# Home Insurers Are Ripping People Off Amid the Climate Crisis: Fact Sheet

## Overview

For years, homeowners have been told skyrocketing insurance premiums are an inevitable consequence of climate change and inflation. Insurers have blamed more frequent and costly disasters for aggressively raising rates and withdrawing from markets. But the latest data from the National Association of Insurance Commissioners (NAIC) shows soaring insurance costs cannot be fully explained by rising climate impacts, reinsurance, or construction costs. Excessive industry spending on overhead like executive compensation, advertising, and shareholder dividends, and record high profits are also to blame for climbing insurance prices. Meanwhile, insurers are aggressively denying and delaying claims, leaving homeowners without the protection they paid for.

**Read the full report here**

### Key Findings

An analysis of NAIC data on the home insurance market from 2021 to 2025 reveals:

- **Premium revenue grew at double the rate of claims payments.** Premium revenue grew by 59 percent, from $114 billion in 2021 to $181 billion in 2025. Over the same period, claims payouts increased by only 28 percent.
- **Loss ratios fell by an average of 20 percent.** The average loss ratio in the homeowners market, or the ratio of premiums collected paid out as claims, fell from 69 percent in 2021 to 55 percent in 2025. This means insurers only paid out 55 cents for every dollar they collected from policyholders. For reference, loss ratios averaged 74 percent in the 1990s.
- **30 percent of claims were closed without payment.** Across the country, 30 percent of claims were closed without payment and 22 percent of claims that were paid were delayed beyond 60 days.
- **Home insurers made $258 billion in underwriting income.** The industry collected $726 billion in premiums over the five year period, yielding an estimated $258 billion in underwriting income after paying claims.
- **The industry made $113 billion in excess underwriting income.** If regulators set minimum loss ratios at 80 percent, similar to federal requirements for health insurers, underwriting income from 2021 to 2025 would have been reduced by an estimated $113 billion—money that could have stayed in homeowners' and renters' pockets.

## States Spotlight

Despite high profits, insurance companies continued to dramatically raise rates with little to no regulator scrutiny. This report analyzes the rate hikes of certain major insurers[1] in Texas, Iowa, Idaho, Maine, and Florida—all states with extremely low loss ratios. This analysis reveals the following key findings:

- Texas
  - **Loss ratios:** In 2025, the industry posted a loss ratio of 45 percent and Liberty Mutual posted the lowest loss ratio among major insurers at 30 percent.
  - **Rate hikes:** The largest Liberty Mutual group home insurer in Texas, marketed as Safeco Insurance until April 2026, requested and had approved a 144 percent increase in statewide average home insurance premiums from 2021 through 2025, with little objection from the state regulator.
  - **Excess underwriting income:** The Liberty Mutual group made an estimated $912 million in excess underwriting income from homeowners and renters.
- Iowa
  - **Loss ratios:** In 2025, the industry posted a loss ratio of 34 percent and American Family posted the lowest loss ratio among major insurers at 23 percent.
  - **Rate hikes:** The two largest American Family group home insurers in Iowa requested and had approved statewide average home insurance premium increases of 58 and 96 percent, respectively, from 2021 through 2025.
  - **Excess underwriting income:** The American Family group made an estimated $94 million in excess underwriting income from homeowners and renters.
- Idaho
  - **Loss ratios**: In 2025, the industry posted a loss ratio of 41 percent and Farmers posted the lowest loss ratio among major insurers at 28 percent.
  - **Rate hikes:** The two largest Farmers group insurers together requested and had enacted a 66 percent increase in statewide average home insurance premiums from 2021 through 2025, with no regulator objection.
  - **Excess underwriting income.** The Farmers group made an estimated $95 million in excess underwriting income from homeowners and renters.
- Maine
  - **Loss ratios**: In 2025, the industry posted a loss ratio of 32 percent and Chubb posted the lowest loss ratio among major insurers at 12 percent.
  - **Rate hikes:** The largest Chubb group insurers together requested and had approved a 38 percent increase in statewide average home insurance premiums from 2021 through 2025.
  - **Excess underwriting income.** The Chubb group made an estimated $77 million in excess underwriting income from homeowners and renters.
- Florida

[1] We define “major insurers” as those with at least 3% market share in the state for homeowners lines.

- **Loss ratios**: In 2025, the industry posted a loss ratio of 11 percent and Citizens, Florida's statewide insurer of last resort, posted a loss ratio of 9 percent.
- **Rate hikes:** Citizens requested and had approved a 30 percent increase in statewide average home insurance premiums from 2021 through 2025.
- **Excess underwriting income.** Citizens made an estimated $2.1 billion in excess underwriting income from homeowners and renters in the state.

## Top Takeaways

Home insurers made nearly **$113 billion nationwide** in excess underwriting income from 2021 to 2025. This could be used to fund a host of adaptation efforts in response to worsening wildfires, hurricanes, severe convective storms, and floods. For example, excess underwriting income over the last five years could fund 11.3 million grants to help homeowners strengthen their roofs, valued at $10,000 each, reaching over a third of the estimated 33.1 million U.S. homes facing moderate or worse hurricane wind risk.

Rather than allow insurers to accrue record profits while communities pay the price, we recommend policymakers establish a minimum loss ratio for property insurers, strengthen oversight of rate increases, require insurers to invest in and reward resilience, increase oversight of insurer claims handling, and increase transparency over insurer underwriting, pricing, and claims decisions.

**These trends suggest that the public is paying unnecessarily high prices and getting comparatively less in payouts for home insurance compared to previous decades.** Insurance regulators and state lawmakers must adequately oversee insurers to rein in this behavior so that individual homeowners are not padding insurance industry profits in the midst of an affordability crisis and accelerating climate change.

## Read the full report here:

https://ourfinancialsecurity.org/resources/home-insurers-are-ripping-people-off-amid-the-climate-crisis/