

Overburdened: The Dramatic Increase in Homeowners Insurance Premiums and Its Impacts on American Homeowners

By Sharon Cornelissen, PhD, Douglas Heller, Ethan
Weiland, and Michael DeLong

Forthcoming report, April 2025, Consumer
Federation of America



Homeowners Insurance: Questions

- How much more are homeowners paying for their homeowners insurance premiums in 2024 compared to 2021?
- How do insurance premium increases vary across the United States?
- In what regions, states, and cities have homeowners faced the most severe hikes?

Data and Research Methods

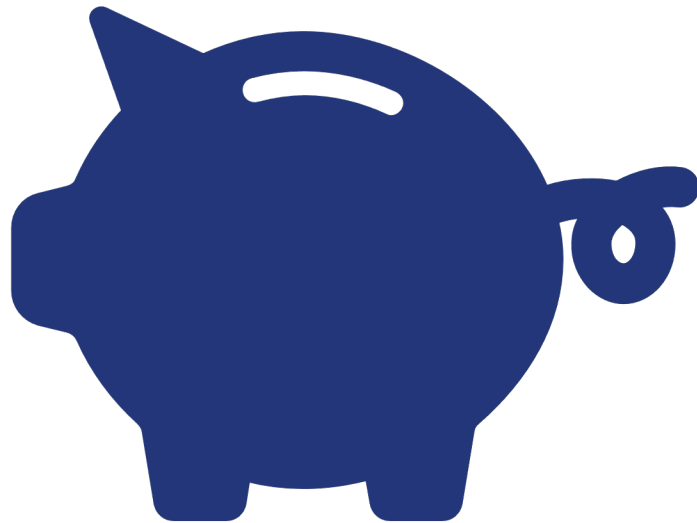
- Data obtained from Quadrant Information Services
- Test quotes for homeowners insurance premiums **for every ZIP code** (except Wyoming) from six of the largest insurance companies in each state
- Quotes in both December 2021 and August 2024
- Quotes based on mid-tier consumer credit score and \$350,000 replacement value
- Averages weighted by market share and number of homeowners in each ZIP Code

Key Findings

- Average homeowners insurance premium increase of \$648 over past three years—24% increase, compared to 13% cumulative inflation
- Premiums increased in 95% of ZIP codes
- States with largest increases:
 - Utah—59%
 - Illinois—50%
 - Arizona—48%
 - Pennsylvania—44%
- Florida is the most expensive state: average premium of \$9,462 per year for typical homeowner
- Consumers paid estimated \$21 billion more for standard homeowners insurance coverage in 2024 compared with 2021

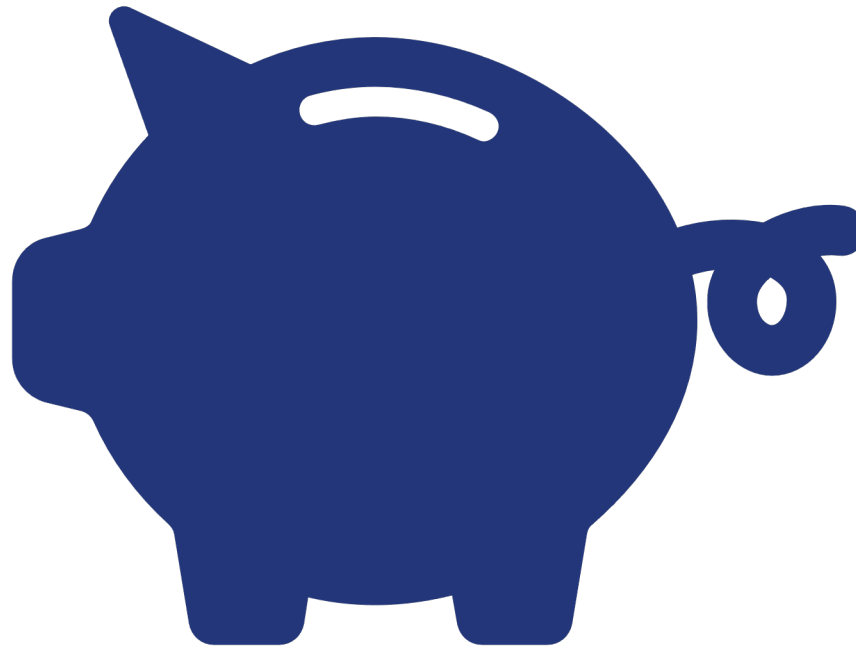
Figure 1: Average Annual Premiums Nationwide, 2021 to 2024

\$ 2,656



2021

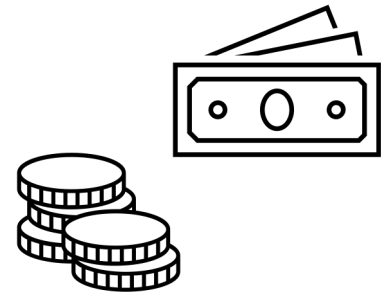
\$3,303



2024



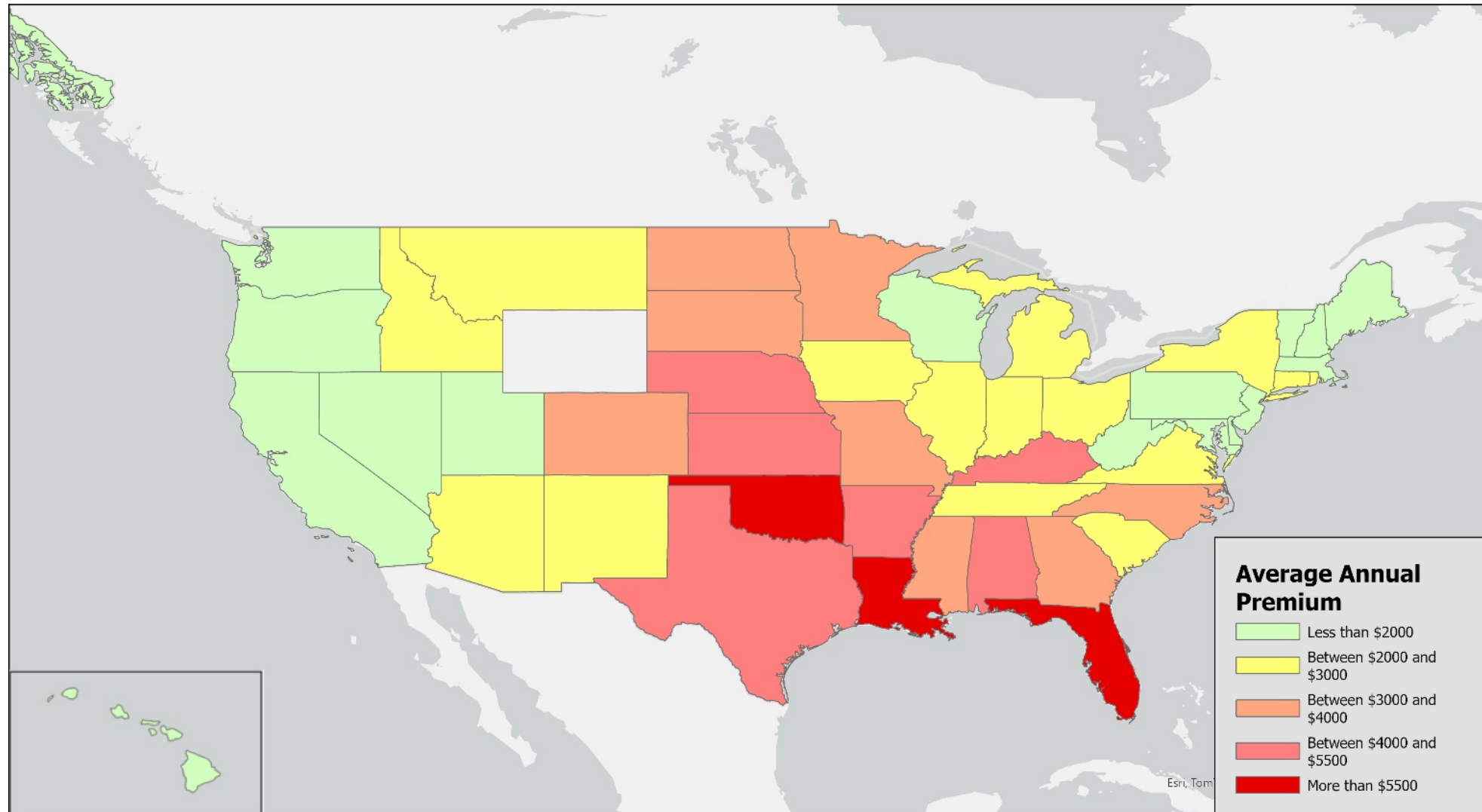
+ \$648
+ 24%



Premium Percentage Increases by 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%

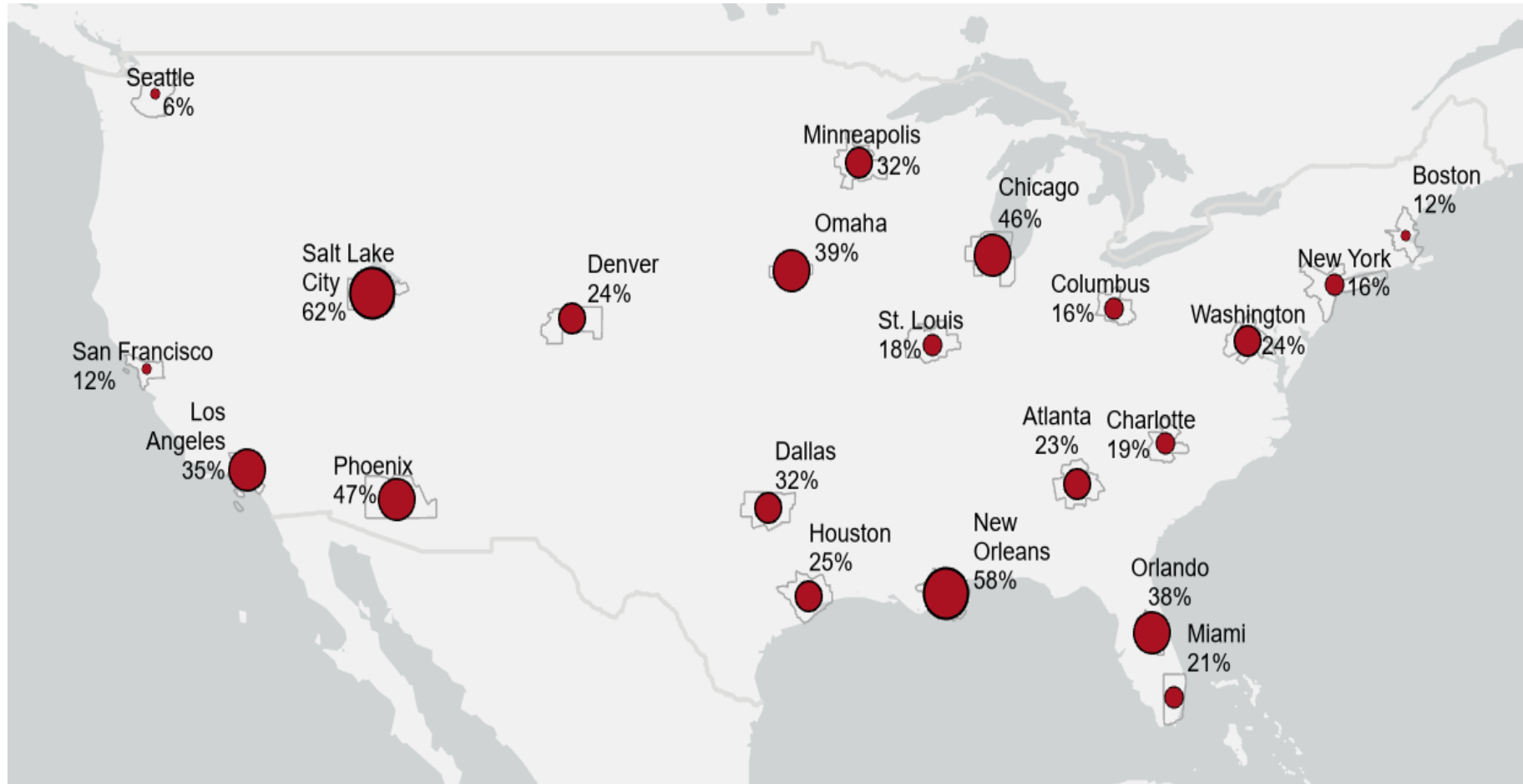
Typical Average Premium in Each State in 2024



States With Largest Premium Increases Adjusted 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

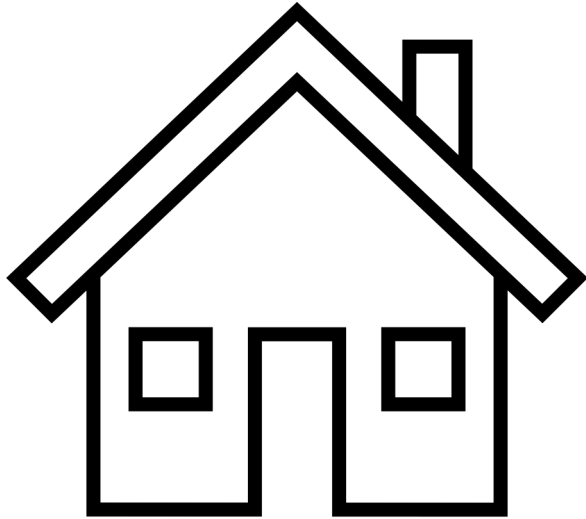
Percentage Premium Increases from 2021 to 2024 in Select U.S. Cities



Homeowners Insurance Represents a Growing Collective Financial Burden

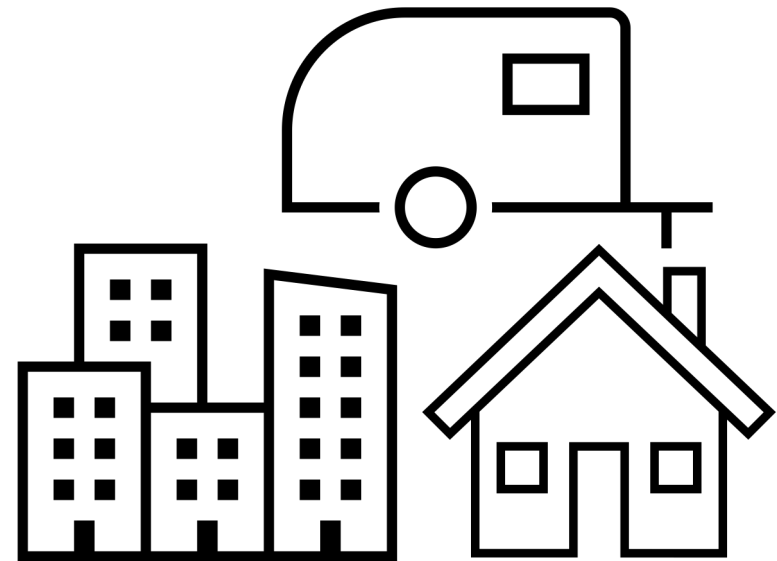
Estimated National Increase in Homeowners Insurance Costs (US Dollars)

+ \$21 Billion (from 2021 to 2024)



Single-Family Homes only (HO-3)

+ \$27 Billion (from 2021 to 2024)



All Personal Property Policies

Additional Findings: Rising Homeowners Insurance Premiums

- Homeowners in rural areas hard hit by rising costs
 - 22% increase from 2021 to 2024
- 68% of ZIP codes saw premium increase over 15%
- 32% of ZIP codes saw premium increase over 30%
- Rising costs placing additional burdens on would-be homebuyers
- Homeowners insurance premiums significantly outpaced inflation

Policy Recommendations

- Improve data collection by doing annual data calls
 - Make public 2024 data call
 - Adopt HMDA-style approach to data collection
- Increase public funding and enshrine premium discounts for risk mitigation efforts
- Strengthen regulatory oversight of rates and underwriting practices
- Create a national public reinsurance facility

Policy Recommendations (continued)

- Fund the creation of public catastrophe models
- Improve coverage offerings and pricing of state level public insurance alternatives
- Hold stakeholder conversations about land use policy, building safety, and climate resilience
- Hold insurers accountable for investing in and underwriting fossil fuel projects



Questions? Email us at
mdelong@consumerfed.org