Penalized:

The Hidden Cost of Credit Score in Homeowners Insurance Premiums

Consumer Federation of America

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Overview

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Introduction & Summary

Homeowners insurance protects consumers' homes and belongings in case of unexpected damage or a natural disaster. Lenders require homeowners with a mortgage to always maintain this coverage, meaning that most homeowners have no choice but to carry insurance. But insurance costs have skyrocketed in recent years, leaving many homeowners struggling to find affordable options.[1] Many others find themselves without coverage when their long-time insurer refuses to renew their policy and may struggle to find any insurer that will cover them.[2]

While more frequent and severe climate-driven disasters are an important driver behind increasing homeowners insurance premiums, they are only part of the story. Insurance companies take into account dozens (and sometimes hundreds) of factors when they price insurance. How much an insurance company charges any given homeowner for their insurance is also shaped by the qualities of their home, such as the roof's age, the construction materials, and how much it would cost to rebuild. But even two neighbors with the exact same type of house may get charged wildly different insurance premiums, since most insurance companies consider individual factors as well to price insurance. These factors include customers' marital status, occupation, and, as this issue brief shows, credit history.

This issue brief, which builds upon an academic paper on credit scores by Professor Nick Graetz of the University of Minnesota (https://osf.io/preprints/socarxiv/uwx9q_v1), examines how insurance companies use consumers' credit scores (also called "credit-based insurance scores") to price homeowners insurance and how this unfair practice penalizes certain consumers.[3] The brief shows that:

1. **Insurance companies charge the typical homeowner $1,996 dollars (or 99 percent) more each year just for having a low credit score;**
2. **Homeowners in Pennsylvania, Arizona, Oregon, and West Virginia face the largest penalty for having a low credit score; and**
3. **It is often more expensive to have a low credit score than to live in an area with a high disaster risk.**

This brief details how insurers' use of credit scores in homeowners insurance pricing unfairly penalizes policyholders. In particular, lower-income and younger consumers often have weaker credit histories and face higher insurance premiums as a result.[4] This pricing practice also disproportionately harms Black, Hispanic, and Native American homeowners, who tend to have lower credit scores due to the longstanding racial wealth gap and other persistent structural barriers.[5] Additionally, individu-

al homeowners may have lower credit scores for reasons that are entirely unrelated to their risk of loss, because, for example, they had to take on student loans, became unemployed, accumulated medical debt, or experienced financial hardship.[6] It is also important to note that insurance companies do not actually extend credit or face credit risk: A missed payment does not lead to a loss for the insurer, as the company can cancel a customer for non-payment of premium.

Yet even as insurers use questionable metrics like credit score to set premium prices, they suggest that premium rates are an effective tool for signaling weather- and climate-related disaster risk to consumers. They argue that these prices incentivize homeowners to lower their risks through retrofits, property-level changes like hazardous brush clearing, or moving away from the riskiest locations. If consumers take these actions, the theory goes, their insurance premiums will go down. But consumers also face limited housing choices because of extremely high prices, limited availability, and other challenges, making it difficult to avoid risky locations. Moreover, the scale of the credit penalty that insurers impose on homeowners – both on its own and when compared to how they price disaster risk, as this brief does – calls into question insurers' use of price signaling as an effective disaster risk reduction method. Instead, the findings in this brief indicate that insurers may be engaging in "climate opportunism" – price gouging consumers based on factors unrelated to climate, while using the very real increase in climate-related disasters as an excuse.[7]

California, Maryland, and Massachusetts already prohibit the use of credit scores in homeowners insurance pricing. To better protect consumers and address unfair insurance pricing, we urge other states to follow their lead – especially as the rising cost of insurance is imposing a growing burden on homeowners. We also urge states to require insurance companies to file public disclosures that provide greater transparency and accountability on how they price insurance.

RESEARCH QUESTIONS

This issue brief addresses three research questions:

1. **How much does a consumer's credit score impact the price insurance companies charge them for homeowners insurance?**
2. **How does the impact of credit score vary by state?**
3. **How does the impact of credit score compare to the impact of local disaster risk in the pricing of homeowners insurance?**

All findings are based on a national, high-quality dataset purchased from Quadrant Information Services. The data consist of 608,105 "test quotes" from every ZIP code in the United States from August 2024. These test quotes were generated from insurance rate filings in all states, and represent what a typical, hypothetical homeowner would be charged for homeowners insurance. This dataset covers approximately 57 percent of the homeowners insurance market.[8] The disaster risk data come from the Federal Emergency Management Agency (FEMA). For more details on the data and methods used in this brief see Appendix 2: Data and Methods.

What does this brief mean by low credit scores?

Low: roughly 630 FICO
Average: roughly 740 FICO
High: roughly 820 FICO

Note: FICO credit scores range from 300 to 850. These numbers are estimations, as insurance companies use varying methods and scales for credit score pricing.

FINDINGS

Finding 1: Having a low credit score on average costs homeowners an extra $1,996 each year in homeowners insurance premiums.

Figure 1: The National Credit Penalty

Credit scores have an outsized impact on how insurers price homeowners insurance. In the 47 states plus Washington, D.C. that allow the use of credit scores, insurers charge the typical consumer $1,996, or 99 percent, more per year in premiums simply for having a low credit score rather than a high credit score. This means that consumers typically can expect to pay twice as much for homeowners insurance, just for having a low credit score. Equivalent to an extra $166 per month for an essentially required product, this credit score surcharge is a major burden for working families. Severe credit penalties are not limited to a few regions or to policyholders with a history of claims but exist across the country. Consumers also face a penalty for having an average credit score rather than a high credit

score: $792, or 39 percent, more in premiums each year.

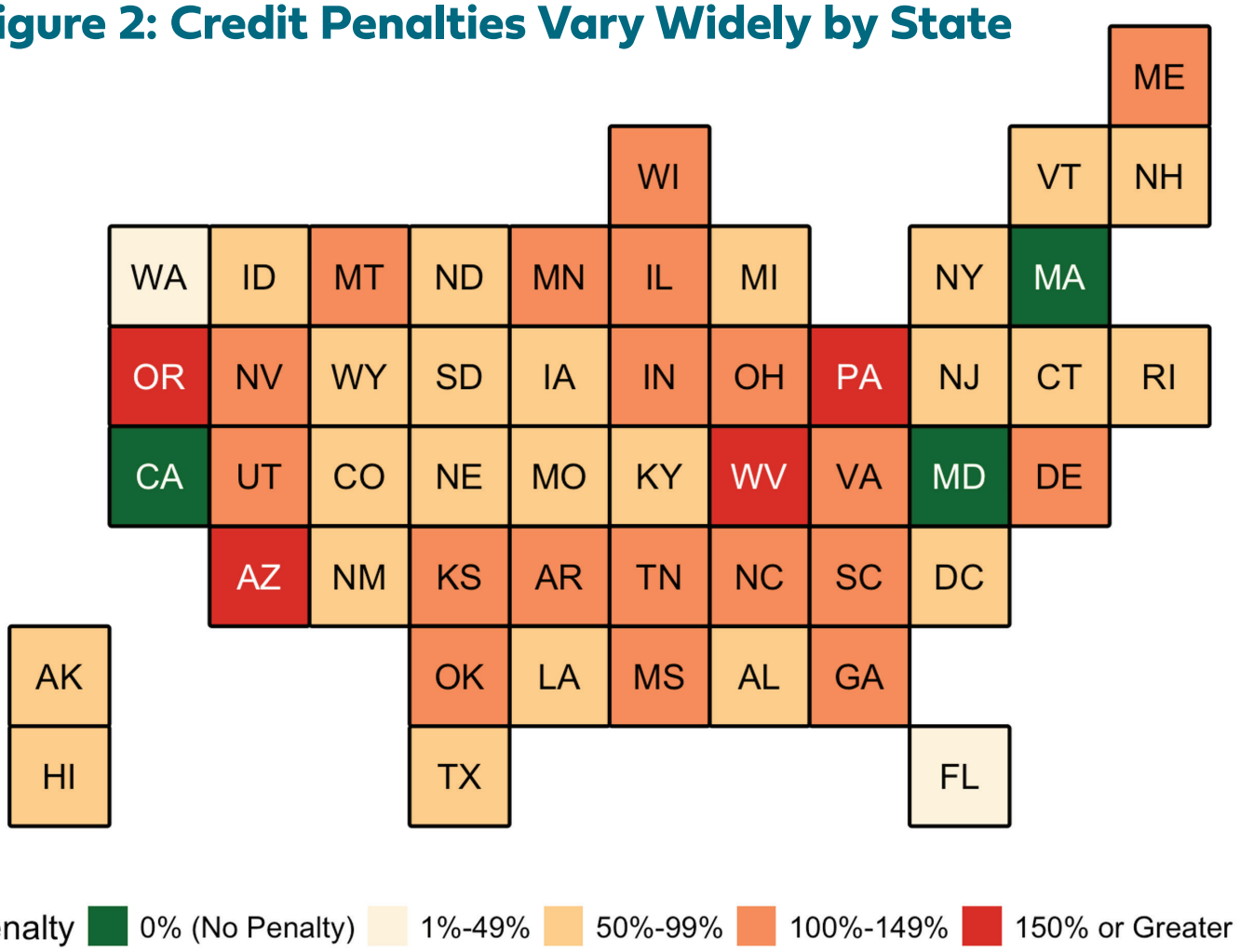
It is important to note that this penalty is attributable only to differences in credit score. For the price testing, we keep 157 factors constant when generating the test quotes and compare quotes for the same ZIP code. Holding other factors constant rules out possible hidden variables for price differences, such as the possibility that homeowners with a low credit score have older roofs or live in areas more prone to weather-related disasters.

Finding 2: Homeowners are charged the greatest penalty for having a low credit score in Pennsylvania, Arizona, Oregon, and West Virginia.

The credit penalty – the difference between what a homeowner with a low credit score is charged compared to an otherwise identical homeowner with a high credit score – varies across states. Consumers in California, Maryland, and Massachusetts pay the same regardless of their credit history, as these states prohibit the use of credit scores in homeowners insurance pricing.

Figure 2 maps credit penalties by state. Pennsylvania stands out as the state with the steepest penalty. A typical Pennsylvania homeowner can expect to pay 181 percent more each year due to having a low credit score compared with someone with a high credit score – all to insure the same kind of house in the same location. States with the next-highest

Figure 2: Credit Penalties Vary Widely by State



Source: Consumer Federation of America and Climate and Community Institute analysis of Quadrant Information Services data. Note: Illegal for insurers to use credit scores in CA, MA, and MD.

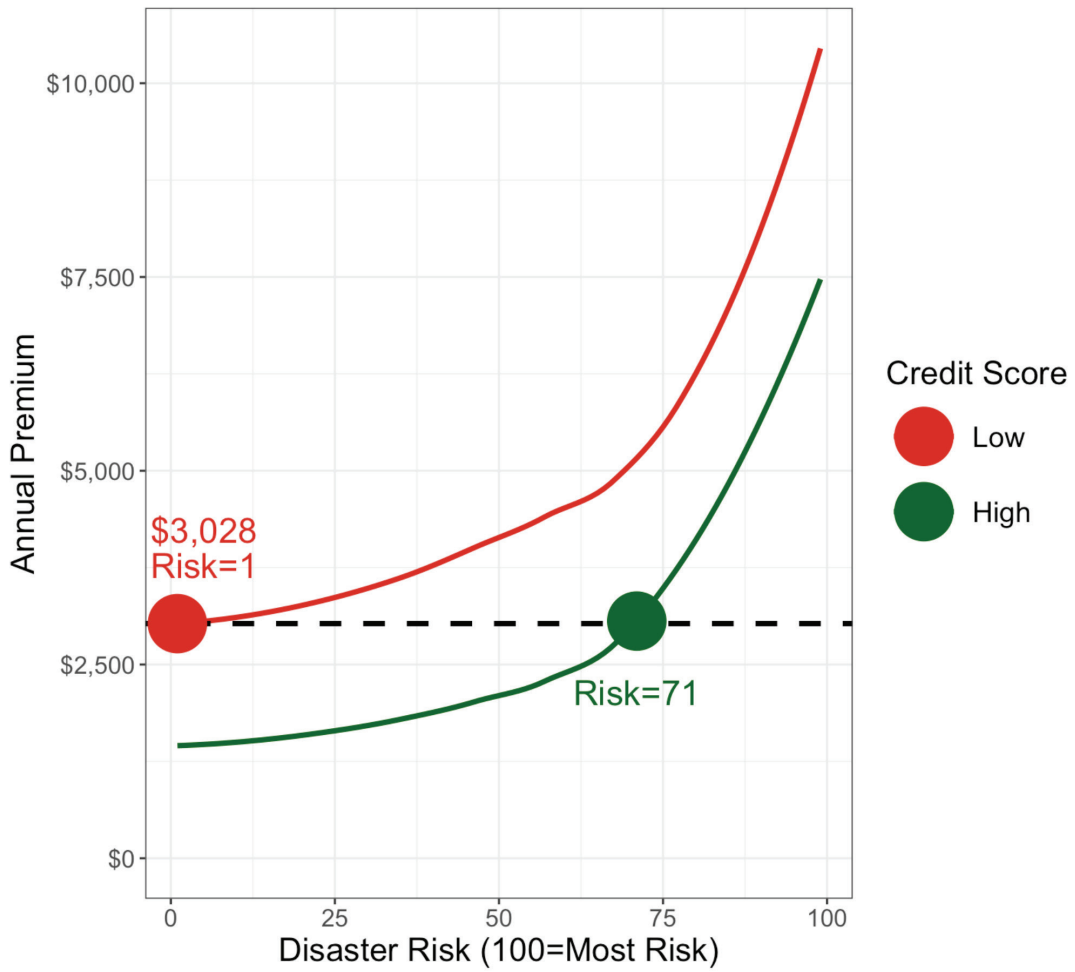
penalties are Arizona, Oregon, and West Virginia. In 23 states, homeowners are charged a credit penalty of at least 100 percent, meaning they can expect to pay at least double for homeowners insurance just for having a weaker credit score.

A full list of state credit penalties (in both percentage and dollars terms) can be found in **Appendix Figure A-1**. For a more fine-grained look at credit penalties across the country, a county-level interactive map is available at https://consumerfed.org/penalized-data-map/.

Finding 3: It is more expensive to have a low credit score than to live in an area with a high disaster risk.

Another way to understand the credit penalty in homeowners insurance pricing is to compare its impact to geographic factors such as local disaster risk. Insurance companies have claimed that more severe and more frequent natural disasters are a key driver behind their steeply rising premiums.[9] As a result, the local risk of natural disasters should be the key driver behind price differences for otherwise identical insurance products sold to otherwise identical homeowners.

Figure 3: Average Homeowners Insurance Premiums by Disaster Risk and Credit Score



Source: Consumer Federation of American and Climate and Community Institute analysis of Quadrant Information Services and FEMA data.

Figure 3 plots the average annual premium quoted in neighborhoods across all levels of disaster risk. The lines are colored by credit score ("low" and "high"). As expected, both lines trend up, showing that premiums are higher in areas that face greater disaster risks. But the red line shows that consumers with a low credit score consistently pay more for homeowners insurance than if they had a high credit score, regardless of the disaster risk in their neighborhood.

The impact of credit is stark. Imagine Arnold, a hypothetical homeowner with a low credit score who lives in one of the safest areas of the country (in the 1st percentile of disaster risk). As indicated by the **red dot** on the graph, Arnold can expect to pay $3,028 a year in homeowners insurance premiums. Now imagine Robert, another hypothetical homeowner indicated by the **green dot** on the graph. Unlike Arnold, Robert lives in a much riskier area (the 71st percentile). Yet, Robert and Arnold fall on the same dotted horizontal line, meaning that they can expect to pay the same homeowners insurance premium each year. Outside of their disaster risk, the only difference between the two is that Robert has a better credit score. On average across the nation, it is more expensive to have a low credit score than to live in an area with a high disaster risk.

By placing more focus on credit scores than climate risk, insurance companies effectively allow homeowners to compensate for living in a high-risk area by having a strong credit history. By contrast, homeowners with low credit scores pay more regardless where they live. When they live in lower-risk communities, their high premiums subsidize the premiums of their neighbors with higher credit scores. And when they live in high-risk communities, their insurance costs are compounded by their low credit scores.

The outsized impact of credit scores has important equity implications. Lower-income homeowners and homeowners of color have lower credit scores on average and so are charged more for homeowners insurance – even if they are identical to their neighbors in all other ways. These vulnerable homeowners are also more likely to live in high-risk communities by necessity and have fewer choices about moving elsewhere. By contrast, their wealthier peers are more likely to live in high-risk communities by choice.[10] This kind of pricing has far-reaching consequences in shaping who can afford to stay – and stay insured – versus who has to leave – or go uninsured – especially in our nation's most disaster-prone areas.

DISCUSSION AND RECOMMENDATIONS

The analysis reveals a significant "credit penalty" for homeowners with low to medium credit scores in homeowners insurance premiums.[11] Such a penalty means that financially vulnerable Americans are required to pay more to insure their homes than their higher-credit neighbors. By increasing the costs for low-credit homeowners, this penalty likely increases the odds they go underinsured or even uninsured.[12]

These findings also reveal that insurers select variables like credit scores to set prices in a way that exploits structural market vulnerabilities of certain consumer groups in order to maximize profits. By using credit scoring to attract wealthier customers with more assets to insure, insurers expand their profit opportunities at the expense of lower-income, lower-credit homeowners who also rely on insurance products, both for their safety and to comply with the terms of their mortgage.

This brief demonstrates that explanations from insurance companies about how they set prices – explanations that emphasize disaster risk and, to a lesser degree, inflation[13] – do not fully explain the reality of premium pricing. The predominance of credit scores over disaster risk metrics calls into question insurers' claims that the setting of premium prices sends clear signals to consumers about where and how they should reduce disaster risk.[14]

CFA and CCI offer two key policy recommendations.

1. **All states should prohibit insurers from using credit scores and credit history in pricing homeowners insurance.**

California, Maryland, and Massachusetts already outlaw the use of credit scores and credit history in homeowners insurance pricing and can serve as a model for other states. Notably, this consumer protection does not lead to higher rates; all three states have average premiums that are about half the national average and less expensive than 39 other states. The use of credit scores has no place in homeowners insurance pricing, as insurance companies do not actually face credit risk. A missed payment does not lead to a loss for the insurer; it means a homeowner will get a cancellation notice and be dropped from coverage.[15] By using credit scores to price insurance, insurers engage in a type of "proxy discrimination" – using the proxy of credit to upcharge a range of homeowners, such as homeowners of color and homeowners with lower incomes, for identical coverage.

Credit score pricing has a disparate and unfair impact on certain groups of homeowners, including but not limited to those who are protected by the 1968 Fair Housing Act.[16] Black, Hispanic, and Native American households, as well as younger households, and lower-income households (including in rural communities), tend to have lower credit scores.[17] Many of these households are already struggling to become first-time homebuyers and the credit penalty in homeowners insurance only places homeownership more out of reach.

Beyond the broad demographic disparities in credit histories, individual homeowners may have weaker credit histories for all kinds of reasons, most of them completely unrelated to how likely they are to make an insurance claim on their house. For example, they may be paying back student loans or be hit by unexpected medical debt. Credit scores are also notoriously unreliable and have been shown to contain significant errors that are often hard for consumers to contest.[18]

Finally, states should also prohibit the use of credit scores because of the undue pressure this practice places on homeowners recovering from disasters. Homeowners' credit scores often drop in the immediate aftermath of disasters, as many rely on credit cards to front costs that may be reimbursed by their insurance (such as finding temporary housing and buying necessities), to pay for uninsured losses, and due to job loss after disasters.[19] Because insurance companies can use credit scores in pricing, these homeowners face a double penalty after disasters: they may not only see their insurer hike up rates after disasters, but also may get penalized for their falling credit scores. Even where laws purport to protect consumers from credit score punishment after a disaster, they often require consumers to make that request in writing. This does not stop unfair pricing, especially since most people do not even know that their credit impacts their homeowners insurance.

2. **States should require insurance companies to file public disclosures that provide greater transparency into their pricing models.**

Insurance companies rely on elaborate pricing algorithms to assess and price risk, which they often claim to be "trade secrets" and seek to withhold from the public. But there is a more important public interest in understanding how insurers price these policies that homeowners are required to purchase. Furthermore, the opacity of rate setting may hide other problematic pricing practices by insurers.

States should not only demand greater transparency regarding insurers' premium calculation model, but states should also require insurers to annually disclose detailed, anonymized information on all their transactions with consumers, including those who seek quotes but are denied coverage. The data collected should incorporate details on coverage, pricing, key consumer and housing characteristics, and location (i.e., ZIP code). This transparency is needed for all types of homeowners insurance, including for single-family homes, condo owners and condominium master policies, renters insurance, other home insurance policies such as basic fire policies, and the commercial property insurance that covers landlords and housing developers.

A clear model here is the national Home Mortgage Disclosure Act (HMDA). Since 1975, mortgage lenders have been required to annually disclose detailed information on every loan application they receive (approved and denied) – including details on pricing, consumer characteristics, and reasons for rejection. States have the authority to request insurance companies active in their state to disclose their pricing and underwriting practices every year. Ideally, this effort would be coordinated across states, such as the attempt last year by the Federal Insurance Office (FIO), when it partnered with the National Association of Insurance Commissioners and most state insurance departments to collect and publicly release data on insurance pricing, coverage, and nonrenewals.[20]

APPENDIX 1: BACKGROUND ON HOMEOWNERS INSURANCE AND CREDIT SCORES

In recent years, skyrocketing premiums have financially burdened American homeowners. Millions are struggling to pay premiums, cutting back on coverage, or even going without coverage. In a previous report, CFA found that the average cost of homeowners insurance for a typical homeowner went up by 24 percent nationwide between 2021 and 2024, with many states facing even steeper hikes.[21] In another report, CFA found that 7.4 percent of all homeowners (6.1 million households) – went uninsured in 2021.[22] Rising insurance premiums are worsening the housing affordability crisis in the United States.[23] For example, the Climate and Community Institute found that three in five Louisiana households would need to spend more than 10 percent of their income on a standard homeowners insurance policy.[24]

While average premiums have been rising across the country, how much individual homeowners pay for insurance varies significantly. As insurance companies change both their overall rates and their pricing algorithms, individual homeowners may see sudden, steep price hikes. But the reasons for the premium increases are not easily determined by policyholders or presented by insurance companies. The data for this research were purchased from Quadrant Information Services, which collects insurance rate filings across the country in order to very closely approximate the premium a specific consumer would pay. These data, among other uses in the market (including research), inform businesses that rely on pricing information to generate quotes for insurance shoppers. Because of a lack of systematic public disclosure, the proprietary data used for this research is a unique source of information available to understand homeowners insurance pricing in the United States.

Credit scores and their "credit-based insurance score" cousins used by insurance companies are calculated based on an individual's payment history, debt burden/amounts owed, length of credit history, and types of credit.[25] When used for pricing homeowners insurance policies, this means that if a policyholder opens a new line of credit to fund improvements to their home, or falls behind on student loans, or has accrued debt after a medical emergency, they may see an increase in the cost of homeowners insurance as well. In the context of growing climate-related disasters, during which households face unexpected costs and barriers to making regular payments, the use of credit scores in premium pricing creates a vicious cycle for consumers in which climate change impacts worsen their credit and then insurers jack up their rates with the excuse that climate change is causing more disasters.[26]

APPENDIX 2: DATA AND METHODS

The insurance premium data in this report were purchased from Quadrant Information Services by the Consumer Federation of America and Climate and Community Institute. The data contain 608,105 "test quotes" from six of the largest home insurers in each state for every ZIP code in the United States in August 2024. These quotes are not actual premiums paid by policyholders but represent how much insurers would charge a hypothetical homeowner with certain characteristics. We hold constant 157 characteristics to best represent the typical homeowner, including a policy replacement value of $350,000 (the national median), and a 2 percent hurricane deductible in states bordering the Atlantic Ocean. This data set is unique as it allows us to directly compare how much identical homeowners would pay for the same coverage given only differences in credit score and/or ZIP code.

In each ZIP code, quotes were obtained for three different credit score levels: "Excellent", "Average" and "Below Fair". Throughout the brief, we refer to these levels as "high", "medium", and "low". While the exact credit score for these levels varies by insurer, they roughly correspond to FICO scores of 820, 740, and 630, respectively (FICO credit scores range from 300 to 850).

To compute the credit penalties, we first calculated the dollar difference and the percentage difference between a policy for a homeowner with a high credit score and an otherwise identical homeowner with a low credit score (or between a high and medium credit score) within each company in each ZIP code. These credit penalties were then averaged in each ZIP code, weighted by insurer state-level market share.[27] When aggregating up to the national or state-level, we weighted by the number of homeowners in each ZIP code using data from the 2023 American Community Survey (ACS).

The disaster risk data are from the Federal Emergency Management Agency's National Risk Index (NRI).[28] For every census tract, the NRI quantifies the expected annual loss resulting from a variety of disasters such as: avalanche, coastal flooding, cold wave, drought, earthquake, hail, heat wave, hurricane, ice storm, landslide, lighting, riverine flooding, strong wind, tornado, tsunami, volcanic activity, wildfire, and winter weather. This report only uses expected annual loss and does not consider social vulnerability and community resilience (two sociological variables also made available by FEMA for each census tract). We link census tracts to ZIP codes using a crosswalk from the Missouri Data Center Geographic Correspondence Engine.[29] To calculate the environmental risk in each ZIP code, we average the expected annual loss (standardized on a scale of 0 to 100) of the census tracts within that ZIP code, by using spatial area-based weighting. 337 ZIP codes (1 percent of ZIP codes in the data) did not have disaster risk scores after this process and were dropped when creating Figure 3.

In Figure 3, the lines are the predicted annual premiums, using what are called locally estimated scatterplot smoothers (LOESS), to model premiums by environmental risk for all three credit scores. LOESS is a non-parametric statistical model commonly used for data visualization purposes. Without LOESS, we would have to plot and discern patterns from 65,956 data points (the average premiums for low and high credit scores for the over 30,000 ZIP codes in the data). LOESS summarizes these patterns and avoids overplotting. The plot does not include quotes from the three states that do not allow credit scores in homeowners insurance pricing and the models were weighted by the number of homeowners in each ZIP code.

Our approach is only one way of measuring the impact of credit scores on homeowners insurance premiums. In general, to calculate the impact of credit score we could either (1) access the insurer pricing algorithms directly or, (2) model observed premiums by known risk factors. The first option is not feasible as these algorithms are proprietary. Researchers from the Federal Reserve have attempted the second approach, using linked mortgage and insurance records to estimate a credit penalty of 30 percent in homeowners insurance pricing.[30] Still, this approach assumes that researchers can accurately replicate the complex pricing algorithms of insurers. Our approach - using data from Quadrant Information Services on the price a hypothetical homeowner would pay given certain characteristics - sidesteps this challenge.

Figure A-1: List of Credit Penalties in All States

State	Low Credit Penalty (%)	Low Credit Penalty ($)	Medium Credit Penalty (%)	Medium Credit Penalty ($)
Alabama	90%	$2,576	39%	$1,147
Alaska	54%	$633	24%	$290
Arizona	168%	$2,125	61%	$793
Arkansas	110%	$3,083	45%	$1,259
California	0%	$-	0%	$-
Colorado	72%	$2,034	29%	$825
Connecticut	58%	$1,136	22%	$422
Delaware	114%	$1,326	41%	$470
District of Columbia	53%	$684	28%	$367
Florida	24%	$1,182	9%	$457
Georgia	122%	$2,500	46%	$949
Hawaii	66%	$280	30%	$127
Idaho	75%	$1,270	32%	$553
Illinois	120%	$2,122	53%	$975
Indiana	128%	$2,521	50%	$977
Iowa	89%	$1,901	36%	$774
Kansas	105%	$2,934	45%	$1,236
Kentucky	76%	$2,494	36%	$1,353
Louisiana	87%	$3,754	35%	$1,503
Maine	104%	$1,165	40%	$475
Maryland	0%	$-	0%	$-
Massachusetts	0%	$-	0%	$-
Michigan	79%	$1,391	39%	$745
Minnesota	105%	$2,713	39%	$1,020
Mississippi	112%	$2,776	37%	$948
Missouri	95%	$2,403	41%	$1,038
Montana	113%	$2,048	46%	$825
Nebraska	70%	$2,686	30%	$1,142
Nevada	109%	$1,151	47%	$500
New Hampshire	97%	$933	38%	$365
New Jersey	82%	$787	28%	$279
New Mexico	77%	$1,617	31%	$663
New York	75%	$1,167	28%	$428
North Carolina	125%	$3,047	45%	$1,088
North Dakota	85%	$2,063	36%	$862
Ohio	125%	$1,785	47%	$671
Oklahoma	104%	$4,138	38%	$1,566
Oregon	154%	$1,466	58%	$583
Pennsylvania	181%	$2,038	62%	$714
Rhode Island	69%	$1,511	28%	$570
South Carolina	116%	$2,270	45%	$898
South Dakota	93%	$2,235	42%	$939
Tennessee	105%	$2,062	37%	$748
Texas	95%	$2,966	40%	$1,171
Utah	125%	$1,494	52%	$618
Vermont	92%	$689	31%	$244
Virginia	145%	$2,048	50%	$727
Washington	9%	$141	3%	$51
West Virginia	152%	$1,863	47%	$585
Wisconsin	108%	$1,360	44%	$561
Wyoming	68%	$1,072	28%	$444

Source: Consumer Federation of America and Climate and Community Institute analysis of Quadrant Information Services data. Note: Illegal for insurers to use credit scores in CA, MA, and MD.

Endnotes

1 “Overburdened: The Dramatic Increase in Homeowners Insurance Premiums and Its Impacts on American Homeowners.” By Sharon Cornelissen, Douglas Heller, Ethan Weiland, and Michael DeLong. Consumer Federation of America. April 2025. Available at https://consumerfed.org/wp-content/uploads/2025/03/OverburdenedReport.pdf. “Shared Fates: A Housing Resilience Policy Vision for the Home Insurance Crisis.” By Moira Birss et al. Climate and Community Institute. September 2024. Available at https://climateandcommunity.org/research/shared-fates-louisiana/.

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3 These scores are specialized “credit-based insurance scores” that are similar to, but not exactly the same as, the scores used for credit underwriting.

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7 “Texas Flood Highlights Deadly Climate Risk from Extreme Weather.” By Hayley Smith. Los Angeles Times, July 6, 2025. Available at: https://www.latimes.com/environment/story/2025-07-06/texas-flood-paints-a-stark-picture-of-a-future-without-noaa.

8 The market coverage varies by state depending on the insurers included, ranging from 35 percent to 82 percent. The average is weighted by state population.

9 “Testimony of Robert M. Gordon, Senior Vice President, Policy Research & International, American Property Casualty Insurance Association (APCIA).” By Robert M. Gordon. U.S. Senate Committee on Banking, Housing and Urban Affairs. May 1, 2025. Available at https://www.banking.senate.gov/imo/media/doc/gordon_testimony_5-1-25.pdf.

10 “Underwater: Loss, Flood Insurance, and the Moral Economy of Climate Change in the United States.” By Rebecca Elliott. Columbia University Press. 2021. “The Insurance Crisis is a Housing Crisis.” By Zac Taylor and Sarah Knuth. Climate and Community Institute. April 18, 2024. Available at https://climateandcommunity.org/research/insurance-crisis/.

11 Our findings on the use of credit in pricing are supported by Blonz et al. (2024). In their study, the authors use linked mortgage and insurance records to model the effect of credit, estimating those with subprime credit pay 30 percent more for homeowners insurance than those with super-prime credit. Still, their approach is subject to model misspecification in replicating the pricing algorithms of insurers, which are likely to involve complex interactions and non-linear effects. By contrast, Quadrant directly replicates insurer algorithms and produces quotes holding all predictors constant except credit and ZIP code. “Pricing Protection: Credit Scores, Disaster Risk, and Home Insurance Affordability.” By Joshua A. Blonz, Mallick Hossain, and Joakim Weill. December 13, 2024. Available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=5026600.

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13 “Testimony of Robert M. Gordon, Senior Vice President, Policy Research and International, to the Senate Committee on Banking, Housing, and Urban Affairs.” By Robert M. Gordon. American Property Casualty Insurance Association. May 1, 2025. Available at https://www.banking.senate.gov/imo/media/doc/gordon_testimony_5-1-25.pdf.

14 “Are Premium Price Increases Really a Way to Reduce Climate Risk Exposure?” By Paula Jarzabkowki. Climate and Community Institute (blog). May 2, 2024. Available at https://www.climateandcommunity.org/premium-price-increases.

15 The use of credit scores in mortgage pricing is imperfect, but it is closely related to ability to repay a mortgage, and consequently, the potential costs that lenders (and investors) may face in case of mortgage default. Insurance companies, by contrast, do not extend credit.

16 The Fair Housing Act of 1968 outlawed housing discrimination against protected classes including on the basis of race, color, sex, familial status, and national origin. It has been upheld in court against unfair property insurance pricing, including based on its disparate impact doctrine. See HOME Virginia v. Nationwide Insurance, 2000.

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