

[Home Insurance Rates in America Are Wildly Distorted. Here's Why.](#)

New York Times

Climate change is driving rates higher, but not always in areas with the greatest risk.

Enid, Okla., surrounded by farms about 90 minutes north of Oklahoma City, has an unwelcome distinction: Home insurance is more expensive, relative to home values, than almost anywhere else in the country.

Enid is hardly the American community that is most vulnerable to damaging weather. Yet as a share of home prices, insurance costs more in parts of Enid than in New Orleans, much of which is below sea level. More than in Paradise, Calif., which was destroyed by the Camp fire in 2018. More than in the Florida Keys, which are frequently wracked by hurricanes. Even more than in the Outer Banks of North Carolina, where houses have begun slipping into the rising sea.

Enid's plight reveals an odd distortion in America's system of pricing home insurance. As a warming planet delivers increasingly damaging weather, the cost of home insurance has jumped drastically. But companies are charging some people, especially in the middle of the country and parts of the Southeast, far more than other homeowners with similar levels of risk, an examination by The New York Times has shown.

Industry experts offer several reasons for the disparities, including the fact rural states have fewer homeowners to share risk, and states have varying rates of insurance fraud, which can drive up premiums.

But recent research points to a striking pattern: Higher premiums are being charged in states where regulators apply less scrutiny to requests for rate increases, compared with states where officials question the justifications offered by companies and try to keep rates low, the research shows.

The effects of those state-by-state regulatory differences are only now becoming clear. In a separate paper, new data makes it possible for the first time to see what households pay for home insurance by county and ZIP code, across the United States. The average premium jumped 33 percent between 2020 and 2023, far more than the rate of inflation, the data show. But in some places, homeowners are paying more than twice as much for insurance, as a share of home value, than people who live elsewhere and face similar exposure to severe weather.

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