

Outlook 2025

Personal Insurance Marketplace

Strategic partnerships create value for customers and employees by addressing the financial challenges of rising personal insurance costs.



What to Expect in 2025

Rising personal home and auto insurance rates – driven by increased claims expenses, soaring property values and more frequent natural disasters – will continue to reshape the North American personal insurance market in 2025. With growing financial pressures on consumers and employees, obtaining tailored guidance from a neutral insurance broker can help. Forward-thinking companies can address this challenge by partnering with a digital insurance broker to embed comprehensive solutions directly into their customer and employee platforms.

These partnerships provide stakeholders with unbiased advice and choice, streamlining the personal insurance buying process while cultivating resilience, enhancing profitability and driving sustainable growth for the organization.

45%

Percentage of companies that plan to implement strategic partnerships as part of their growth strategy in the next 24 months.

Source: HUB's Outlook Executive Survey polled 900 C-Suite and VP-level executives on the issues facing them on profitability, employee vitality and organizational resilience.

Address personal insurance needs and unlock new revenue streams with strategic partners.

Higher claims costs, inflation and natural catastrophes have tightened profit margins for businesses and have driven up personal insurance rates for consumers, forcing companies to rethink their strategies as they deal with economic challenges and shifting consumer behavior. Forming a strategic partnership that addresses challenges in the personal insurance marketplace can benefit both a company and its clients. Providing a simple, intuitive way to shop for and buy personal insurance opens new revenue streams for the business and adds value for clients.

Consumers are feeling squeezed by rising insurance premiums. In 2025, auto premiums are expected to rise as much as 5% while homeowners premiums may grow by more than 15%¹ — especially in high-risk areas vulnerable to extreme weather events. As total housing expenses increase, consumers may be forced to search for cost-saving opportunities in other categories.²

Rising insurance premiums have additional implications for the real estate industry. Securing home insurance, particularly in disaster-prone areas, is becoming

increasingly difficult as carriers exit markets and raise rates in others, putting home sales in jeopardy. The number of potential buyers backing out of the lending process before they close is at an all-time high,³ primarily due to affordability issues.

To minimize impact to the bottom line, companies should pursue strategic partnerships that fill their customers' need for more personal insurance support while helping to build a diversified revenue stream.

1. VIU by HUB, "2025 Personal Insurance Marketplace Rate Guide," December 3, 2024.
2. Deloitte, "[State of the US Consumer: September 2024](#)," September 30, 2024.
3. Redfin, "[Redfin Reports Existing Home Sales Rose 0.6% Last Month, But Were At the Lowest July Level on Record](#)," August 19, 2024.

Case Study

A mortgage servicing company partnered with VIU by HUB to integrate personal lines insurance into their customer offering, particularly for clients in disaster-prone areas like Florida. This streamlined process allowed clients to secure home insurance through VIU alongside their mortgage products, improving customer satisfaction and reinforcing the mortgage servicing company's role as a reliable, all-in-one financial partner. As a result of the strategic partnership, the mortgage servicer earned a percentage of the revenue — creating a new revenue stream and increasing profitability.

Enhance employee financial wellness with personal insurance options.

Despite inflation easing, financial stress remains a significant workplace issue. Only 47% of U.S. workers report feeling financially well,⁴ leading to productivity losses and retention risks. More than half of financially stressed employees spend three or more hours per week dealing with personal finances while at work.⁵ These employees are also more likely to leave for new jobs. To counter this, employers can offer voluntary benefits that help support the financial wellbeing of their employees.

According to the HUB International 2025 Outlook Executive Survey, 96% of the respondents state their employees' financial wellness has been impacted "moderately" or "severely" by rising personal insurance premiums. While the HUB survey data show that U.S. companies want to improve employee financial wellness by offering personal insurance solutions as a voluntary benefit, most do not – putting workplace vitality at risk.

In real estate, for example, comprehensive financial support could help retain agents and better ensure long-term success for brokerages. HUB's survey data indicates that only 10% of real estate companies offer personal insurance solutions, while up to 88% of new agents quit before reaching their five-year tenure.⁶

Retaining talent becomes increasingly vital in industries requiring a specialized workforce. In the competitive industry of electric vehicle manufacturing, companies could offer personal insurance benefits to differentiate themselves and attract top candidates. It is estimated that there will be a 17% increase in employment in the sector between 2021 to 2031, so businesses must prioritize benefits to retain skilled workers amid growing demand.⁷



Nonprofits may prioritize personal insurance benefits more than other industries, with 38% offering options to employees, according to the HUB survey. Securing and maintaining a dedicated workforce in this sector is challenged by tight budgets and grueling service demands. Still, nearly two-thirds may miss an opportunity to limit turnover and maintain organizational effectiveness by not offering these additional benefits.

4. SHRM, "[Employee Financial Wellness Inches Up After All-Time Low](#)," May 29, 2024.
5. PwC, "[PwC's 2023 Employee Financial Wellness Survey](#)," January 2023.
6. HR Management, "[Overcoming High Turnover Rates: Lessons From The Real Estate Industry](#)," June 13, 2024.
7. U.S. Bureau of Labor Statistics, "[Charging into the future: the transition to electric vehicles](#)," February 2023.

Embrace innovation to stay competitive – and create customer convenience.

Resiliency is paramount for business success, especially while striving to improve the customer experience in the wake of rising operational costs, ongoing climate risks and slowing economic growth. Embracing an innovative approach, such as building a digital ecosystem of solutions, is key to remaining competitive in 2025 and beyond.

With home prices expected to rise as much as 4.4%, affordability will continue to shape buyer behavior.⁸ Real estate companies can embed an innovative personal insurance solution into the home-buying process to help their clients secure adequate and affordable insurance that fits their needs. By connecting clients with unbiased advice and expertise, a mortgage lender can build trust with a home buyer – and prevent costly home purchase cancellations.

Strategic partnerships with insurance brokerages also create convenience for customers, which keeps them referring and returning. For example, 42% of consumers⁹ shop for car insurance mostly through online comparison sites, so automotive lenders could offer car buyers access to insurance advice and choices while a deal is closing.

For organizations delivering mission-driven services, resiliency hinges on successful initiatives within communities, great relationships with donors and strong membership bases. Affinity groups can embed a white-labeled digital platform offering personal insurance options to help elevate the organization with its members and increase long-term value.

8. Norada, "[Real Estate Market Predictions 2025: What to Expect](#)," September 14, 2024.
9. Expertise.com, "[Study: 62% of Americans May Be Missing Out on Car Insurance Savings](#)," July 15, 2024.

Case Study

Altair Global, one of the largest independent global relocation management companies, sought to enhance the relocation experience for its clients. They chose VIU by HUB to deliver an omnichannel platform that offers personal insurance to meet the diverse needs of five generations in the workforce. Thirty-seven percent of referred Altair Global customers chose to speak with a VIU by HUB advisor to receive tailored coverage options as they navigated life in a new location, and 86% of shared customers renewed their policy through VIU by HUB, showcasing the ongoing value of the partnership.

Organizations with benefit options will weather the storm and shore up resiliency.

From hurricanes to wildfires, extreme weather events continue to impact operations, financial stability and long-term planning across all industries. In 2025, the frequency and intensity of these events are expected to increase, further testing the resilience of multiple industries.

There were \$62 billion of insured losses in the first half of 2024, roughly 70% above the 10-year average.¹⁰ Two-thirds of consumers say extreme weather has impacted their insurance premiums, with 1 in 10 reporting “not confident” they can afford to renew their policy.¹¹ With 8.5% of mortgage holders going without homeowners insurance altogether due to high premiums,¹² lenders and real estate professionals must evaluate how their operations will deal with losses from property damage, the inability to rebuild and changes in community dynamics.

Adding to the overall risk, along with skyrocketing insurance premiums due to severe weather, are house hunters who may reconsider construction quality and location before signing on the dotted line. The real estate industry can help itself by presenting would-be homeowners and mortgage holders with a range of carrier options and the expert guidance of a broker.

Extreme weather also affects employee behavior, and businesses should provide workforce support in these disaster-prone areas. Organizations that serve populations after devastating weather events must prepare to face a growing demand for services. The frequency and severity of such events will drain resources and employee morale.

Organizations have an opportunity to foster employee relationships by helping them prepare and protect their financial health through personal insurance benefit options.

10. Insurance Journal, “[Extreme Weather Sends Insured Losses 70% Above Historical Norms.](#)” July 31, 2024.

11. Fannie Mae, “[Consumers Worried about Impact of Extreme Weather on Homes and Insurance Premiums.](#)” April 3, 2024.

12. NBC News, “[1 in 8 U.S. homeowners aren’t protected by homeowners insurance.](#)” September 17, 2024.

Navigating Your Next Steps

As businesses navigate the shifting landscape of insurance and customer expectations, taking proactive steps today will strengthen operations for 2025. Some key strategies for your company's long-term success include:

1

Partner with a reliable insurance tech company.

Forge a [strategic partnership](#) with a trusted insurance technology provider. Embedding a digital insurance brokerage solution directly into your business model provides your clients with unbiased advice and choice that leads to increased retention and improved profitability.

A broker provides your clients with access to multiple carriers, offering a variety of coverage options tailored to their specific needs. With ongoing proactive guidance, brokers ensure that your clients' protection evolves as their needs change, delivering personalized solutions and peace of mind.

2

Provide choices and unbiased advice.

3

Leverage digital solutions to enhance client experience.

Embrace embedded technology to deliver a frictionless customer experience. VIU by HUB's comprehensive omnichannel platform offers side-by-side comparisons of policy options and allows your clients to shop the way they prefer – online or by phone – leading to a more enjoyable customer experience and a higher regard for your brand.

To succeed, you must meet your customers and employees where they are. Today's consumers prioritize "matters of the heart" over transactional details, and they want easy access and simple insurance solutions that align with their budgets, lifestyles and values. Showing clients that you're invested in their financial wellness fosters loyalty and encourages referrals.

4

Adapt to evolving consumer priorities.

5

Thoughtfully lean into risk.

The growing impact of climate change on the insurance marketplace requires a partner with a clear understanding of the underlying factors driving these shifts. A broker has an unbiased perspective on the industry and can provide your customers and employees with ongoing advice and support to help mitigate potential coverage disruptions and keep you competitive.

Personal Insurance Marketplace Rate Guide – U.S.

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

On average, we are experiencing rate increases for nearly all coverages as carriers need additional premium to support increased losses and expenses. Given the increased frequency and severity of weather events, rate increases are expected for homeowners in catastrophe-prone areas, while other policy segments will see a slowdown in rate increases.

Below are projections of rate increases that we anticipate in 2025. It's important to discuss your unique exposure with your insurance broker and understand what to expect well in advance of your next renewal.

Coverage	2025 Personal Insurance Rate Guide	Insights
Auto	+5%	With inflationary pressures expected to moderate and rate levels gradually stabilizing, auto rate increases are projected to hover around 5%. Rate increases will persist to counterbalance rising costs for labor, medical and replacement vehicles. This is good news as the overall effective auto rate increase was +14% in 2023, followed by another +14% in 2024, driven by a combination of inflation, severity trends and regional catastrophe losses, including Hurricane Ian.
Homeowners	+15%	Homeowners loss ratios have steadily increased, inching upwards from 75% in 2021 to 85% in 2023. Significant hurricane-related events in 2024 will keep overall homeowners loss ratios elevated – despite the amount of uncovered flood losses and the absence of major wildfires. Capacity will continue to tighten in some regions, including the Midwest, prompting carriers to leave the market entirely than increase rates. Similar to auto, materials and labor costs remain key drivers of severity. In high-risk catastrophic-prone regions, rate increases exceeding 15% are projected to persist in 2025, while areas with lower weather-related risks may see a slowdown or stabilization in rate increases (i.e., Coverage A values have automatically adjusted for many policies).
Personal Umbrella	+10%	Social inflation remains a primary underwriting concern for umbrella policies, especially in jurisdictions with a history of high-dollar verdicts. Rising legal and medical costs will continue to impact coverage but are expected to stabilize in 2025.
Catastrophic Perils	+20%	Wind coverage insurance rates, which protect against damage from strong winds like hurricanes or storms, are expected to increase in catastrophic-prone areas, especially near the Gulf of Mexico and Atlantic Ocean. The biggest rate disruption will likely come from flood insurance, with changes extending beyond 2025 as FEMA updates its flood zones to include more high-risk areas. Homeowners without flood insurance will need guidance on how to plan and budget for this additional coverage. For example, only 1% of North Carolina homeowners who were impacted by Hurricane Helene had flood insurance.

Personal Insurance Marketplace Rate Guide – U.S.

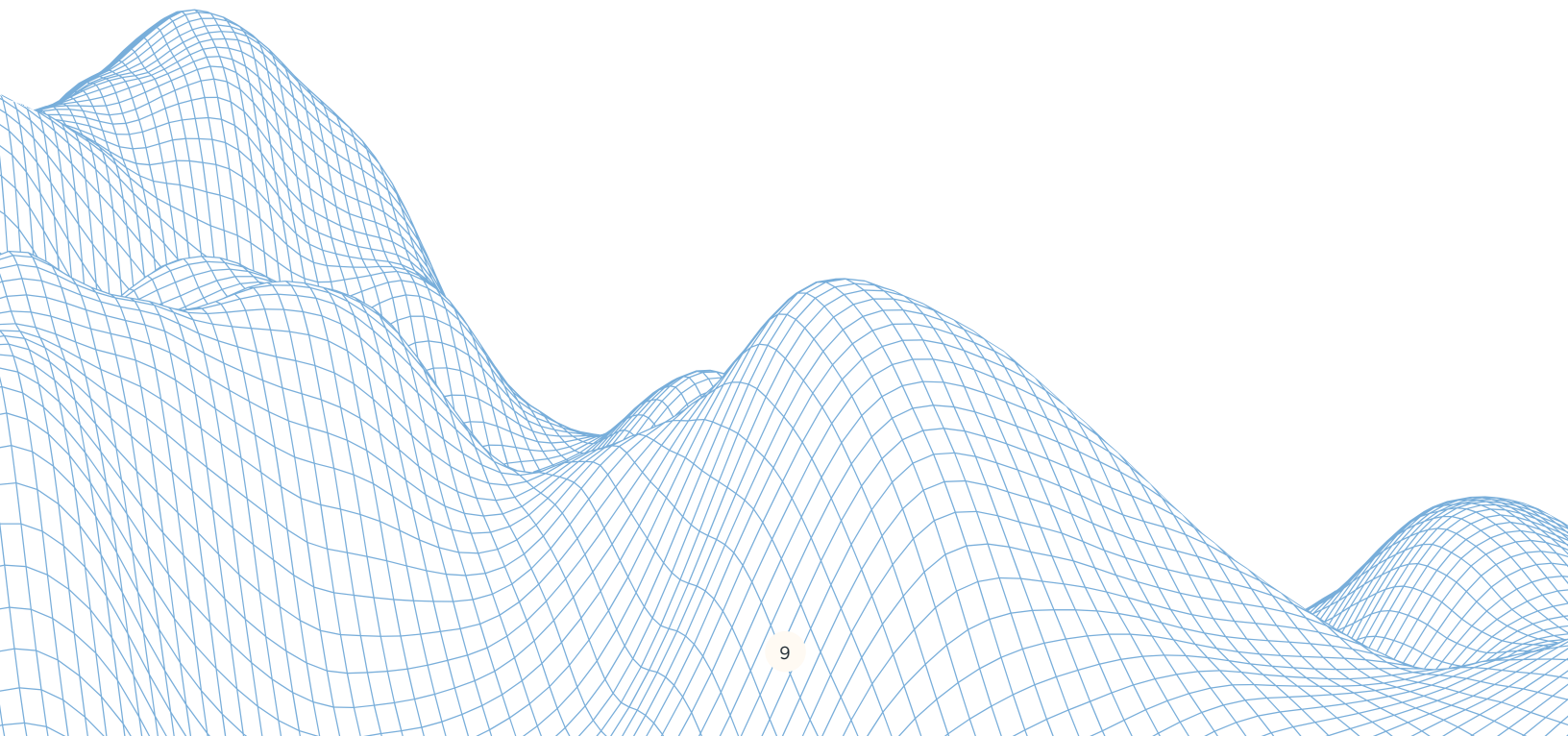
Coverage	2025 Personal Insurance Rate Guide	Insights
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**Specialty:
Motorcycle, RVs,
Watercraft**

+5% to +10%

Much like the automobile market, specialty coverage lines will see an increase to offset losses driven by labor costs, parts and vehicle replacement expenses. Though parts and labor still affect severity, they are not expected to drive significant rate increases like the auto market in which complex technology plays a larger and more costly role.

NOTE: *Rate* is typically defined as the amount of money necessary to cover losses and expenses while providing an insurance company with a profit for a unit of exposure. *Exposure* refers to a business' or individual's susceptibility to various daily risks. Carriers evaluate the level of risk an insured faces in calculating insurance premiums.



Personal Insurance Marketplace

Partnering with VIU by HUB helps you build stronger relationships and boost loyalty by offering personalized insurance solutions for your customers and employees.

[Contact us](#) to learn how we can seamlessly integrate into your existing experience and provide a distinct competitive edge for your business.

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Unbiased advice from **80+ licensed advisors across all 50 states**

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