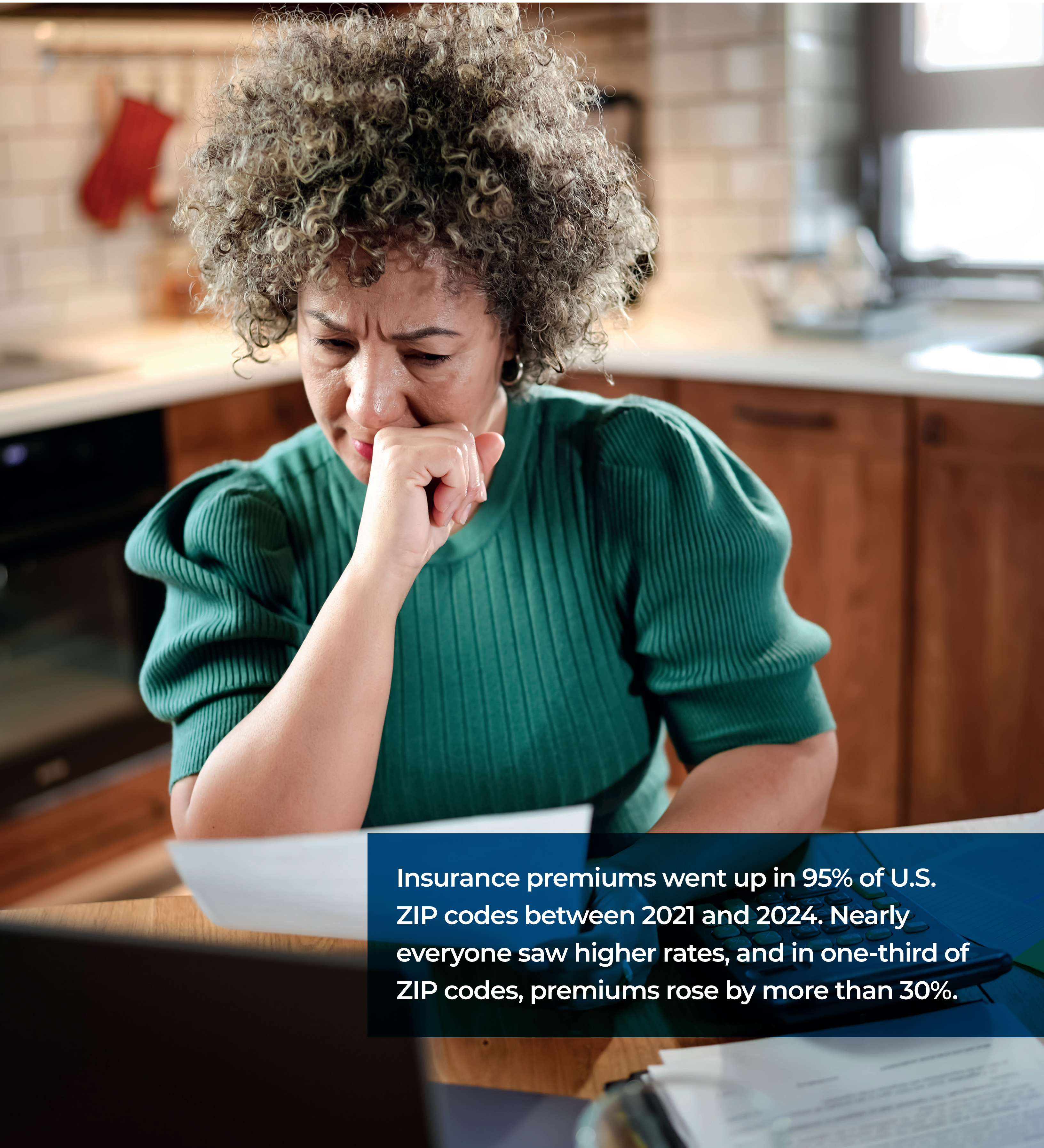
Consumer Federation of America

Overburdened:

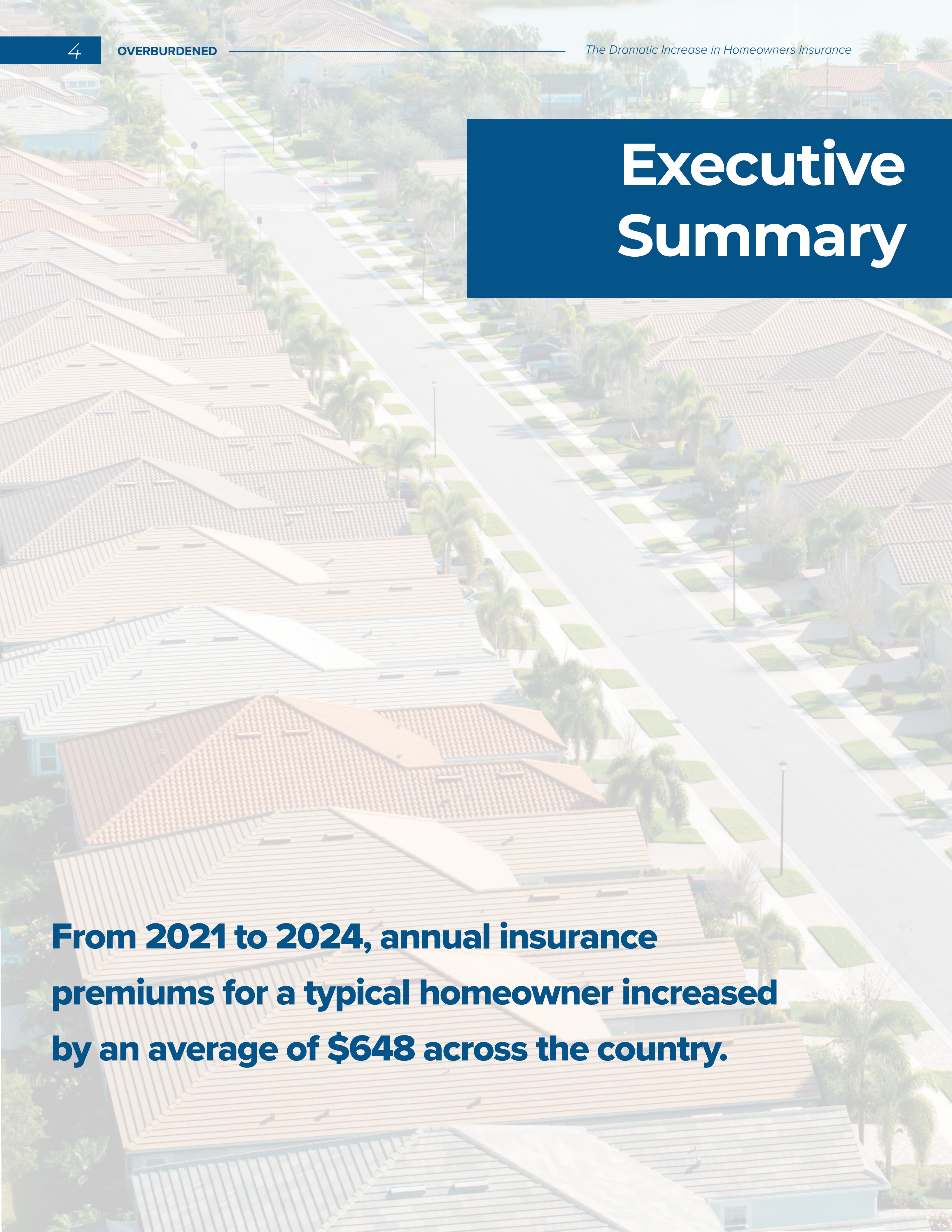
The Dramatic Increase in Homeowners Insurance Premiums and its Impacts on American Homeowners

By Sharon Cornelissen PhD
Douglas Heller
Ethan Weiland
Michael DeLong

The Consumer Federation of America
April 2025



Insurance premiums went up in 95% of U.S. ZIP codes between 2021 and 2024. Nearly everyone saw higher rates, and in one-third of ZIP codes, premiums rose by more than 30%.



Executive Summary

From 2021 to 2024, annual insurance premiums for a typical homeowner increased by an average of $648 across the country.

Homeowners insurance protects homeowners and their belongings in case of unexpected damage, loss, or liability. For most American homeowners, their house is not only their home but also their largest financial asset. Insurance provides the risk management that virtually every homeowner needs. Without insurance, they are at risk of losing everything in just one disaster. Lenders also require homeowners with a mortgage to always maintain insurance.

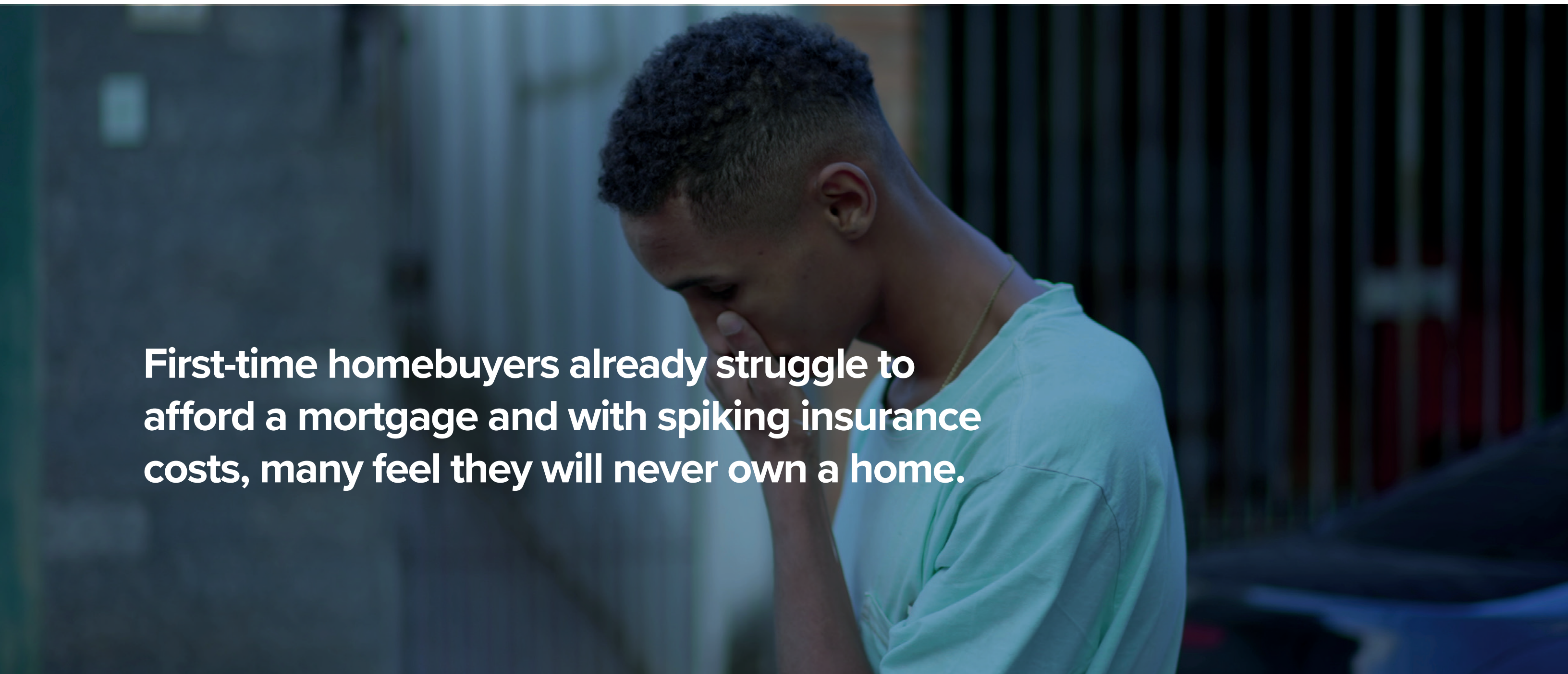
Over the past several years, soaring homeowners insurance premiums have been harming families and making coverage unaffordable across the nation. Escalating costs have forced millions of consumers to take on more risk through higher deductibles and lower quality coverage or, as the Consumer Federation of America (CFA) has demonstrated in earlier research, to forgo homeowners insurance altogether.[1] Other homeowners have faced sudden non-renewals by their long-time insurer and find themselves scrambling for coverage, with more than ever turning to state insurers of last resort or unregulated "non-admitted" insurers.

But how much are American homeowners paying for insurance and how much have their rates gone up? This report is one of the first publications to use pricing information based on insurance company rate filings to answer these questions. This report analyzes a proprietary industry dataset of test quotes for homeowners insurance coverage in nearly every ZIP code in the United States three years apart. The key takeaways are:

- **From 2021 to 2024, annual insurance premiums for a typical homeowner increased by an average of $648 across the country.** This translates to a 24 percent increase, 11 percent higher than the cumulative inflation over the same period. By 2024, a typical homeowner – with a mid-range credit score and a house with a $350,000 replacement value – faced an average premium of $3,303 per year ($275 per month) according to the rates and pricing algorithms insurers have on file in each state.
- **Insurance companies increased premiums in 95 percent of U.S. ZIP codes between 2021 to 2024.** Almost all homeowners nationwide experienced price hikes. Consumers in one-third of ZIP codes saw their premiums rise by more than 30 percent.
- **The states with the greatest percentage increase in premiums were Utah (59 percent), Illinois (50 percent), Arizona (48 percent), and Pennsylvania (44 percent).** The states with the greatest premium hikes in absolute dollars were Florida ($2,118 increase), Louisiana ($1,775), and Kentucky ($1,426).
- **Florida is the most expensive state to buy homeowners insurance.** By 2024, a Florida homeowner with a mid-range credit score and a $350,000 replacement value home could expect to pay $9,462 per year for insurance, equal to $789 dollars per month.
- **Homeowners in rural areas also experienced steep premium increases.** Premiums charged to homeowners in rural ZIP codes rose by 22 percent from 2021 to 2024 (compared to 25 percent in urban and suburban ZIP codes). Annual premiums in rural ZIP codes were $3,317 on average in 2024, compared to $3,299 in urban and suburban areas.
- **American homeowners of single-family homes collectively paid an estimated $21 billion more in premiums in 2024 than in 2021.** Adding in renters, condo owners, owners of manufactured homes, and homeowners who purchased less common coverage, Americans increased their annual payments to homeowners insurance companies by an estimated $27 billion over the past three years.

The pace of rapidly rising premiums is increasingly unsustainable. First-time homebuyers already struggle to afford a mortgage and with spiking insurance costs, many feel they will never own a home. Homeowners with mortgages who can no longer afford surging insurance costs will be forced to sell or default on their mortgage. And as insurance premiums rise, communities may see more residents leave, more homes going unrepaired, and property values decline. This report serves as a wake-up call to legislators and regulators. Its key recommendations are:

1. **Require insurance companies to publicly release data on homeowners insurance underwriting, pricing, coverage, and claims every year.** Mortgage lenders have been required to report detailed, annual mortgage data under the Home Mortgage Disclosure Act (HMDA) since 1975, to protect against housing discrimination and ensure that all communities are served. As homeowners insurance increasingly determines who can own a home, insurers should be required to report homeowners insurance data in the same manner.
2. **Invest federal and state dollars in housing resiliency and require insurance companies to reward risk reduction with lower premiums.** The federal government, as well as states, should adopt and expand grant-based and low-interest-loan risk mitigation programs. These programs can help homeowners better protect their homes, such as through roof fortifications. Given their large investment portfolios, insurance companies should become direct investment partners in these projects. In addition, states should require insurers to reward these loss prevention investments with lower premiums.
3. **Create a public reinsurance program to stabilize the American property insurance market and to expand the availability of affordable, quality homeowners insurance.** A federal public catastrophe reinsurance program would make available additional – and lower cost – coverage to domestic homeowners, insurers, and state insurers of last resort than the unregulated global reinsurance market currently offers. By adding more risk transfer capacity, the program would loosen the grip of these global companies and insulate consumers from unrestrained cost increases in that market. In exchange for access to this lower cost capacity, participating insurers would have to cover all natural disasters in their homeowners insurance policies and increase availability of their coverage across the country.



Introduction

For most American homeowners, their house is not only their home but also their largest financial asset. Homeownership helps many families stay financially stable, remain rooted in their community, and build wealth for themselves and their children. Homeowners insurance is critical to protect this investment. Lenders require homeowners with a mortgage to always maintain insurance. Having insurance ensures that homeowners are not at risk of losing all their possessions, home, and community in just one incident or disaster.

Over the past several years, homeowners insurance premiums have risen rapidly, putting significant strain on homeowners and making coverage unaffordable in many places. These high costs have forced millions of consumers to take on more risk themselves through higher deductibles and lower quality coverage or to drop their home insurance entirely. Our previous CFA report *"Exposed: A Report on $1.6 Trillion Dollars of Uninsured American Homes,"* found that 7.4 percent of homeowners across the nation did not have homeowners insurance in 2021, including a disproportionate number of lower-income homeowners, owners who had inherited their house, and owners of manufactured homes.[2] Journalists have also reported stories from across the country of homeowners facing steep premium hikes or sudden non-renewals.

Until recently, concrete numbers on just how much premiums have increased and where homeowners have been most impacted were not publicly available. Last year the National Association of Insurance Commissioners (NAIC) and the Federal Insurance Office (FIO) announced a data call to gather information about rising homeowners insurance costs.[3] After substantial pressure by advocates and members of Congress, FIO published a report with useful information on homeowners insurance premiums from 2018 to 2022.[4] But while this information is helpful, it is also incomplete and out of date.

This report builds on these efforts by analyzing increases in homeowners insurance premiums in virtually all ZIP codes, metropolitan areas, and states in the United States from 2021 to 2024.[5] This analysis is based on proprietary, high-quality industry data purchased from Quadrant Information Services to provide data-driven insights on our homeowners insurance crisis.

Background

Homeowners Insurance: What Is It and Why Have Premiums Gone Up?

Homeowners insurance is a financial protection product that allows individual policyholders to transfer some of the risk associated with homeownership. Specifically, the insurance allows people to pool their exposure to damage to their home from unexpected events – such as a burst pipe, a hailstorm, a fire, or a hurricane – with other homeowners by paying a premium to the insurer, which will pay claims if there is a loss. The homeowners insurance policy usually covers other risks, such as theft and liability related to the home. This insurance is not optional for most homeowners: lenders require homeowners with a mortgage to always maintain homeowners insurance in order to protect the collateral of the home that underwrites the loan.

Like other forms of insurance, homeowners insurance is regulated at the state level and overseen by 51 different state insurance departments. Though rules vary from state to state, generally state insurance commissioners are charged with ensuring that insurance rates and premiums are not excessive, inadequate, or unfairly discriminatory.[6] The commissioners and their regulatory staff, among other duties, may review insurers' rates and pricing algorithms, monitor companies' claims handling practices, and enforce state insurance laws. Homeowners insurance can vary significantly from company to company and customer to customer.[7] Key variations include the maximum amount of coverage provided to rebuild or repair a home, also called "replacement value," and the size of deductibles, which are the first portions of claims that the policyholders must pay before insurance companies start to pay.

Homeowners insurance does not protect homeowners in all circumstances: policies often stipulate exclusions for certain types of events and disasters. Most notably, flooding damage by natural disasters is generally not covered. Homeowners with a mortgage who live in Federal Emergency Management Agency (FEMA)-designated Special Flood Hazard Areas are required to purchase flood insurance policies, with most purchasing coverage through the FEMA-managed National Flood Insurance Program (NFIP). But in recent years, flooding events have increasingly occurred outside of FEMA-designated flood zones, such as the flooding caused by Hurricane Helene in North Carolina in 2024. Only an estimated four percent of all homeowners have flood insurance.[8] The lack of take-up of this important protection notwithstanding, the NFIP has been deeply in debt for years, owing about $20 billion to the U.S. Treasury as of September 30, 2022.[9]

Homeowners insurance premiums have been rising over the past several years for a variety of reasons. The rising costs of construction and building materials, climate change, an expensive and tight global reinsurance market, and weak regulatory oversight by state insurance commissioners all have contributed to the spiking insurance prices that homeowners have encountered.

The costs of building materials and labor costs have gone up significantly in recent years, peaking during the COVID-19 pandemic.[10] This factor has driven up housing costs generally, and has been a factor in insurance pricing as well. As homeowners insurance covers the "replacement value" of homes, meaning the cost to rebuild that property in case of damage, escalating rebuilding costs can drive up the cost of coverage. While inflation has largely subsided and supply chains are not as badly disrupted as they were during the COVID pandemic, insurers continue to argue that rate increases are also attributable to overall inflation.

However, this is only part of the story. Climate change is also an important driver of rising premiums. Due to climate change, the nation has experienced stronger and more frequent natural disasters, including larger and more powerful hurricanes, a longer and more destructive wildfire season, heavier rainstorms, tornadoes, hail, and other extreme events. While hurricanes and wildfires often attract the most attention, a rise in extreme weather events is impacting almost all parts of the country, including many states in the Midwest. These disasters not only increase costs but also lead to increasing expectations of loss, which drives up premiums as insurance companies attempt to better predict future events.[11]

In addition, the unregulated global reinsurance market has been increasing its prices. Reinsurance is insurance for insurance companies, where the insurers spread the risk around to guard against the potentially high cost of claims resulting from natural disasters. The reinsurance companies, many of which are based in Bermuda or Europe, are unregulated and wield substantial market power. They have increased their U.S. prices for six straight years, which directly impacts the premiums paid by homeowners.[12]

It is important to note – and insurers often fail to acknowledge this when reporting rising claims costs – that insurance companies earn a significant portion of their profits by investing customers' premiums and the surplus capital they hold. Instead of acknowledging the nature of the business model, insurers point to low "underwriting profits" or underwriting losses as a justification for rate increases. But since the underwriting profit excludes investment income it fundamentally misrepresents the profitability of the business. As Warren Buffett explains in his annual letter to shareholders of Berkshire Hathaway, which owns Geico and other insurance carriers:

> In recent decades, this "money-up-front, loss-payments-later" model has allowed Berkshire to invest large sums ("float") while generally delivering what we believe to be a small underwriting profit.[13]

Lastly, but of unique importance, state regulators generally do not adequately review insurance rate increases and determine if they are excessive for consumers. While some states require insurers to justify rate hikes before they can be used in the market, most states afford insurers significant latitude in pricing and very limited oversight. Indeed, many of the insurance commissioners tasked with overseeing the insurance market in their state have proved to be exceedingly deferential toward the insurance companies they ostensibly regulate.[14]

Rising Premiums and Impacts on Homeowners and Communities

How have these steeply rising premiums impacted homeowners across the nation? Several trends have already emerged. Some homeowners, especially those without a mortgage, have made the difficult financial decision to go uninsured. Our 2024 CFA report found that in 2021, 7.4 percent of homeowners across the country did not have homeowners insurance.[15] The uninsured were disproportionately lower-income homeowners, Black and Hispanic homeowners, and homeowners who had inherited their homes or who owned a mobile home.[16]

Homeowners with a mortgage are required by their lender to always have homeowners insurance, even if they face sudden non-renewals or cannot find affordable options in their market. The mortgage servicing industry has reported on the growing incidence of "force-placed" or "lender-placed" insurance.[17] Mortgage servicers place this type of insurance when homeowners have a lapse in their homeowners insurance coverage. Force-placed coverage, which is paid by the homeowner, is often more expensive than regular insurance, and it only protects the lenders' interest in the house as collateral. Homeowners may be forced to sell their home or risk defaulting on their mortgage if they can no longer afford the combined costs of high insurance premiums and their mortgage payments. Recent research found a link between mortgage default rates and high insurance premiums: a premium increase of $500 was linked to a 20 percent

rise in the likelihood of mortgage delinquency within twelve months.[18]

Other homeowners have responded to the crisis of rising insurance premiums by going underinsured. Lacking more affordable options, they may feel forced to accept a policy with high deductibles, more exclusions of events and circumstances, or coverage lower than the replacement cost value of their home – which is the estimated cost to rebuild the home in case of total damage. Fannie Mae and Freddie Mac officially require all their mortgages to be insured for full replacement cost value, but insurers have been protesting–and skirting–that rule.[19] Many insurers are now selling lower-quality "actual cash value" policies that apply a depreciation factor to claims and thereby reduce payments for covered losses. For example, if wind damages a homeowner's 10-year-old roof, they will receive a claim payment that is reduced in relation to its depreciated value, rather than getting paid for the full cost of a new roof. This trend increasingly shifts the burden of risk back to individual homeowners, even if they have insurance.

The high cost of insurance also places additional burdens on homebuyers: in many markets, they must now pay hundreds of dollars in monthly insurance costs, on top of their mortgage. This additional cost of insurance is pricing some would-be homebuyers out of homeownership. *The Wall Street Journal* reported that nearly one-third of monthly mortgage payments now go to cover the costs of insurance and property taxes.[20] In some metropolitan areas, a quarter of homeowners spend more on insurance and taxes each month than they pay to cover their mortgage.[21] Rising premiums have worsened our housing affordability crisis. While this report focuses on homeowners of single-family homes, rising premiums have also impacted condo owners, renters, and developers struggling to make the financing work for multifamily housing developments, further exacerbating the nation's housing crisis.[22]

The pressure created by the homeowners insurance market not only impacts individual households but also entire communities. In high-risk communities that pay the most expensive insurance premiums, more homeowners will feel forced to go underinsured or uninsured – meaning they risk losing most of their possessions, financial investments, and homes during disasters. Neighborhoods with many uninsured homes will see more damaged and vacant homes, which can lead to a downward spiral in the surrounding property values and tax base.

Troubles of housing disinvestment, a declining tax base, and the withdrawal of lenders and insurers, which have historically plagued cities such as Detroit, may find new expressions in the most severely climate-impacted regions.[23] As insurers leave or hike prices to unsustainable rates, more and more homeowners and lenders will also exit these communities. The families left behind will be those with the fewest financial resources to move or older households too invested in their homes. As local home values dwindle, impacted towns and cities will have even fewer tax resources to maintain disaster-impacted infrastructure. Residents who remain in high-risk, high-insurance cost places will have to cope with the fallout from climate-damaged homes, roads, and services. There will be more reliance on already insufficient public disaster aid as more homeowners go underinsured or uninsured. The United States's history of inner city decline and depopulation may see itself repeated in the nation's most climate-impacted regions.

Without public policy interventions, it seems likely that insurance affordability and availability pressures will only grow more intense, and more homeowners will struggle to find insurance products they can afford. This report traces the crisis of Americans overburdened by insurance costs.

Data and Research Methods

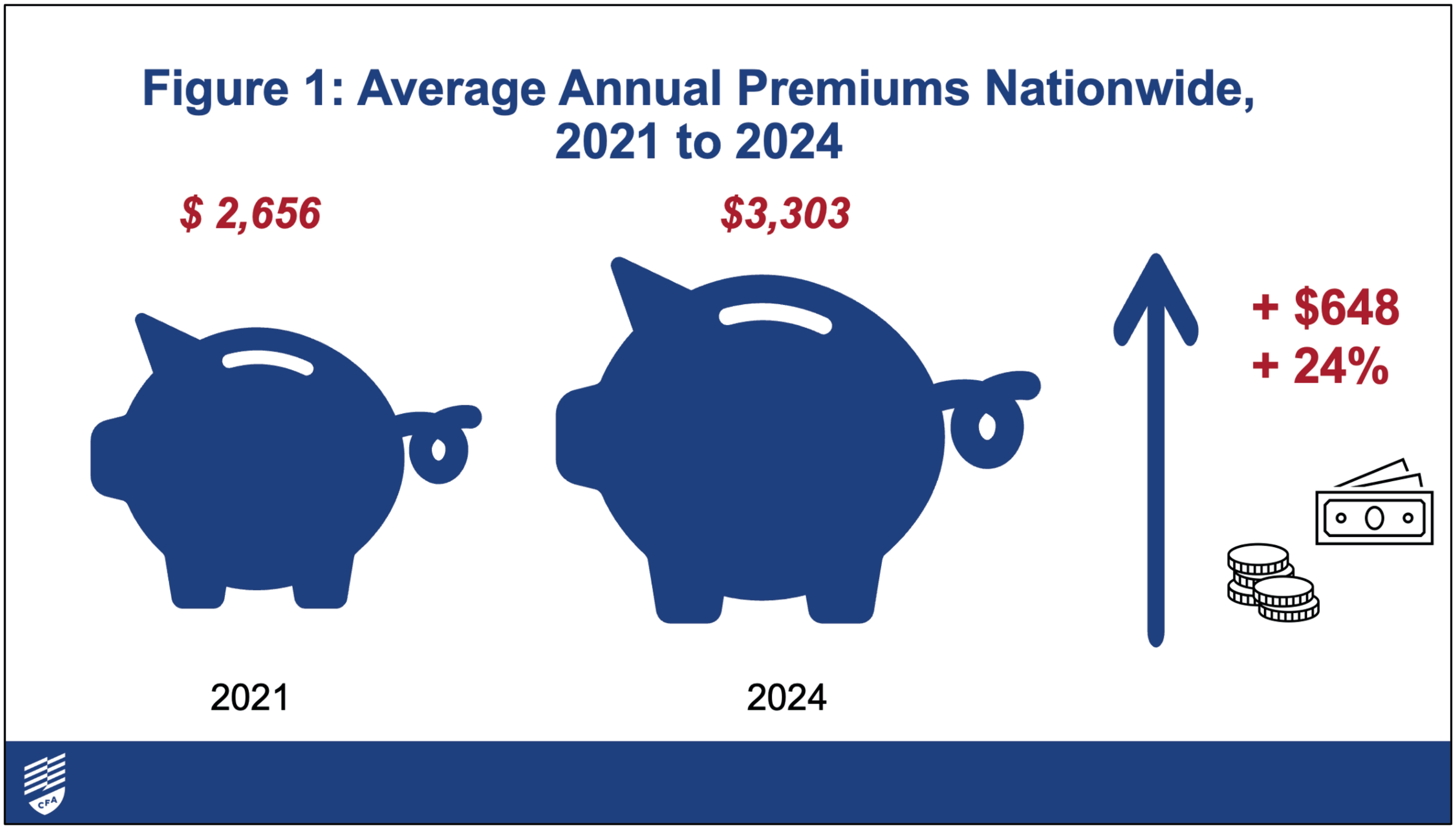
CFA conducted this study to better understand recent trends in homeowners insurance premiums, including how the cost of insurance varies across the United States. The analysis addresses the following questions:

1. *How much more are homeowners paying for their homeowners insurance premiums in 2024 compared to 2021?*
2. *How do increases in homeowners insurance premiums vary across the country? In what regions, states, and cities are homeowners most impacted?*

The data for this analysis come from Quadrant Information Services, a leading provider of insurance company premium data.[24] The dataset is built from an up-to-date database of rates and pricing algorithms from most of the nation's major insurance companies. CFA purchased this proprietary data, which are not publicly available.[25] The data consist of test quotes for homeowners insurance premiums from six of the largest insurance providers in each state for nearly every ZIP code in the country in 2021 and 2024. These "quotes" (n = 426,400) are generated by putting a set of standardized consumer characteristics into the pricing algorithm that insurance companies' filed with state Departments of Insurance in December 2021 and August 2024.[26] Companies are generally required to charge customers in accordance with the rates and rating algorithms on file. Unless otherwise specified, all quotes in this report are based on a consumer with a mid-tier credit score and a home with a $350,000 replacement value.[27] This replacement value represents a rough estimate of the median amount of insurance coverage nationwide. Wyoming was the only state for which current data was not available. ZIP codes with no homeowners (as reported in the 2020 Census) were excluded from the analysis. We include quotes from the "insurer of last resort" in Florida - Citizens Property Insurance Corporation - as it is the largest insurer in the state. Other than Citizens, no other insurers of last resort are included. More details on the data and analytical decisions can be found in the Data Appendix.

Overall, since quote inputs are fixed, this dataset represents a unique opportunity to examine premium changes that are *only* attributable to insurers changing their pricing behavior. The below analysis answers pressing questions about how much Americans pay for homeowners insurance, how prices have changed over the last few years, and how prices vary across the United States.

Findings



Source: CFA analysis of Quadrant Information Services data.
Note: Averages are weighted by state-level insurance company market share and number of homeowners in each ZIP code.

National Homeowners Insurance Trends From 2021 to 2024

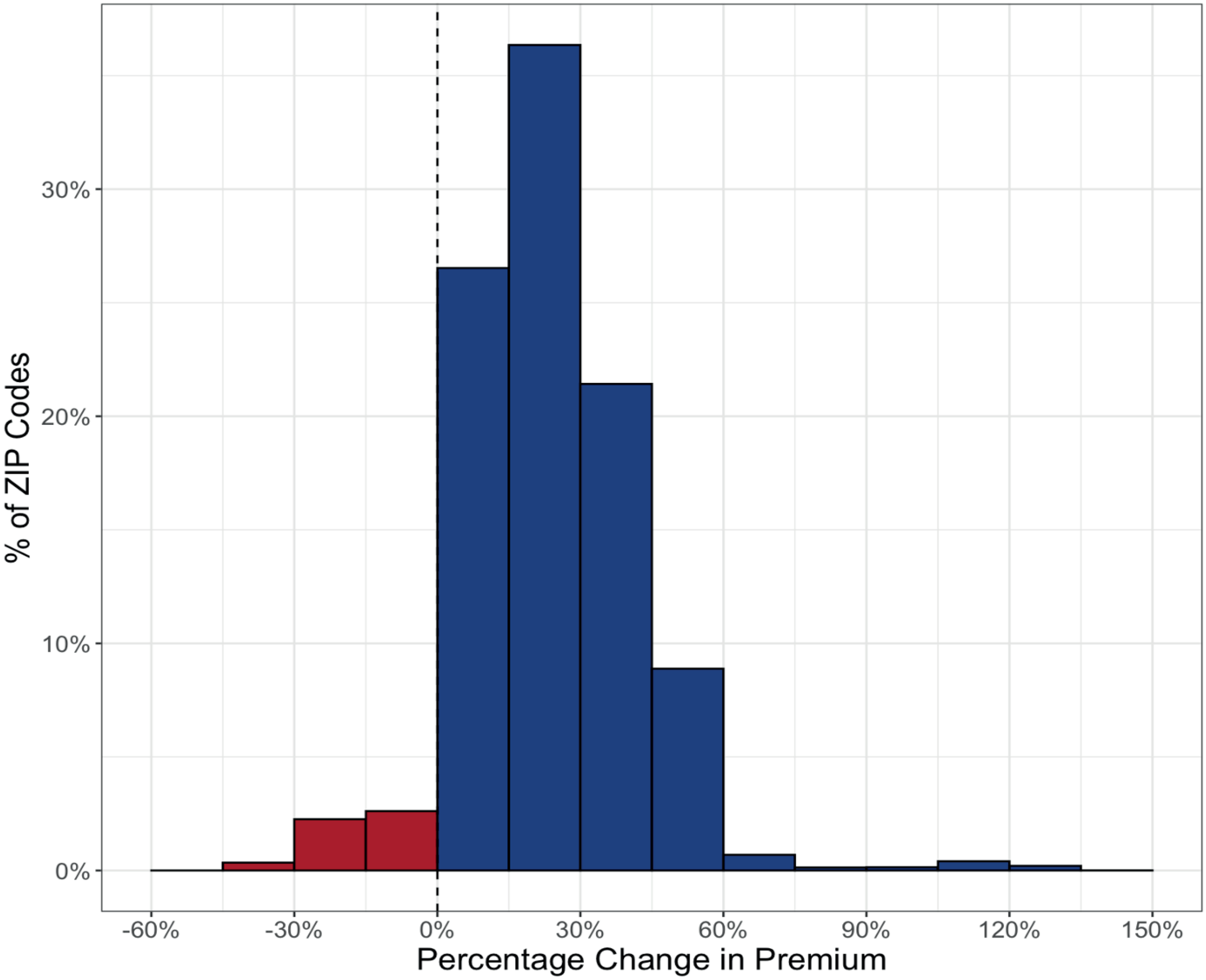
From 2021 to 2024 annual homeowners insurance premiums increased by an average of $648 nationwide. This is equivalent to a 24 percent rise in just three years; this much exceeds the overall rate of inflation during this period, which was 13 percent.[28] **Figure 1** shows that insurance companies quoted the typical homeowner in the United States an average premium of $2,656 per year (or $221 per month) in 2021. By 2024, that number increased to an average of $3,303 (or $275 per month). These quotes are for homeowners with a mid-range credit score and a $350,000 replacement value policy.[29]

Premium increases were not targeted at a few select communities or states but occurred in nearly every ZIP code in the United States. **Figure 2** displays the distribution of premium increases in each ZIP code and reveals that the vast majority of ZIP codes (95 percent) experienced an increase in premiums (represented in blue). Of the 32,483 ZIP codes in the dataset, 22,169 (68 percent) saw typical premiums rise by more than 15 percent and 10,362 (32 percent) saw their premiums rise by more than 30 percent. Premiums quoted by insurance companies stayed the same or declined in only five percent of ZIP codes (represented in red); these included communities in West Virginia and Mississippi.

State-Level Changes

When researchers and policymakers talk about the homeowners insurance crisis, they often focus on the impacts in coastal states, especially in the southeastern United States and California. These states are uniquely vulnerable to hurricanes or wildfires. But this analysis finds that homeowners insurance premiums increased steeply across *the entire country*. **Figure 3** ranks every state (excluding Wyoming) plus the District of Columbia by percentage increase in premiums from 2021 to 2024.

Figure 2: Distribution of Premium Changes Across All ZIP Codes, 2021 to 2024



Source: CFA analysis of Quadrant Information Services data.
Note: Averages are weighted by state-level insurance company market share.

With a 59 percent increase, Utah homeowners experienced the nation's largest relative price hike over the past three years. Illinois, Arizona, Pennsylvania, and Nebraska round out the top five. Notably, many of the states with the greatest increases have comparatively low costs of living. Only two states experienced an average decline in premiums: West Virginia and Mississippi.[30]

While non-coastal states have received less attention in the homeowners insurance affordability crisis, their residents have also felt its impacts. Homeowners living between the Appalachian and Rocky Mountains have faced a dramatic surge in homeowners insurance premiums. This has come alongside a sharp rise in billion-dollar disasters in the middle part of the country, with more intense wind and hailstorms and an expanding geography of tornado risk.[31] In 2024, for example, Kentucky was hit by violent, long-lasting, and high intensity tornadoes causing catastrophic damage in a number of towns, with a similar disaster in 2021.[32] The hurricane force winds of a 2020 derecho that raced through Iowa, South Dakota, Nebraska, Illinois, and Minnesota caused more than $11 billion in damage.[33] And a severe December 2021 windstorm

Figure 3: Percentage Increase in Premiums in Each State, 2021 to 2024

Rank	State	% Change	Rank	State	% Change
1	Utah	59%	26	Wisconsin	19%
2	Illinois	50%	27	New Mexico	19%
3	Arizona	48%	28	Maryland	18%
4	Pennsylvania	44%	29	South Carolina	17%
5	Nebraska	35%	30	Connecticut	16%
6	Kentucky	35%	31	Indiana	16%
7	Louisiana	34%	32	Kansas	14%
8	Arkansas	34%	33	New York	13%
9	South Dakota	32%	34	Nevada	13%
10	Minnesota	32%	35	Oklahoma	13%
11	North Dakota	31%	36	Missouri	12%
12	Virginia	31%	37	Hawaii	12%
13	Florida	29%	38	Massachusetts	12%
14	Michigan	29%	39	Delaware	12%
15	North Carolina	29%	40	Montana	10%
16	Colorado	27%	41	Alabama	7%
17	Texas	27%	42	Washington	7%
18	Iowa	27%	43	New Hampshire	7%
19	Oregon	27%	44	Tennessee	6%
20	New Jersey	26%	45	District of Columbia	6%
21	California	25%	46	Vermont	5%
22	Rhode Island	23%	47	Idaho	4%
23	Ohio	23%	48	Alaska	3%
24	Georgia	20%	49	Mississippi	-15%
25	Maine	20%	50	West Virginia	-24%

Source: CFA analysis of Quadrant Information Services data.

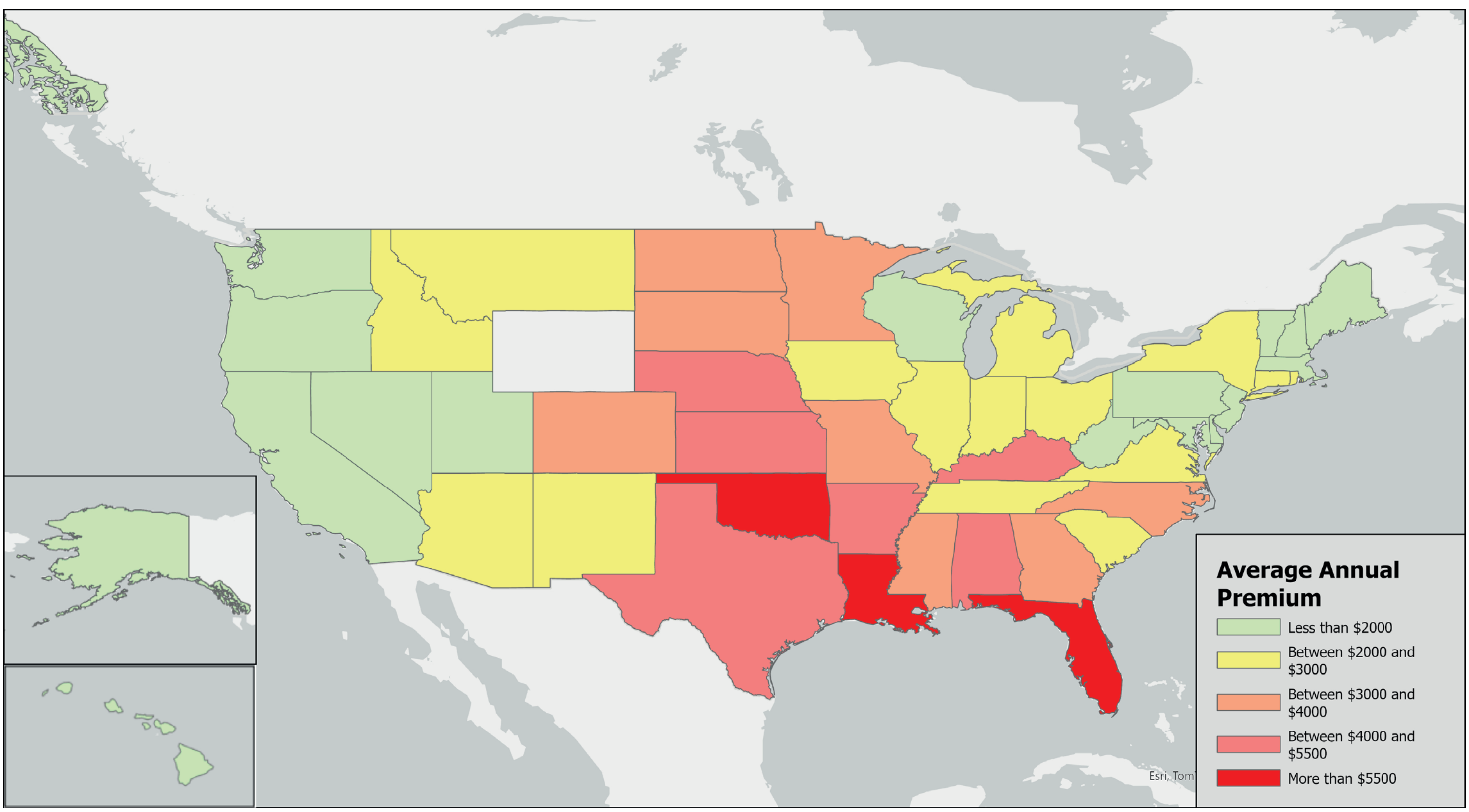
Note: Averages are weighted by state-level insurance company market share and number of homeowners in each ZIP code. No data available for Wyoming.

off the eastern slope of the Rockies turned two small fires into the most destructive wildfire in Colorado's history, burning over 1,000 homes in the suburbs of Boulder.[34]

Figure 4 maps typical annual premiums in 2024 by state, comparing the costs for a $350,000 replacement value policy. This map illustrates how expensive coverage is concentrated in the central part of the country and the southeast. Homeowners in Louisiana paid $6,939 per year (or $578 per month) on average, while homeowners in Oklahoma paid $5,819 (or $485 per month) on average. This is a significant expense especially when compared to the relatively lower incomes and housing costs in these places. A table listing the 2021 and 2024 average premium for each state can be found in the Appendix **Figure A-1**.

Florida stands out among all other states. At an average annual premium of $9,462 (equivalent to $789 per month), annual quotes in Florida are $2,523 greater than in Louisiana, the second most expensive state. Florida has recently been hit by several major hurricanes, including Hurricane Ian in 2022, Hurricane Idalia in 2023, and Hurricanes Helene and Milton in 2024, with Ian alone causing about $112 billion in damage.[35] Numerous insurance companies have stopped writing policies in Florida or significantly cut back coverage. In July 2023, Farmers announced that it would stop offering homeowners insurance policies in the state, forcing many homeowners to switch to a different insurer,[36] while Progressive and AAA also announced pullbacks. These insurance withdrawals and a series of insurer insolvencies have left Florida homeowners with few options, often forcing them to rely on smaller, less stable insurers or Citizens, the state-backed insurer of last resort. In September 2024 Citizens had 1.3 million insurance policies, making it by far the largest insurer in Florida, though the state has announced a decline in the number of customers of about 25 percent by the end of 2024.[37]

Figure 4: Typical Annual Premiums in Each State in 2024



Source: CFA analysis of Quadrant Information Services data.
Note: Averages are weighted by state-level insurance company market share and number of homeowners in each ZIP code. No data available for Wyoming.

Figure 5: States with Largest Premiums Increases Adjusting for Replacement Value

Rank	State	Replacement Value	% Change	$ Change	2021 Avg. Premium	2024 Avg. Premium
1	Utah	350K	59%	$ 670	$ 1,126	$ 1,795
2	Illinois	350K	50%	$ 974	$ 1,968	$ 2,942
3	Arizona	350K	48%	$ 723	$ 1,515	$ 2,238
4	Pennsylvania	350K	44%	$ 603	$ 1,375	$ 1,978
5	Louisiana	250K	42%	$ 1,590	$ 3,780	$ 5,370
6	Kentucky	250K	35%	$ 1,037	$ 2,985	$ 4,022
7	Nebraska	250K	34%	$ 1,042	$ 3,060	$ 4,102
8	Arkansas	250K	34%	$ 835	$ 2,472	$ 3,308
9	Minnesota	350K	32%	$ 861	$ 2,662	$ 3,523
10	North Dakota	350K	31%	$ 778	$ 2,476	$ 3,254

Source: CFA analysis of Quadrant Information Services data.
Note: Averages are weighted by state-level insurance company market share and number of homeowners in each ZIP code. No data available for Wyoming.

State-Level Changes Adjusted for Costs of Living

The previous sections compared quotes for a home with a $350,000 replacement value. This provides insights into what homeowners across the country are paying for similar levels of coverage. However, it costs more to rebuild a home in states with higher costs of living, such as Virginia and California, and therefore homeowners typically purchase insurance coverage for higher replacement values. Similarly, states with lower cost of living, such as New Mexico and Kentucky, see more residents purchasing insurance with lower coverage limits.

To compare how much consumers pay in each state based on the likely size of the policy they need, we offer an additional analysis adjusting for state-level differences in replacement value. Specifically, we compare premiums for a policy with either $250,000, $350,000, or $450,000 in replacement value depending on the typical coverage purchased in each state.

Even after adjusting the replacement value, the results in **Figure 5** are largely the same as the results in **Figure 3**. Utah, Illinois, Arizona, and Pennsylvania remain the states with the largest percentage increase in premiums. There are some minor shifts; Louisiana now has the fifth-largest rise in premiums (rather than the seventh) and North Dakota has moved into the top ten (from 11th). Overall, the findings on the premium hikes hold even after adjusting for different replacement values. A table with all states can be found in Appendix **Figure A-2**.

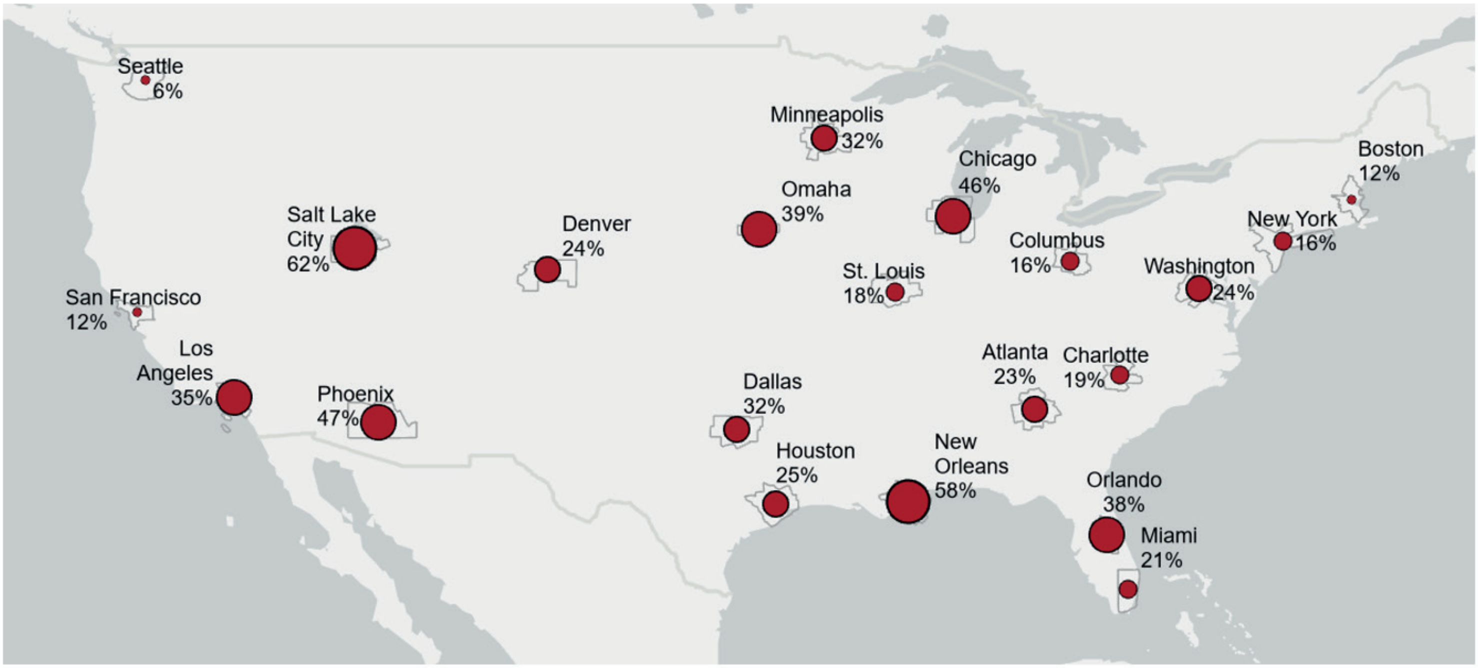
Premium Hikes by Cities

Premium hikes also vary across metropolitan areas.[38] **Figure 6** shows the percentage increase in average premiums in select cities across the country.[39] This demonstrates where American homeowners experienced the largest sticker shock as insurance companies rapidly increased premiums over the past three years. A list of average premiums and premium increases for the 50 most populated metropolitan areas in the country can be found in Appendix **Figure A-3**.

Of these cities, metro Salt Lake City and metro New Orleans top the list, seeing a 62 percent and 58 percent rise in typical premiums, respectively. This aligns with the state-level results, as Utah and Louisiana were two of the states hardest hit by rises in insurance costs. Most of the cities on the map had increases of greater than 20 percent and nearly all had increases of greater than 10 percent.

Premium increases in rural areas of the United States can be compared with those in urban and suburban areas. For this analysis, a ZIP code is considered “rural” if it is not part of a Core-Based Statistical Area (CBSA).[40] **Figure 7** shows the average premiums for a typical homeowner in 2021 and 2024 for rural and urban/suburban ZIP codes. Overall, the differences are minor. Premiums in rural areas for a typical consumer are slightly more expensive in both years, but less than $100 annually. Premiums increases were slightly greater in urban/suburban areas from 2021 to 2024 compared to rural areas, but again the difference is small: a 25 percent increase compared to a 22 percent increase.

Figure 6: Premium Increases in Select U.S. Cities, 2021 to 2024



Source: CFA analysis of Quadrant Information Services data.
Note: Core-Based Statistical Areas (CBSAs). Averages are weighted by state-level insurance company market share and number of homeowners in each ZIP code.

The US insurance crisis is not exclusively an urban issue; rural communities – which offer some of our nation's most affordable housing stock – are also facing growing and increasingly untenable insurance costs. Indeed, homeowners with lower incomes or fixed incomes in rural areas may be least able to weather rising insurance costs, while the often older housing stock in rural communities is uniquely vulnerable to climate disasters.[41]

The Collective Burden of Insurance Costs

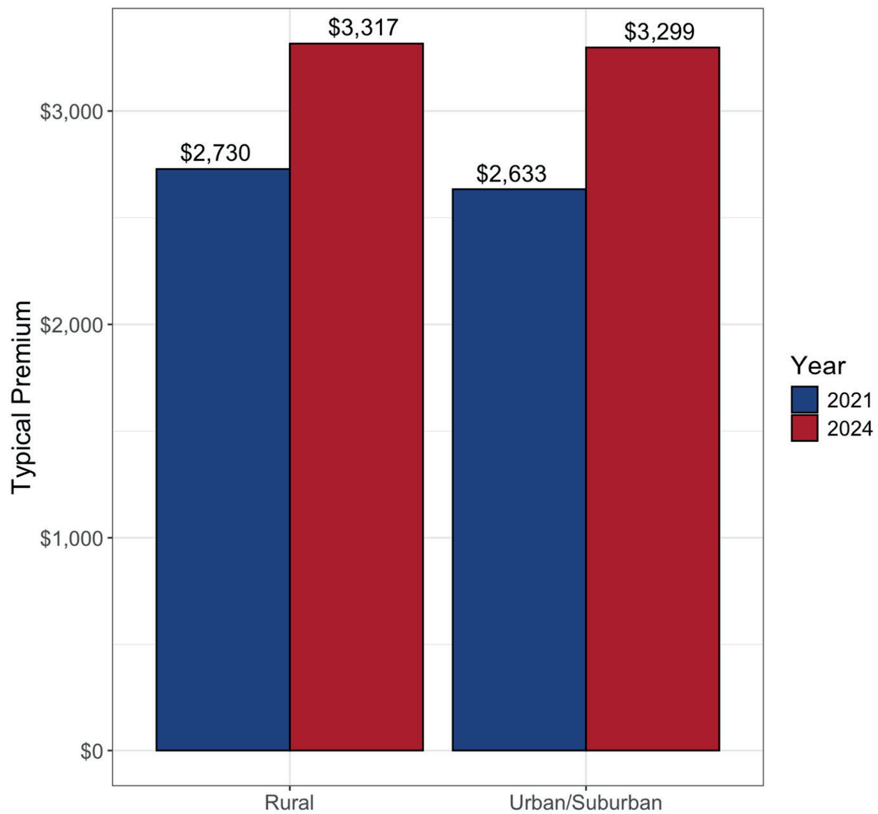
The findings above highlight the growing individual costs of homeowners insurance. A typical homeowner, who purchases a standard homeowners insurance policy with $350,000 in coverage, is expected to pay $648 more per year in premiums in 2024 compared to 2021. This translates to a 24 percent increase, 11 percent higher than the cumulative inflation over the same period.[42]

But rising costs also present a growing collective burden. How much more are American homeowners collectively paying for homeowners insurance premiums over this period? Data collected by the NAIC on the homeowners insurance market shows that just over 50 million homes were covered by the standard "HO-3" homeowners insurance policies in 2021, representing 76.5 percent of policies and 76.4 percent of the premiums collected by homeowners insurers.[43] Homeowners who purchased homeowners insurance coverage in 2021 paid insurers approximately $87.1 billion in 2021.[44]

Applying our finding that premiums rose 24 percent for these homeowners, we estimate that American homeowners with standard coverage spent **$21 billion more** just three years later for a total of $108.1 billion. This additional $21 billion was just paid by homeowners who own single-family homes with the standard insurance policy, as shown in **Figure 8**.

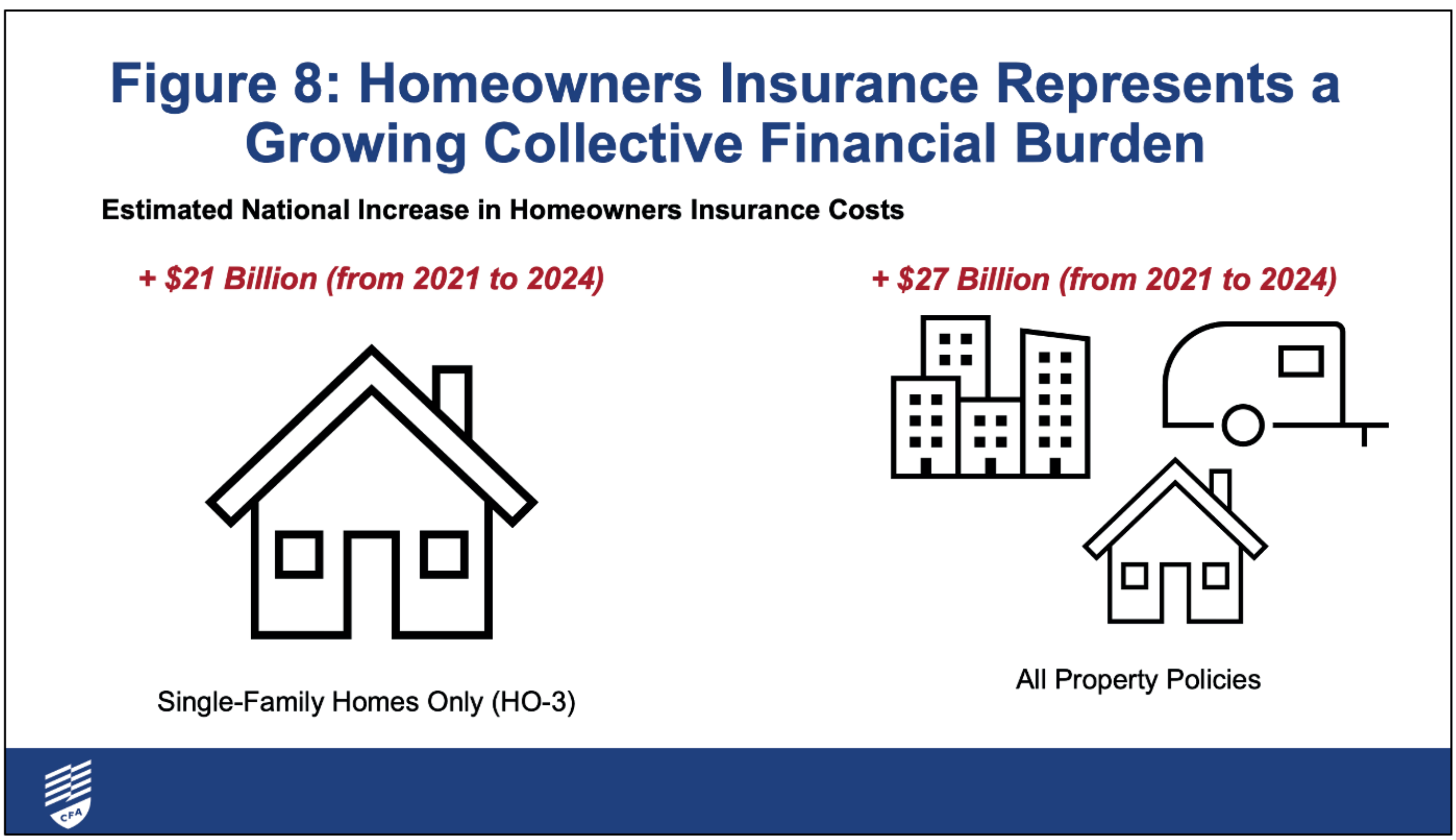
Assuming that condominium owners, owners of manufactured homes, renters, and the small segment of single-family homeowners who bought something other than the HO-3 policy also faced the same coverage increase, we calculate a total increase of **$27 billion** in premiums paid by all homeowners and renters in 2024 compared with 2021. This represents a significant financial burden not just on homeowners and communities, but on the housing finance system at large. While insurance was meant as a risk management tool to help homeowners better protect their home and help lenders originate mortgages with confidence, both the individual and collective price of that protection is becoming unsustainable.

Figure 7: Average Annual Premiums in Rural vs. Urban/Suburban Areas



Source: CFA analysis of Quadrant Information Services data.

Note: Averages are weighted by state-level insurance company market share and number of homeowners in each ZIP code.



Conclusions and Recommendations

Even over the past several years of high inflation, the dramatically rising costs of insurance stand out. Homeowners insurance now makes up a significant share of homeowners monthly housing payments. As the report demonstrates, these premium hikes have not been limited to coastal states. While public discussions of skyrocketing insurance costs often focus on Florida, Louisiana, and California, the data reveal that the homeowners insurance crisis impacts homeowners throughout the country.

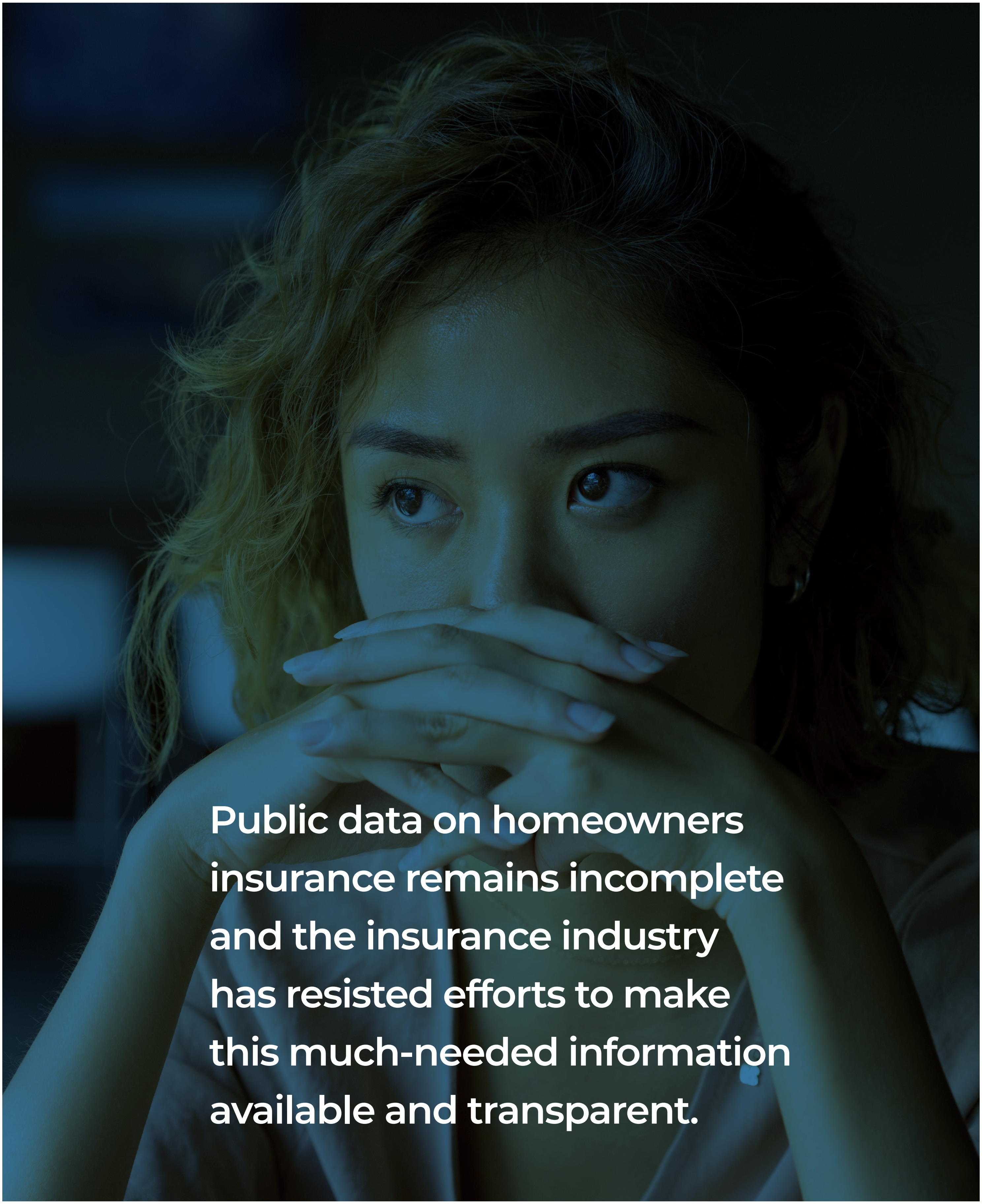
Over the past three years, premiums have risen by 24 percent, or $648 on average for a typical policy countrywide. Some of the largest increases happened in Utah, Arizona, Illinois, and Pennsylvania. While Florida and Louisiana have the highest average premiums in the nation, the next five most expensive states are Oklahoma, Kentucky, Nebraska, Texas, and Kansas, all of which have average premiums of $4,200 or more per year for $350,000 of insurance coverage. The data demonstrate that, from north to south and east to west, Americans are paying significantly more than just three years ago to insure their homes. The price of insurance has left homeowners across the country overburdened and struggling to keep up with the cost of coverage.

Sustainable homeownership in the United States has always been heavily supported by public policy. To support Americans' ability to stay and become homeowners, the US not only needs a well-regulated and inclusive economy and a safe and sound housing finance system, but also an accessible, fair, and affordable insurance marketplace. As homeowners insurance increasingly shapes the financial lives of homeowners today, it has become a much more significant part of housing policy than ever before. It is critical for policymakers to focus on homeowners insurance markets, their regulation, and the drivers of its escalating cost.

There are no simple solutions. States, the federal government, and regulatory agencies must collaborate to determine who should bear the rising costs of climate disasters, to ensure that insurance products sufficiently serve homeowners at a fair price, and to protect the most impacted communities. Without action, public disaster funds such as FEMA will be further stretched, and individual homeowners will be left with more of the cost of disaster recovery themselves. The US housing finance system will also strain under the rising risks of underinsured homes, posing new challenges to the availability of affordable mortgage finance.

CFA has, through its decades of research and engagement with the issue of homeowners insurance, identified a series of investigations, reforms, rules, and opportunities that could help address the crisis. These recommendations include:

- **Increase public funding for risk mitigation investments**, both at the property and community level, which will lower the exposure for insurance companies and the cost of coverage for homeowners. Given insurance companies' wide-ranging investment portfolios, states can also require or incentivize them to become partners in resiliency and community investments.
- **Engage stakeholder conversations around responsible zoning and land-use policy, building safety, and community climate resiliency.** Private insurance companies should not be the nation's primary land use decision makers – through their underwriting and pricing decisions – rather, local governments and communities should lead in making thoughtful decisions on where to build and rebuild. They should keep in mind current and future housing needs, equity, and the changing nature of climate risks.
- **Create a national public reinsurance facility** that lowers the cost of risk transfer for U.S. property insurance companies that agree to provide more comprehensive coverage to homeowners and serve more communities.
- **Improve state-level public insurance alternatives**, such as the FAIR plans and Citizens Insurance companies, by improving the product offerings and expanding access.
- **Fund the creation of public catastrophe models** that are transparent and subject to independent scrutiny that can help regulators and insurers better and more fairly incorporate climate risk than current black box catastrophe models allow.
- **Hold insurers accountable for their role in facilitating climate change** and prevent them from passing on all the costs of increasing risk to policyholders while they continue to invest in and underwrite the fossil fuel projects that drive the increase in risk and costs.
- **Strengthen regulatory oversight of the rates and underwriting practices**, including non-renewal practices, of insurance companies to ensure that homeowners get relief when they invest in strengthening their homes and, more generally, that insurers do not exploit temporary inflationary pressures or overestimate other exposure to charge excessive rates.



Public data on homeowners insurance remains incomplete and the insurance industry has resisted efforts to make this much-needed information available and transparent.

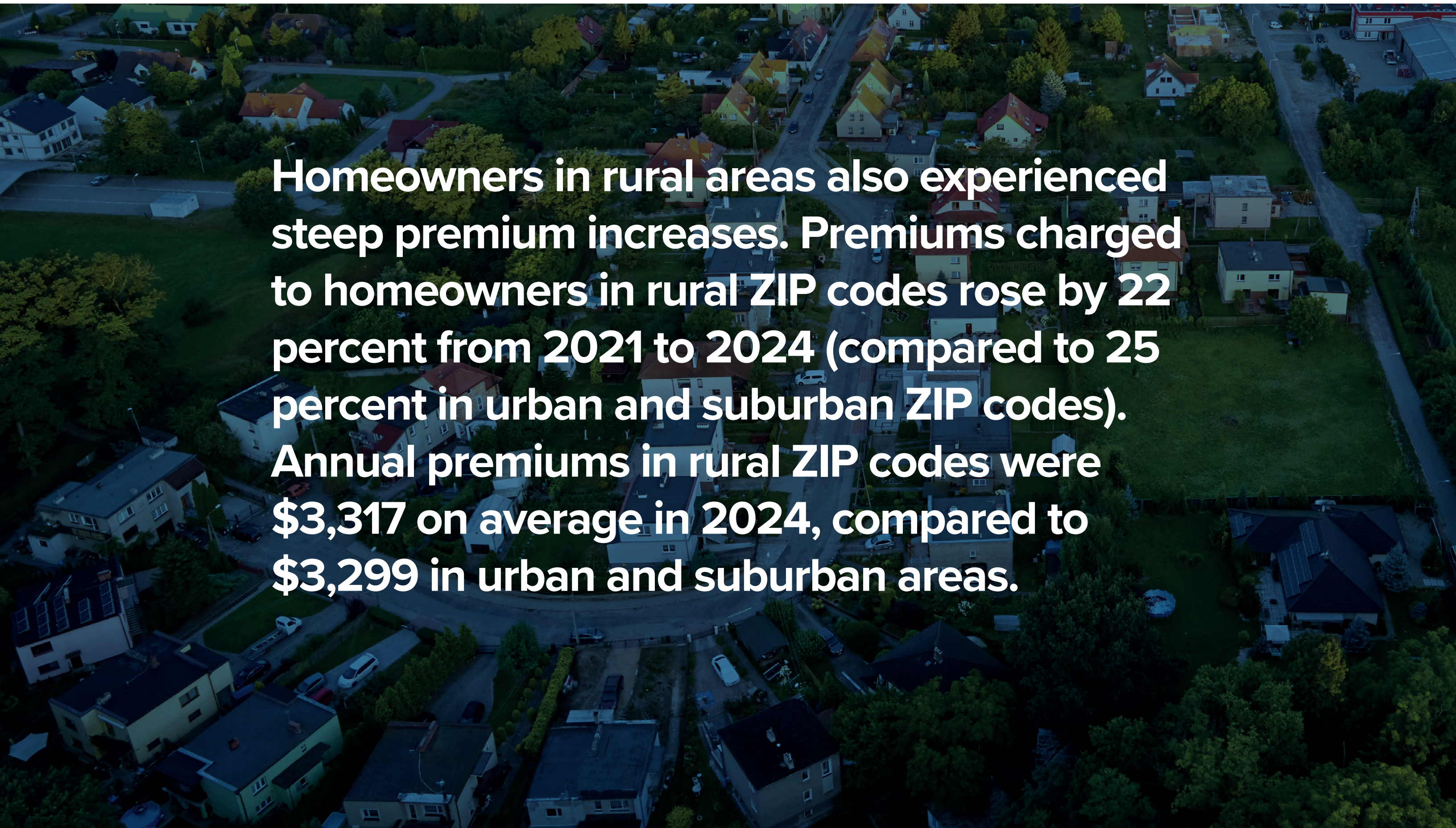
- **Improve data collection on homeowners and other property insurance markets**, as further discussed below.

As the homeowners insurance crisis began to receive additional attention in recent years, one important problem became apparent: there is very little data available about the nation's homeowners insurance markets. The same lack of data plagues the multifamily affordable housing, mobile home, condo, and rental insurance markets.

This offers a sharp contrast to the home lending market, which since 1975 has been subject to the Home Mortgage Disclosure Act (HMDA).[45] HMDA requires lenders to publicly disclose mortgage application-level data, including at the census tract level, to ensure transparency and accountability in fair access to mortgages. Homeowners insurance is arguably becoming as important as mortgage access in shaping who can afford to purchase a home or stay in their home. However, the insurance industry makes almost no data available; the available data are mostly aggregated at the state level, capture only a few elements, and are years out of date by the time they are released.

Over the course of 2023 and 2024, FIO crafted, weakened, and eventually withdrew a national data call from homeowners insurance companies. It withdrew this important first step toward a better understanding of the crisis after negotiating an agreement with the NAIC, in which the NAIC would work with the state departments of insurance to collect a similar set of data and share the information with FIO. While too limited in scope, this "Property and Casualty Market Intelligence Data Call" was more expansive than anything previously collected about the homeowners insurance markets in the country, with data aggregated at the ZIP-code rather than state level. After substantial pressure from consumer organizations and members of Congress, FIO finally released summary, but not insignificant, data on rising homeowners insurance rates and issued a January 2025 report on the topic. This report found that from 2018 to 2022, homeowners insurance costs increased by 8.7% above the rate of inflation and that homeowners in communities affected by substantial weather events paid significantly higher premiums.[46] The NAIC has not released any data publicly.

This CFA report builds on these efforts to provide a broader, more recent picture of the homeowners insurance market. But to address this crisis, it will be critical to require insurance companies to annually report and make publicly available their homeowners insurance underwriting, costs, and renewal data, modelled after the successful HMDA in mortgages.



Data Appendix

The data for this analysis represent premiums quoted to hypothetical customers using up-to-date rates and pricing algorithms from most of the nation's major insurance companies. CFA purchased this proprietary data from Quadrant Information Services. To generate these quotes, we fixed three key characteristics. First, we generated quotes for a home with a replacement value of $350,000. This number indicates the estimated costs of rebuilding a home and is different from the home market value. While there is widespread state-by-state variation, this number approximates the national average replacement value, to make comparisons possible. Second, all quotes used in this report assumed consumers with mid-tier credit scores (roughly a 740 FICO score) – homeowners with poor credit scores can expect to pay even more. Third, in all states bordering the Atlantic Ocean we generated quotes for a policy with hurricane coverage, because many ZIP Codes in this region require it.[47] For the remaining states, quotes represent a policy without hurricane coverage.

The report does not include premium quotes for Wyoming, as the limited disclosure requirements of that state's deregulated market prevent access to insurers' up-to-date rates and rating methodologies. For quotes from Florida Citizens Property Insurance Corporation, the policies are rated with a commonly used discount. Without applying this discount, the data reflect artificially high rates. Other than the state-created Florida Citizens, which is included as it is the largest insurer in Florida, this analysis does not include data from any state insurers of last resort, such as FAIR plans. These quotes also do not include non-admitted insurance companies (also known as surplus lines insurers), which are not regulated by states and not backed by state guarantee funds in case of insolvency.

For State Farm, the credit score that qualifies as "mid-tier" increased from 2021 to 2024. Since credit score plays an especially crucial role in State Farm's rates, we fix the credit score at the 2021 level for quotes from State Farm. While we keep credit scores constant for State Farm in this analysis to ensure accuracy, using either configuration does not substantively change the results.

We supplemented the Quadrant Information Services data with data from other sources, including the number of homeowners in each ZIP code using data from the 2020 U.S. Census. Technically, the U.S. Census Bureau provides information on the number of homeowners in every "ZIP Code Tabulation Area" (ZCTA) in the United States. ZCTAs are closely related to, but distinct from, ZIP codes. To ensure compatibility, ZCTAs were linked to ZIP codes using a crosswalk file from the Health Resources and Services Administration.[48] Additionally, we link each ZIP Code to its corresponding Core-Based Statistical Area (CBSA) using a crosswalk file from the Department of Housing and Urban Development.[49] If a ZIP Code belonged to multiple CBSAs, it was assigned to the CBSA in which it had the greatest proportion of residential addresses.

When calculating the average quote for each ZIP code, we weigh each company's quote by their "Homeowners Multiple Peril" market share in each state using data from the National Association of Insurance Commissioners.[50] When calculating premium averages at the national, state, and city-level we weigh each ZIP code by the number of homeowners in that ZIP code. Consequently, ZIP codes with more homeowners are weighted more heavily and any ZIP codes with zero homeowners are excluded.

Unless otherwise specified, the same replacement value of $350,000 is used to calculate premiums for 2021 and 2024. However, given that construction costs inflated between 2021 and 2024, many insurers also required American homeowners to insure themselves for higher coverage amounts. For example, a house with a $350,000 replacement value in 2021 would have needed coverage for a higher replacement value (e.g. $380,000) by 2024. That increase will vary based on local inflation and insurer construction estimates and will be in addition to the effects of rate increases reported in this paper. As a result, this report's estimates of premium hikes that homeowners experienced are conservative.

Figure A-1: Premium Increases and Average Premiums in all States

State	% Change	2021 Avg. Premium	2024 Avg. Premium	State	% Change	2021 Avg. Premium	2024 Avg. Premium
Alabama	7%	$ 3,855	$ 4,132	Missouri	12%	$ 3,163	$ 3,558
Alaska	3%	$ 1,552	$ 1,606	Montana	10%	$ 2,408	$ 2,638
Arizona	48%	$ 1,515	$ 2,238	Nebraska	35%	$ 3,785	$ 5,127
Arkansas	34%	$ 3,033	$ 4,067	Nevada	13%	$ 1,376	$ 1,555
California	25%	$ 1,378	$ 1,724	New Hampshire	7%	$ 1,231	$ 1,313
Colorado	27%	$ 3,038	$ 3,869	New Jersey	26%	$ 1,175	$ 1,484
Connecticut	16%	$ 2,150	$ 2,503	New Mexico	19%	$ 2,458	$ 2,917
Delaware	12%	$ 1,481	$ 1,655	New York	13%	$ 1,934	$ 2,192
District of Columbia	6%	$ 1,594	$ 1,685	North Carolina	29%	$ 2,864	$ 3,689
Florida	29%	$ 7,344	$ 9,462	North Dakota	31%	$ 2,476	$ 3,254
Georgia	20%	$ 2,529	$ 3,037	Ohio	23%	$ 1,720	$ 2,115
Hawaii	12%	$ 598	$ 672	Oklahoma	13%	$ 5,171	$ 5,819
Idaho	4%	$ 2,387	$ 2,488	Oregon	27%	$ 1,258	$ 1,594
Illinois	50%	$ 1,968	$ 2,942	Pennsylvania	44%	$ 1,375	$ 1,978
Indiana	16%	$ 2,567	$ 2,979	Rhode Island	23%	$ 2,243	$ 2,761
Iowa	27%	$ 2,274	$ 2,894	South Carolina	17%	$ 2,535	$ 2,977
Kansas	14%	$ 3,730	$ 4,258	South Dakota	32%	$ 2,916	$ 3,860
Kentucky	35%	$ 4,073	$ 5,499	Tennessee	6%	$ 2,745	$ 2,912
Louisiana	34%	$ 5,164	$ 6,939	Texas	27%	$ 3,759	$ 4,786
Maine	20%	$ 1,336	$ 1,599	Utah	59%	$ 1,126	$ 1,795
Maryland	18%	$ 1,449	$ 1,716	Vermont	5%	$ 936	$ 984
Massachusetts	12%	$ 1,406	$ 1,576	Virginia	31%	$ 1,717	$ 2,245
Michigan	29%	$ 1,953	$ 2,516	Washington	7%	$ 1,454	$ 1,550
Minnesota	32%	$ 2,662	$ 3,523	West Virginia	-24%	$ 2,409	$ 1,825
Mississippi	-15%	$ 4,301	$ 3,670	Wisconsin	19%	$ 1,530	$ 1,816

Source: CFA analysis of Quadrant Information Services data.

Note: Core-Based Statistical Areas (CBSAs). Averages are weighted by state-level insurance company market share and number of homeowners in each ZIP code. No data available for Wyoming.

Figure A-2: Average Annual Premiums in 2024 by State and Replacement Value

State	Replacement Value			State	Replacement Value		
	250k	350k	450k		250k	350k	450k
Alabama	$3,321	$4,132		Missouri	$2,906	$3,558	
Alaska		$1,606	$1,903	Montana	$2,150	$2,638	
Arizona	$1,825	$2,238		Nebraska	$4,102	$5,127	
Arkansas	$3,308	$4,067		Nevada		$1,555	$1,919
California		$1,724	$2,182	New Hampshire		$1,313	$1,575
Colorado		$3,869	$4,593	New Jersey		$1,484	$1,871
Connecticut		$2,503	$3,124	New Mexico	$2,156	$2,917	
Delaware		$1,655	$2,074	New York		$2,192	$2,809
District of Columbia		$1,685	$2,119	North Carolina	$2,860	$3,689	
Florida	$8,060	$9,462		North Dakota	$2,549	$3,254	
Georgia	$2,454	$3,037		Ohio	$1,721	$2,115	
Hawaii		$ 672	$ 879	Oklahoma	$4,744	$5,819	
Idaho	$1,892	$2,488		Oregon		$1,594	$1,972
Illinois		$2,942	$3,480	Pennsylvania	$1,605	$1,978	
Indiana	$2,403	$2,979		Rhode Island		$2,761	$3,354
Iowa	$2,357	$2,894		South Carolina	$2,382	$2,977	
Kansas	$3,521	$4,258		South Dakota	$3,077	$3,860	
Kentucky	$4,022	$5,499		Tennessee	$2,342	$2,912	
Louisiana	$5,370	$6,939		Texas	$3,884	$4,786	
Maine	$1,201	$1,599		Utah		$1,795	$2,180
Maryland		$1,716	$2,083	Vermont		$ 984	$1,196
Massachusetts		$1,576	$1,946	Virginia		$2,245	$2,659
Michigan	$1,988	$2,516		Washington		$1,550	$1,965
Minnesota		$3,523	$4,351	West Virginia	$1,469	$1,825	
Mississippi	$2,908	$3,670		Wisconsin	$1,438	$1,816	

Source: CFA analysis of Quadrant Information Services data.

Note: Quotes based on $250,000, $350,000 or $450,000 replacement value based on cost-of-living in the state. Averages are weighted by state-level insurance company market share and number of homeowners in each ZIP code. No data available for Wyoming.

Figure A-3: Premium Increases and Average Premiums in Most Populated Metro Areas

Metro Area	% Change	2021 Avg. Premium	2024 Avg. Premium	Metro Area	% Change	2021 Avg. Premium	2024 Avg. Premium
Atlanta	23%	$ 2,400	$ 2,961	Minneapolis	32%	$ 2,683	$ 3,536
Austin	31%	$ 2,484	$ 3,249	Nashville	7%	$ 2,640	$ 2,831
Baltimore	18%	$ 1,457	$ 1,718	New Orleans	58%	$ 6,644	$ 10,522
Boston	12%	$ 1,366	$ 1,523	New York	16%	$ 1,835	$ 2,135
Buffalo	14%	$ 1,409	$ 1,607	Oklahoma City	6%	$ 6,160	$ 6,542
Charlotte	19%	$ 1,869	$ 2,221	Orlando	38%	$ 4,350	$ 6,020
Chicago	46%	$ 1,964	$ 2,876	Philadelphia	38%	$ 1,543	$ 2,130
Cincinnati	33%	$ 2,033	$ 2,700	Phoenix	47%	$ 1,546	$ 2,278
Cleveland	36%	$ 1,531	$ 2,075	Pittsburgh	42%	$ 1,244	$ 1,764
Columbus	17%	$ 1,989	$ 2,318	Portland	21%	$ 1,276	$ 1,543
Dallas	32%	$ 3,686	$ 4,852	Providence	21%	$ 2,077	$ 2,508
Denver	24%	$ 3,273	$ 4,048	Richmond	29%	$ 1,724	$ 2,217
Detroit	26%	$ 2,237	$ 2,822	Riverside	31%	$ 1,606	$ 2,102
Fayetteville	26%	$ 2,931	$ 3,685	Sacramento	14%	$ 1,371	$ 1,565
Hartford	17%	$ 2,009	$ 2,350	Salt Lake City	62%	$ 1,107	$ 1,796
Houston	25%	$ 5,049	$ 6,288	San Antonio	29%	$ 2,463	$ 3,182
Indianapolis	16%	$ 2,668	$ 3,108	San Diego	25%	$ 1,445	$ 1,805
Jacksonville	47%	$ 3,587	$ 5,258	San Francisco	12%	$ 1,167	$ 1,305
Kansas City	14%	$ 3,340	$ 3,820	San Jose	15%	$ 1,054	$ 1,214
Las Vegas	13%	$ 1,407	$ 1,594	Seattle	6%	$ 1,435	$ 1,516
Los Angeles	35%	$ 1,468	$ 1,974	Springfield	17%	$ 1,951	$ 2,279
Louisville	28%	$ 3,996	$ 5,122	St. Louis	18%	$ 2,701	$ 3,176
Memphis	8%	$ 3,097	$ 3,343	Tampa	34%	$ 5,372	$ 7,181
Miami	21%	$ 12,707	$ 15,438	Virginia Beach	33%	$ 2,509	$ 3,344
Milwaukee	20%	$ 1,495	$ 1,791	Washington	24%	$ 1,432	$ 1,779

Source: CFA analysis of Quadrant Information Services data.

Note: Core-Based Statistical Areas (CBSAs). Averages are weighted by state-level insurance company market share and number of homeowners in each ZIP code. Data for additional cities available upon request.

Contacts:

Sharon Cornelissen PhD | Director of Housing
scornelissen@consumerfed.org

Douglas Heller | Director of Insurance
dheller@consumerfed.org

Ethan Weiland | Research Associate
eweiland@consumerfed.org

Michael Delong | Research and Advocacy Associate
mdelong@consumerfed.org

Media Inquiries:
Media Relations
media@consumerfed.org

To find more information about the work we are doing, visit us at www.consumerfed.org

This report was made possible with the generous support of the Robert Wood Johnson Foundation. We also would like to thank the Climate & Community Institute, Professors Michael Esposito and Nick Graetz of the University of Minnesota, and our reviewers for their feedback.

End Notes

1. "Exposed: A Report on $1.6 Trillion Dollars of Uninsured American Homes." By Sharon Cornelissen, Douglas Heller, and Michael DeLong. The Consumer Federation of America. March 12th, 2024. Available at **https://consumerfed.org/wp-content/uploads/2024/03/Exposed-UninsuredHomes-1.pdf.**

2. Ibid.

3. "Property and Casualty Market Intelligence Data Call." National Association of Insurance Commissioners. March 8th, 2024. Available at **https://content.naic.org/industry/data-call/property-ho.htm**.

4. "Analysis of U.S. Homeowners Insurance Markets, 2018-2022: Climate-Related Risks and Other Factors." U.S. Department of the Treasury. January 16th, 2025. Available at **https://home.treasury.gov/system/files/311/Analyses_of_US_Homeowners_Insurance_Markets_2018-2022_Climate-Related_Risks_and_Other_Factors_0.pdf**.

5. Due to the deregulated approach to the insurance market in Wyoming, data are not available for that state.

6. This language, a version of which appears in the Insurance Code of most states, requires that the rates charged in the insurance market cannot exceed what the insurers need in order to pay claims, administer their business, and earn reasonable profits (excessive). Nor can they be too low (inadequate) so that companies would find themselves unable to pay claims. The laws also prohibit insurers from treating policyholders differently for reasons unrelated to their insurance risk or based on protected classes in the Fair Housing Act. See also "Racial Profiling, Insurance Style: Insurance Redlining and the Uneven Development of Metropolitan Areas." By Gregory Squires. Journal of Urban Affairs 25(4): 391-410, 2003. Available at **https://onlinelibrary.wiley.com/doi/abs/10.1111/1467-9906.t01-1-00168**.

7. Typically, homeowners insurance provides coverage for the structure of a home, coverage for damage to or theft of personal property, liability protection, and compensation for additional living expenses in case of damage.

8. "Flood Risk and the US Mortgage Market." Consumer Financial Protection Bureau, January 13th, 2025. Available at **https://files.consumerfinance.gov/f/documents/cfpb_Flood-Risk-and-Mortgages_Report_2025-01.pdf** On FEMA see also: "Can FEMA and Flood Insurance Keep Up With the Rising Tide of Risks?" Government Accountability Office. November 12th, 2024. Available at **https://www.gao.gov/blog/can-fema-and-flood-insurance-keep-rising-tide-risks**.

9. In recent years, the NFIP also implemented a major revision to its rating system that raised rates for about three-quarters of its approximately 4.7 million policyholders. See **https://www.fema.gov/flood-insurance/work-with-nfip/watermark-financial-statements.**

10. "Improving America's Housing 2023." Harvard Joint Center for Housing Studies. March 22th, 2023. Available at **https://www.jchs.harvard.edu/sites/default/files/reports/files/JCHS-Improving-Americas-Housing-2023-Report.pdf**

11. "'We're In a New Era': How Climate Change is Supercharging Disasters." By David Gelles and Austyn Gaffney. The New York Times. January 10th, 2025. Available at **https://www.nytimes.com/2025/01/10/climate/california-fires-climate-change-disasters.html**. "Shared Fates: A Housing Resiliency Policy Vision for the Home Insurance Crisis." Climate and Community Institute. September 25th, 2024. Available at **https://climateandcommunity.org/wp-content/uploads/2024/09/Shared-Fates_09-25-24.pdf**.

12. "Chart: Guy Carpenter US Property Casualty Rate on Line Index, 2000-2023," Guy Carpenter. Available at **https://www.guycarp.com/insights/2023/02/chart-guy-carpenter-US-property-catastrophe-rate-on-line-index-2000-2023.html.**

13. Berkshire Hathaway Inc. Letter to Shareholders, February 22th, 2025. Available at **https://www.berkshirehathaway.com/letters/2024ltr.pdf.**

14. "Dinner, Drinks, Junkets, and Jobs: How the Insurance Industry Courts State Insurance Commissioners." By Michael J. Mishak. The Center for Public Integrity. October 2nd, 2016. Available at **https://publicintegrity.org/politics/state-politics/drinks-dinners-junkets-and-jobs-how-the-insurance-industry-courts-state-commissioners/**.

15. "Exposed: A Report of 1.6 Trillion Dollars of Uninsured American Homes," ibid.

16. Ibid.

17. "Forced-Place Insurance: What It Means, How It Works." By Julia Kagan. Investopedia. July 27th, 2022. Available at **https://www.investopedia.com/terms/f/forced-place-insurance.asp**.

18. "Climate Change Drives Up Insurance Costs—And Missed Mortgage Payments." New Orleans Public Radio. November 20th, 2024. Available at https://www.wwno.org/coastal-desk/2024-11-20/climate-change-drives-up-insurance-costs-and-missed-mortgage-payments. Original paper, available at **https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4992281.**

19. "Home Insurance Needs an Overhaul to Prepare for Climate Change." By Laurie Goodman and Alexei Alexandrov. Urban Institute. November 4th, 2024. Available at **https://www.urban.org/urban-wire/home-insurance-needs-overhAul-prepare-climate-change-fannie-mae-and-freddie-mac-should**.

20. "Insurance and Taxes Now Cost More Than Mortgages for Many Homeowners." By Nicole Friedman. The Wall Street Journal. December 23rd, 2024. Available at **https://www.wsj.com/economy/housing/home-insurance-property-tax-vs-mortgage-cost-43ab76ed?mod=Searchresults_pos1&page=1**.

21. Ibid.

22. "Soaring Property Insurance Rates Threaten Affordable Housing Development." By Franklin Schneider. Shelterforce. March 26th, 2024. Available at **https://shelterforce.org/2024/03/26/soaring-property-insurance-rates-threaten-affordable-housing-development/**.

23. "Housing in the Context of Neighborhood Decline." By Sharon Cornelissen and Christine Jang-Trettien. 2023. Available at **https://www.jchs.harvard.edu/research-areas/working-papers/housing-context-neighborhood-decline**.

24. "About Quadrant." Quadrant Information Services. January 15th, 2025. **Available at https://portal.quadinfo.com/Pages/aboutus.aspx**.

25. Although this Quadrant data reflect information provided in public filings, some of its elements are submitted to state insurance departments confidentially and not accessible to the public. Additionally, there is no systematic compilation of the rates and pricing algorithms freely available to the public.

26. The quotes referred to throughout this report are the premiums that would be offered by insurance companies if a homeowner with the characteristics selected as typical for this research were to solicit a quote. The quotes in this report are not collected from actual consumers. Instead, they allow for a precise comparison because they are the prices that would be charged to a standardized customer. Actual premiums quoted to a homeowner by a certain company will vary based on their specific mix of rating characteristics.

27. This mid-tier credit score roughly corresponds to a FICO score of 740.

28. According to the Consumer Price Index (CPI) inflation calculator, the rate of inflation between December 2021 and August 2024 was 13 percent. Available at **https://www.bls.gov/data/inflation_calculator.htm**.

29. Our data only includes rate increases that took effect in the first seven months of 2024 (until August 1). Actual increases felt by the end of 2024 were likely even higher.

30. In West Virginia and Mississippi some companies did raise rates, but because this analysis weights by market share (and larger companies in both states lowered rates) the weighted average is an overall decline.

31. "Is Tornado Alley Shifting Due to Climate Change? Scientists Explain How Warming Climate Affects Tornado Activity." By Julia Jacopo. ABC News. April 4th, 2023. Available at **https://abcnews.go.com/US/tornado-alley-shifting-due-climate-change-scientists-explain/story?id=98347077/**.

32. "Recapping Kentucky's Major Weather, Celestial Events in 2024." By Connor N. Smith. Spectrum News 1. December 23, 2024. Available at **https://spectrumnews1.com/ky/louisville/weather-stories/2024/12/11/kentucky-weather-events-2024** "The Violent Tornado Outbreak of December 10-11, 2021." National Weather Service. Retrieved on December

10th, 2024. Available at **https://www.weather.gov/pah/December-10th-11th-2021-Tornado**.

33. "Derechos," Ready Iowa. Retrieved March 10, 2025. Available at **https://ready.iowa.gov/derechos/.**

34. "Looking Back at Colorado's Marshall Fire." NOAA Research. January 8th, 2024. Available at **https://research.noaa.gov/looking-back-at-colorados-marshall-fire/**.

35. "National Hurricane Center Tropical Cyclone Report–Hurricane Ian." National Oceanic and Atmospheric Administration and the National Weather Service. April 3rd, 2023. Available at **https://www.nhc.noaa.gov/data/tcr/AL092022_Ian.pdf**.

36. "Farmers Insurance Pulls Out of Florida, Affecting 100,000 Policyholders." By Jordan Valinsky. CNN. July 12th, 2023. Available at **https://www.cnn.com/2023/07/12/business/farmers-insurance-florida/index.html**.

37. "Florida's Home Insurer of Last Resort Is in Serious Trouble. Will Milton Put It Over the Edge?" By Elisabeth Buchwald. CNN. October 11th, 2024. Available at **https://www.cnn.com/2024/10/11/business/citizens-insurance-hurricane-milton/index.html**.

38. Cities were based on their Core-Based Statistical Area, which include the city and their broader metro areas.

39. We chose a mix of cities from high, moderate, and lower cost states for this map.

40. These are ZIP Codes that are not urban or suburban. In this analysis, 52 percent of ZIP Codes fit this criterion and are coded as rural ZIP codes. ZIP Codes without any homeowners were excluded from the analysis.

41. "Rural Homeowners Challenges: A Perspective from Eastern Kentucky." By Sharon Cornelissen and Katie McCann, Consumer Federation of America, forthcoming in April 2025.

42. Our findings are similar to the increase reported by the NAIC, which found that total homeowners insurance premiums collected by insurers between 2021 and the end of 2023 increased by 25.3 percent. After adjusting for the increase in single family homes that also occurred in that period, we estimate that the total premium increase reported to the NAIC was about 21.3 percent for that period.

43. "Dwelling Fire, Homeowners Owner-Occupied, and Homeowners Tenant and Condominium/Cooperative Unit Owner's Insurance Report: Data for 2021." NAIC, December 2023. Available at **https://content.naic.org/sites/default/files/publication-hmr-zu-homeowners-report.pdf.**

44. This number is based on NAIC 2021 numbers above combined with the 2021 market share reports published by the NAIC.). "2021 Market Share Reports For Property/Casualty Groups and Companies by State and Countrywide," NAIC, 2022. Available at **https://content.naic.org/sites/default/files/MSR-PB%202021.pdf.**

45. "The Home Mortgage Disclosure Act: A Synopsis and Recent Legislative History." By Patricia McCoy, Journal of Real Estate Research, 29:4, 381-398, 2007. Available at **https://www.tandfonline.com/doi/abs/10.1080/10835547.2007.12091207**.

46. "U.S. Department of the Treasury Report: Homeowners Insurance Costs Rising, Availability Declining As Climate-Related Events Take Their Toll." U.S. Department of the Treasury. January 16th, 2025. Available at **https://home.treasury.gov/news/press-releases/jy2791**.

47. Not applicable for Texas.

48. This crosswalk and the HUD crosswalk are available from CFA on request. Available at: **https://data.hrsa.gov/DataDownload/GeoCareNavigator/ZIP%20Code%20to%20ZCTA%20Crosswalk.xlsx**.

49. "The HUD-USPS ZIP code Crosswalk." HUD PD&R. Last accessed March 10, 2025. Available at: **https://www.huduser.gov/portal/datasets/usps_crosswalk.html.**

50. "2023 Market Share Reports for Property/Casualty Groups and Companies by State and Countrywide." National Association of Insurance Commissioners. August 2024. Available at: **https://content.naic.org/sites/default/files/publication-msr-pb-property-casualty.pdf**.

Consumer Federation of America

consumerfed.org