

Letter in Support of HJ 61—Requiring Interim Study of the Montana Property Insurance Market

April 16th, 2025

Montana House Standing Committee on Business and Labor
Chair Ed Buttrey
Helena, MT 59620

Cc: Vice Chairs Jennifer Lynch and Kerri Seekins-Crowe, Committee
Members

The Consumer Federation of America (CFA) strongly urges your support for HJ 61—a joint resolution of the Senate and House of Representatives of the State of Montana requesting an interim study on Montana’s property insurance market and requiring that the final results of the study be reported to the Legislature. At a time of rising homeowners insurance costs, increasing numbers of non-renewals, and changing terms of coverage, this resolution will help obtain important and accurate information about homeowners insurance in Montana, the causes of increasing insurance rates, and their impact on Montana homeowners.

CFA is an association of over 200 consumer organizations that works to advance the consumer interest through research, advocacy, and education. Our letter is based on our years of work making insurance more affordable and accessible, combatting unfair pricing and practices, and improving insurance markets.

Over the past several years, soaring homeowners insurance costs have hit family budgets across the nation. In addition to enduring higher rates, consumers have taken on more risk, with higher deductibles and policies that depreciate the value of claims, and other consumers have foregone coverage altogether. As the resolution points out, from 2019 to 2024 Montana’s cumulative rate increases were 44.3%, well above the national average. Since consumers are required to obtain homeowners insurance in order to get a mortgage, the rising cost of insurance makes homeownership itself less sustainable. With climate change driving

increased wildfire risk, the access to quality and affordable insurance coverage is as critical as ever.

Despite this crisis, there is relatively little data available about Montana's homeowners insurance market. The insurance industry makes very little data available; the data that is available is aggregated at the state level, captures only a few elements, and is years out of date by the time it is released. While the Federal Insurance Office (FIO) recently released a review of data collected by the National Association of Insurance Commissioners (NAIC) as part of the NAIC's "Property and Casualty Market Intelligence Data Call," the raw data were not released for additional research, the collection was too limited in scope, and the data only go through 2022.¹

The lack of robust public information about the Montana property insurance market means that policymakers are currently attempting to solve the problems with Montana's insurance market without the data and information that are needed to identify the problems and needs most precisely. HJ 61 would fill this gap by setting in motion an analysis of the market that would evaluate the crisis and its impact on rates, as well as analyze policy strategies and develop approaches that will address the crisis. The study would be overseen by interim committee overseen by the Legislative Council and be concluded by September 15th, 2026.

Montanans – both policymakers and the general public – need additional data and independent analysis about the property insurance market. Property insurance has become so costly in Montana that it threatens the sustainability of homeownership and profitability of businesses around the state. HJ 61 begins the process of responding to a crisis that Montanans cannot afford to ignore.

We urge your support for HJ 61. By requesting a complete and public study on rising insurance costs, this bill will help determine the extent of the crisis and help policymakers develop solutions to help Montana's

¹ "Analyses of U.S. Homeowners Insurance Markets, 2018-2022: Climate-Related Risks and Other Factors." Federal Insurance Office, U.S. Department of the Treasury. January 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.

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consumers. Please contact us at mdelong@consumerfed.org with any questions.

Sincerely,

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