this challenging environment, strategic partnerships matter. For brands looking to deliver a better insurance experience, teaming up with an expert can be the difference between churn and loyalty. VIU by HUB combines modern tools with deep insurance expertise, helping both customers and partners navigate complexity, manage risk and build long-term value through insurance buying experiences that feel personal, transparent and timely.

1. UserTesting, "[Global Survey: 88% of Adults Prefer Human Assistance for Insurance Advice, but AI Interest is Rising](#)," September 30, 2024.



Rising consumer expectations and severe weather are shaping the future of personal lines insurance

For the last few years, financial pressures and industry-wide capacity constraints forced much of the market into a defensive crouch. But 2025 is different.

Carriers are re-engaging, even as rising claims costs, weather-related losses and geopolitical uncertainty continue to pressure pricing. Rate hikes may be stabilizing but volatility persists, and strong carrier relationships are essential for navigating that complexity and delivering the right coverage at the right time.

As the industry faces growing unpredictability — from increasingly severe weather to rising customer expectations — the future of insurance is being shaped by consumers themselves. Business leaders are increasingly asking the same question: how do we embed insurance into our customer journey in a way that feels seamless, trusted and smart?

Embedding with empathy

From a consumer perspective, VIU by HUB answers that demand with Brokerage-as-a-Service (BraaS), offering integrated capabilities that empower partners to offer multi-carrier insurance solutions powered by a trusted insurance broker. In 2025, we've committed to co-branded experiences that build on the trust consumers already have in their chosen brand or service while delivering the objectivity and service of a top-tier broker.

When a customer buys a car or applies for a mortgage, they're not necessarily thinking about insurance products – they're navigating a major life event, like buying a home or a car. And when they find out they need insurance for that purchase, they're looking for help.² BraaS meets that need in context through digital journeys backed by live advisors, transparent options and frictionless fulfillment. This enhances the customer experience in ways that boost satisfaction, loyalty and long-term value for our partners.

This isn't just a better experience for customers. It's a smarter investment for partners, with increased retention and higher lifetime value. Our expertise in insurance, current market risks, and how to retain customers through renewal helps partners meet their goals while supporting customer financial wellness.

2. Talker News, "Annoying Things Americans Would Rather Do Than Pick an Insurance Plan," October 2, 2024.

Evolving brokerages in the age of AI

As AI and automation reshape the insurance experience, the broker model stands out for one simple reason: choice. Direct models can offer slick experiences, but they come with built-in bias.

Today, brokerages across the insurance industry are exploring how AI can enhance their ability to serve clients. At VIU by HUB, we're evaluating how these tools might help us better understand customer needs and improve service, without losing the human element or adopting technology without a clear purpose or benefit to the customer. This is what modern brokerage looks like: efficient, empathetic and aligned to real life.

Trust in the age of AI

While some in the industry are working toward fully automated services, we see greater value in thoughtfully integrating AI where it enhances, rather than replaces, the human experience. That means using machine learning to speed up service, for example flagging life changes and improving onboarding for our advisors, but always with a clear benefit to the customer. It also means handling customer data with care, prioritizing privacy and transparency so that every interaction builds – not erodes – trust.

The future isn't human or machine. It's both. And as expectations evolve we're working to better understand how people want to experience AI through insurance – what feels helpful, what feels impersonal and how we can strike the right balance. Our omnichannel model gives us the flexibility to meet customers wherever they are, online, on the phone or somewhere in between.

What comes next

While the second half of 2025 promises innovation and expanding partnerships, challenges like rising repair costs, extreme weather and global uncertainty remain. That's why working with an industry-leading partner matters. VIU by HUB is already powering embedded programs for major national brands and more are on the way. As awareness grows, so does our role. We're more than a back-end broker. We're a trusted guide throughout the customer's buying journey and beyond, shaping the future of embedded insurance through a partnership-driven model backed by the scale, expertise and stability of HUB International.

Embedded insurance isn't just about inserting coverage into a checkout flow. It's about showing up when people need you most, with clarity, compassion and capability.

Rate Report

VIU by HUB's rate guidance is based on proprietary research and interviews with our experts specializing in personal lines business.

As we move through 2025, personal insurance rates remain elevated, but there are signs of stabilization in many areas. Carriers continue to adjust premiums to keep pace with higher costs and operational expenses, but increases are lower than in previous years. This could be the start of more balanced insurance rates following sharp inflation that began in 2022.

However, challenges remain in certain geographies and lines of business.

Homeowners in high-risk regions, particularly those prone to wildfires, hurricanes and convective storms, will continue to face substantial increases as carriers adjust for rising loss costs and shifting reinsurance dynamics.

Newly implemented tariffs could also influence pricing in unpredictable ways. The impact will depend on how long they remain in place as well as how prices change in affected categories like building materials, auto parts and medical equipment. Sustained cost increase in any of these areas could create additional pressure across homeowners, auto and liability coverages.

Here is what we're seeing across key personal insurance lines:

Coverage	U.S. Rate Guidance	Insights
Auto	<10%	<p>After two years of double-digit hikes, auto insurance rate increases are starting to moderate. Nationally, rates rose by about 14% in both 2023 and 2024. So far in 2025, the average increase is closer to 10%, though state-level filings vary. The April 2025 tariff announcement created short-term volatility, but pricing has begun to settle again.</p> <p>Improved safety features like Advanced Driver Assistance Systems (ADAS) are helping reduce accident frequency, but their high repair costs make cars more expensive to repair, which is driving up the overall cost of accidents. In states like California, Virginia, North Carolina and Utah, new minimum bodily injury/property damage (BI/PD) coverage limits are also driving up average premiums.</p>
Homeowners	>10%	<p>While some homeowners are starting to see relief, those in catastrophe-prone areas are still facing steep increases. In 2024, industry-wide rate hikes and improved underwriting helped bring combined ratios under control. But areas hit by wildfires, hurricanes, hail and convective storms will likely see continued double-digit increases.</p> <p>For lower-risk regions, 2025 brings some stability. Rate increases here are expected to fall below 10%, thanks to more modest loss trends and property value adjustments.</p>
Personal Umbrella	<10%	<p>After two years of steep hikes driven by litigation costs and healthcare inflation, umbrella rate increases are slowing. Expect moderate increases near 10% to continue through 2025.</p> <p>Large liability claims are becoming more common, especially from auto accidents and personal injury. For households with growing assets, umbrella coverage is more important than ever, especially as base policy limits lag behind rising claim severity.</p>

Rate Report

Coverage	U.S. Rate Guidance	Insights
Flood	>10%	<p>Flood policy counts are on the rise as public and private coverage continue to shift. The National Flood Insurance Program (NFIP) caps annual rate increases at 9%, which often undercuts private insurers and slows adoption of risk-based pricing. As flood risk grows beyond traditional zones, pricing is evolving to reflect newer and more localized data.</p> <p>Recent storms have also highlighted weaknesses in outdated flood zone designations, especially where back-to-back weather events magnify damage. As climate volatility increases, flood coverage should be considered beyond FEMA-designated zones.</p>
Specialty: Motorcycle, RVs, Watercraft	<10%	<p>Rates for specialty vehicles are rising moderately. Higher costs for parts and repairs continue to push severity upward, particularly as aging RVs and boats remain in service longer.</p> <p>For these lines, expect single-digit increases depending on usage, age of equipment and local market dynamics.</p>



Personal Insurance Marketplace

Partnering with VIU by HUB unlocks new revenue opportunities, enhances engagement, and delivers added value to insurance shoppers through customizable solutions. To learn more about embedding personal lines insurance into your business, connect with our Strategic Partnerships team or visit viubyhq.com/partnerships.

150k+

clients

200+

strategic partnerships

50+

Carriers and nationwide coverage

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