

# Commercial Property

Navigating a challenging property environment.



Commercial property rates, which have been soft in recent years, are now rising. Learn about the factors contributing to this increase, then follow our simple steps to help lessen risk and keep costs in check.



## Catastrophic wildfires

Fires burned more than 9.8M acres in 2017, and another 8.2M thru October 2018. Damages for 2017 alone total nearly \$18B<sup>1</sup>.



## Costly building materials

The price of building materials jumped nearly 10% from 2017, thanks to an increase in the cost of raw materials. The price of iron and steel, for example, rose 14%, lumber 23%, and petroleum 49%<sup>2</sup>.



## Labor shortage

As the U.S population ages, there are fewer workers, this causes wages to rise and projects to take longer, pushing labor costs up<sup>3</sup>.



## High-damage hurricanes

2017 saw the most expensive hurricane season in U.S. history<sup>4</sup>. Damage from 2018 hurricanes Florence and Michael is expected to exceed \$25B.



## Increase in fraud

Costly insurance fraud has become more common<sup>5</sup> as scammers develop increasingly sophisticated strategies that are harder to detect.

<sup>1</sup>Insurance Information Institute.

<sup>2</sup>Associated Builders and Contractors, Inc.

<sup>3</sup>The Wall Street Journal: Labor Shortage Squeezes Builders, May 6, 2017.

<sup>4</sup>Insurance Journal, 2017 Hurricane Season Ranks as Costliest Ever for U.S., November 28, 2017.

<sup>5</sup>Insurance Information Institute.

# Ways to help cut down on hazards and costs:

## We're here to help.

### Online:

Visit Liberty Mutual SafetyNet™ for the latest research, self-assessment tools, toolkits, OSHA materials, training resources, and instructor-led webinars. Explore our [Commercial Property Industry](#) page and download guidelines for minimizing weather-related exposures (have your Liberty Mutual policy number handy).

### By phone or email:

Contact our team at the Liberty Mutual Risk Control Consulting Center for more on best practices, action plans, and toolkits.

Call toll-free: **866-757-7324**, Monday through Friday, 8:00 a.m. to 8:00 p.m. ET; or email [RCConsultingcenter@libertymutual.com](mailto:RCConsultingcenter@libertymutual.com).

### FREE safety training

Visit our [Customer Safety Training](#) page to access step-by-step information on how to protect roofs, vehicles, and more. Plus, register for our free online safety webinars!



## Start at the top.

Use our detailed [roof care guide](#) to learn about roof construction and how to keep up with critical inspections and maintenance.



## Take charge before storms strike.

You can't control the weather, but with smart preparation you can help minimize storm damage. Visit our [Disaster Preparedness](#) site for complete action plans.



## Deflect hail damage.

Hailstones that pummel vehicles, roofs, skylights and other glass structures, crops, livestock, and more can cause major damage. Lessen the fallout with these [preventive measures](#).



## Safeguard the fleet.

Minimize damage to business vehicles with valuable [tips and guidelines](#).



## Contact your local independent agent or broker or visit [libertymutualgroup.com](http://libertymutualgroup.com) for more information.

If you're reading a printed version of this document, ask for an electronic version—it includes hyperlinks with additional information.

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