



Underwriting Bulletin

Number: MKT-22-02

Date: April 25, 2022

MUTUAL BENEFIT GROUP

TO: ALL AGENTS

INFLATIONARY FACTOR INCREASES

Mutual Benefit receives quarterly inflationary factor updates from CoreLogic. Using these factors, we increase dwelling/building limits to keep coverage in line with inflation. Inflationary factors have increased significantly over the last year. While we typically saw low single digit increases in the 1 to 3% range, we are now seeing double digit increases just under 20%.

The industry is seeing an average annual increase of 45% for building material costs and an average annual increase of 4.3% for construction labor costs. We thought the factors would moderate and return to more normal levels, but that is not the case. At this time, we have decided to adopt the most recent inflationary factors. We will continue to update factors on a quarterly basis going forward.

Commercial Lines

Effective 7/01/22, the average inflationary factor increase will be:

- 14.1% in Pennsylvania
- 15.5% in Maryland

This factor will be applied to the Building Limit on all inforce commercial policies at the next renewal. The above factor is an overall average by state. Inflation factors are determined by zip code and may vary based on the location address.

Personal Lines

Effective 7/01/22, the average inflationary factor increase will be:

- 14.6% in Pennsylvania
- 16.2% in Maryland

This factor will be applied to the Coverage A dwelling limit on all inforce homeowner and dwelling fire policies at the next renewal. The above factor is an overall average by state. Inflation factors are determined by zip code and may vary based on the location address.

If you have any questions, please contact your underwriter or marketing representative.

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