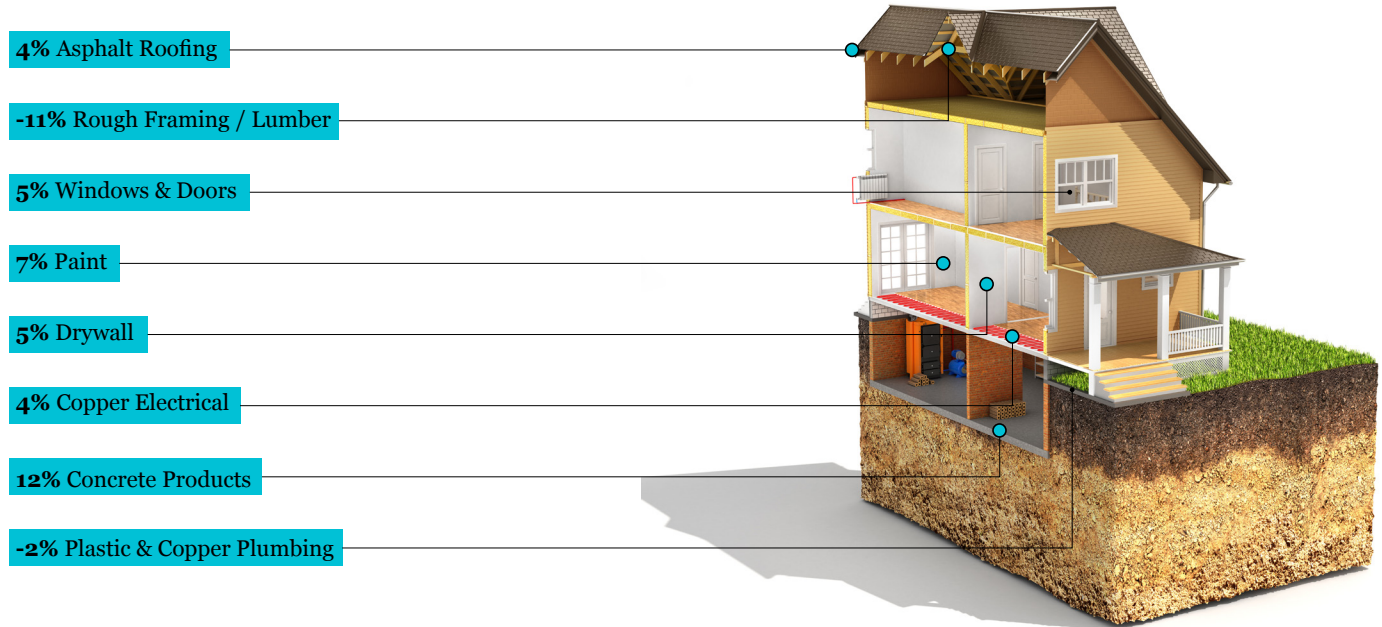


Market trends 2024

Insuring successful families and individuals

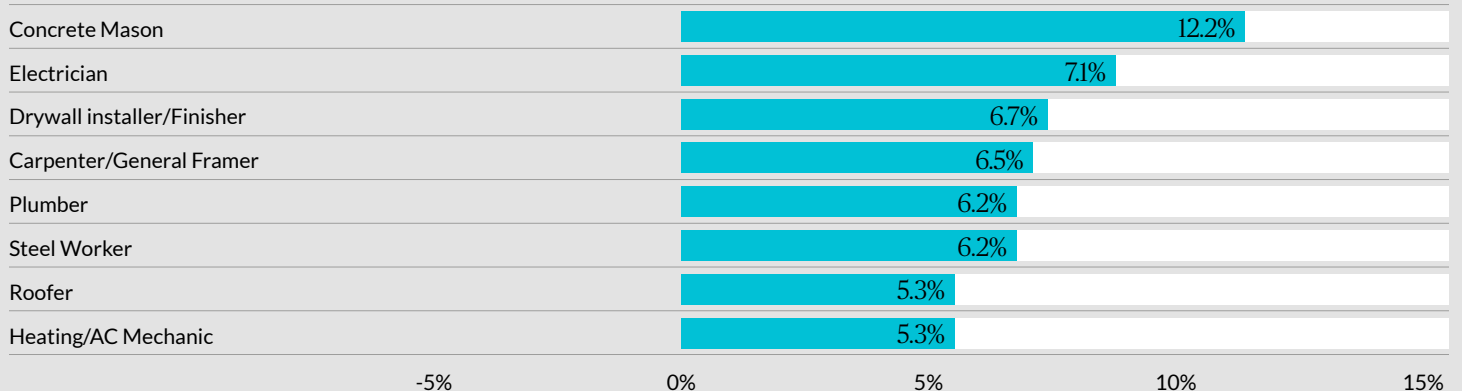
Material costs are leveling off¹



Higher labor costs²

Average labor cost percentage change by month. 7.6% growth since Oct 2022

Percentage change in costs



Liability and social inflation

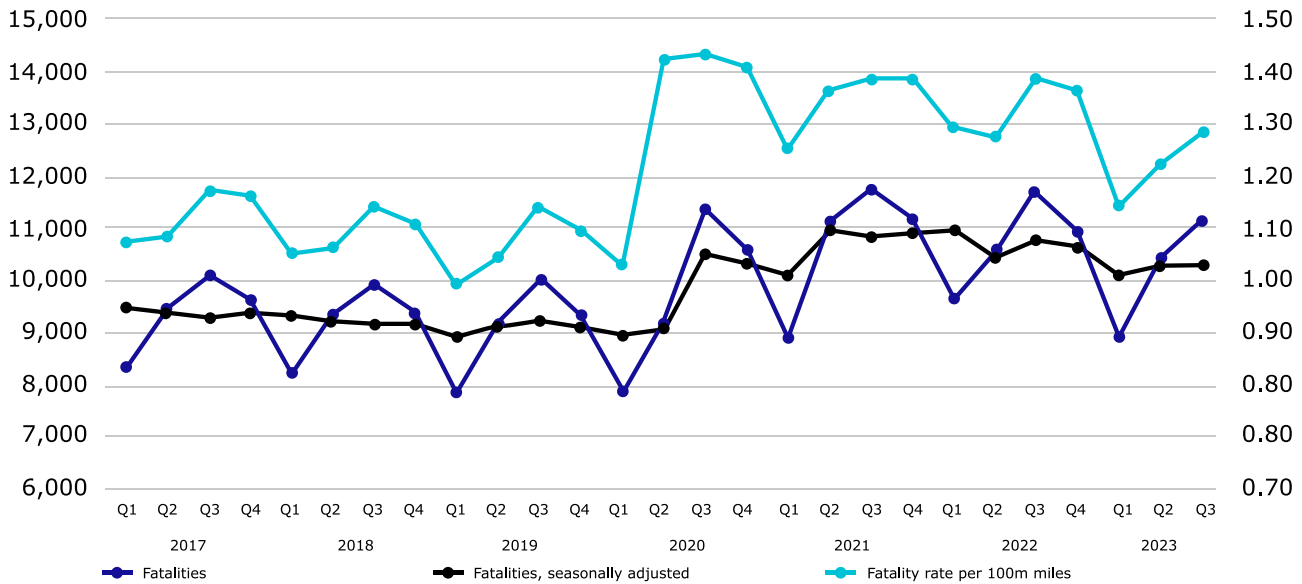
Insurers' claims costs are rising above general economic inflation. This was caused by a trend in increased litigation, broader definitions of liability, more plaintiff-friendly legal decisions and larger compensatory awards by juries.

Key drivers of liability claims

<p>Current socio-economic divide: "us vs. them theory"</p>	<p>Faster driving patterns</p>
<p>Third-party litigation funding</p>	<p>Large awards for non-economic to address broader social concerns</p> <ul style="list-style-type: none"> • Post-traumatic stress disorder (PTSD) • Conscious pain and suffering • Chronic regional pain syndrome (CRPS)
<p>Large increases in advertising by plaintiffs' firms</p>	

Driving fatalities remain high

Motor vehicle fatalities (US department of transportation)³
 An increase in poor driving behaviors during the pandemic saw a spike in fatalities.

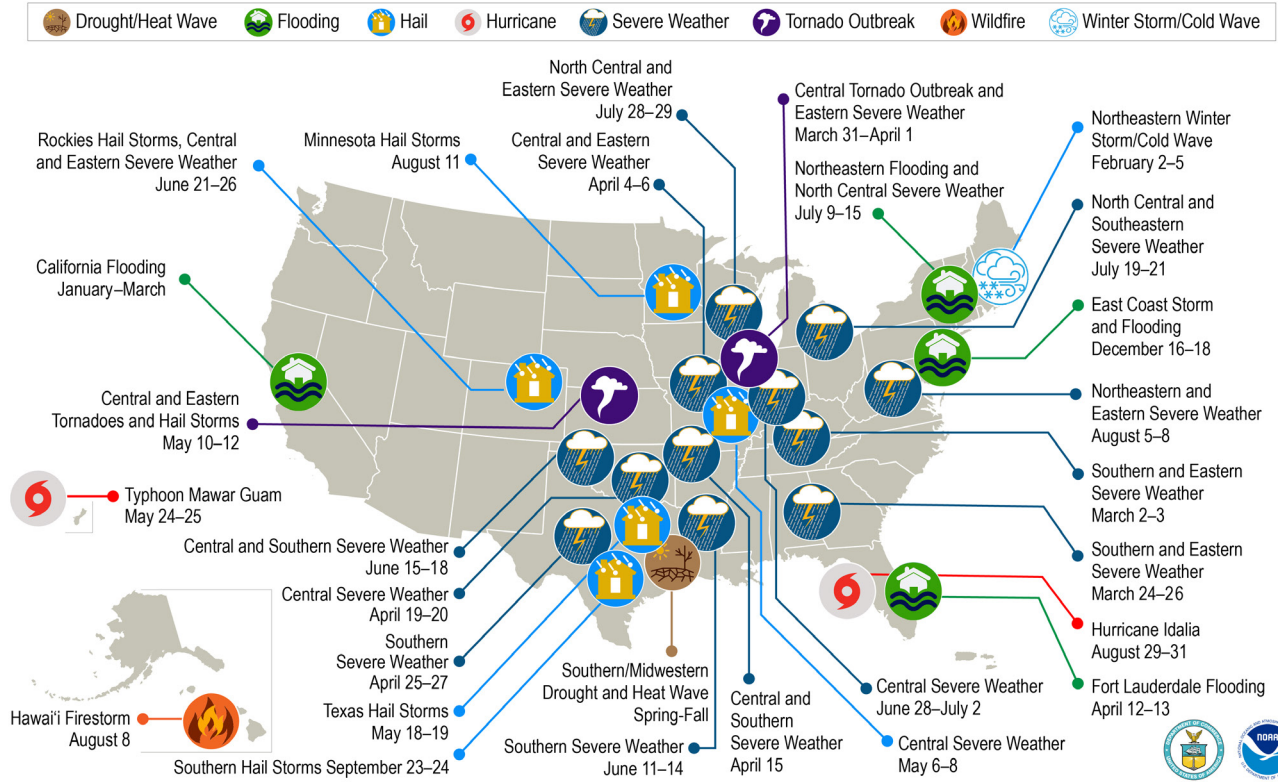


Vehicle theft on the rise:
 104% higher in 2023 than 2019⁴

Top vehicles stolen⁵:

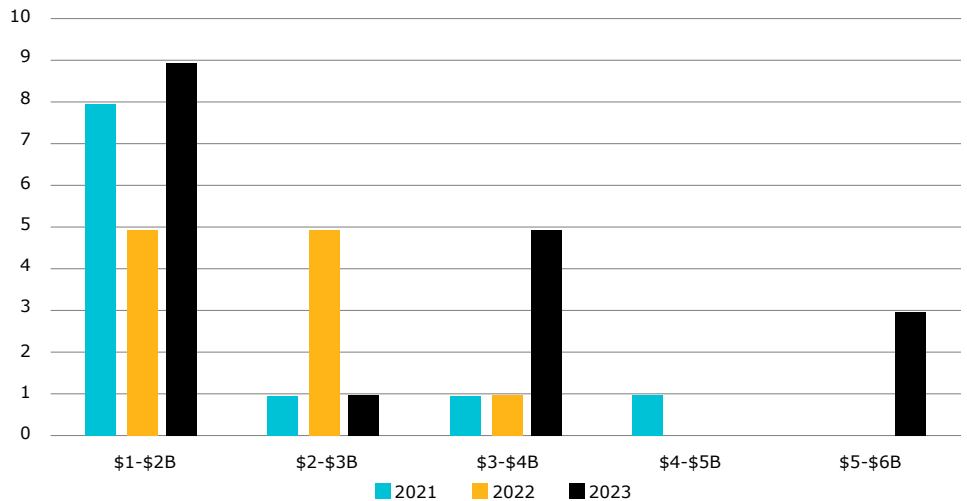
- Land Rover Range Rover
- Land Rover Range Rover Sport
- BMW X6
- BMW X7
- Infiniti Q50

Rise in billion-dollar disasters⁶



Convective storms⁷

2023 was an active convective storm season. While there was not a single, major event (\$10 billion+) there was a high frequency of moderate events in the \$3-6 billion range: 9 in 2023 compared to 1 in 2022 and 2 in 2021.



Flooding risk

75% of all presidential disaster declarations are associated with flooding.

Approximately 40% of all natural disasters involve flooding.

In a 30-year mortgage: 26% chance of flood damage. 9% chance of fire.⁸

Shift in the marketplace for art



Art & the flight to quality

Post-War and Contemporary art was the largest sector of the fine art market in 2022, accounting for 54% of the value of global fine art sales (down by 4% from 2021).⁹

In 2023, a full-on flight to quality has taken hold. Collectors are pursuing works by established artists with a museum presence, vs. the speculative buying of young artists that we saw in 2022.¹⁰

Whiskey category expansion

Whiskey investment is set to reach \$127 billion by 2028.¹¹

Wine collections are mostly investments, with the average collector owning 2,631 bottles worth around \$389,000.

Fashion and accessories are growing



Sneakers

At its current rate of growth, the sneaker market is expected to be worth \$95 billion by 2025.¹²

Watches

Secondhand prices are still well above price levels three years ago.

Pre-owned luxury watches now account for over 30% of the high-end timepiece market—and the trend is likely to continue.¹³

Luxury handbags

- The global luxury handbag market was valued at \$22.8 billion in 2022.
- Compound annual growth of over 6% is expected between 2023 and 2032.¹⁴

Growth drivers

- Emerging social media trends towards premium accessories
- Rising disposable incomes
- Growing brand recognition & loyalty

Pitfalls and challenges

- Counterfeiting and imitation
- Shifting consumer preferences (fast trend cycles)

Sources:

1. Materials Costs Per BLS, Bureau of Labor Statistics 2. Verisk 360Value Quarterly Reconstruction Cost Analysis 3. US Department of Transportation 4. Newsweek 5. IIHS 6. & 7. NOAA National Centers for Environmental Information 8. National Flood Insurance 9. The Art Market 10. New Glo 11. Whiskey Market Overview, 2023-28 report by Bonafide Research 12. Christie's 13. CNBC Secondhand Luxury Watch Prices 14. GM Insights Luxury Handbags Market.

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