[Homeowners face crushing insurance cost increases](https://uphelp.org/homeowners-face-crushing-insurance-cost-increases-2/)

AOL

Homeowners insurance premiums climbed 24% nationwide between 2021 and 2024, with the steepest increases hitting inland states like Utah and Illinois rather than the hurricane-prone coasts.

Communities that were once considered low risk for insurance pricing are now facing double-digit rate increases. Higher construction costs and more frequent severe weather events have changed how insurance companies calculate the price of covering a property.

Homeowners insurance premiums jumped 24% in just three years
The average annual premium rose 24% between 2021 and 2024, reaching $3,303 for a typical policyholder, according to a CFA report titled “Overburdened”, published April 2025.

That increase meant property owners paid roughly $648 more per year on average, the consumer advocacy group found.

Those premium increases grew at about twice the rate of overall inflation during the same three-year period, the CFA analysis showed.

The U.S. Treasury Department, in a separate study, found that average policy costs outpaced inflation by 8.7% between 2018 and 2022.

Altogether, Americans paid an estimated $21 billion more in homeowners’ insurance premiums in 2024 than in 2021, according to the CFA. When you include renters, condo owners, and manufactured home residents, the total increase is estimated at $27 billion.

Premium increases touched 95% of all U.S. ZIP codes, and roughly one-third of all ZIP codes saw increases above 30%. The steepest state-level jumps were in Utah (59%), Illinois (50%), Arizona (48%), and Pennsylvania (44%), according to the CFA.

“The skyrocketing price of insurance premiums is deepening the housing crisis from Salt Lake City to New Orleans and beyond,” said Sharon Cornelissen, the CFA’s Director of Housing and a lead author of the report.

Cornelissen added that homeowners across the country are feeling the strain of rising coverage costs.

Climate, construction, and reinsurance costs are fueling the crisis
Rising construction and repair costs have been a major driver of premium increases across the country. The U.S. Treasury Department found that the cost of replacing or repairing damaged property rose 45% between 2020 and 2023.

At the same time, climate change has made natural disasters more frequent and severe, increasing the number and size of insurance claims. Labor costs for building single-family homes jumped 37% between 2018 and 2022, according to the same Treasury analysis.

On top of that, reinsurance has become more expensive; this is essentially the insurance that insurance companies buy to protect themselves against massive losses from catastrophic events.

These overlapping cost pressures have driven even traditionally low-risk inland and rural areas to significant rate increases at renewal.

Home insurance premiums keep climbing as climate disasters, construction costs, and reinsurance expenses drive rates higher nationwide.valentinrussanov&solGetty Images

Insurance experts recommend raising deductibles and comparison shopping
“Unfortunately, all these things cost money,” said Amy Bach, co-founder and executive director of the nonprofit United Policyholders who spoke in a June 2, 2026, CNBC report.

Insurance Information Institute says raising a deductible from $500 to $1,000 can lower premiums by up to 25%. Bach cautioned, however, that homeowners need sufficient savings to cover the higher deductible when they actually file a claim.

Keeping a clean claims history is another effective way to manage long-term costs, Bach told CNBC in the same report. She advised homeowners to keep their records “as clean and clear” as possible and to avoid filing claims for amounts that fall below their deductible.

Shopping around among different insurance companies at renewal time remains one of the simplest ways to find lower rates for the same level of coverage, experts noted.

Bundling homeowners and auto insurance with a single carrier can also yield discounts up to 15%, according to the Insurance Information Institute.

Home fortification projects offer savings but demand upfront investment
Physical improvements that strengthen a home against weather damage can lower premiums over time, experts told CNBC.

Laura Hausman, a senior policy analyst at the Bipartisan Policy Center, wrote that policyholders should “carefully research the policies of their insurer and locality” first.

Fortification costs can be substantial, with wildfire-resistant roofing typically exceeding $5,800 and full retrofits topping $22,000, Hausman wrote, citing 2018 estimates from Headwaters Economics.

Hurricane shutters alone can range from $13,000 to more than $19,000, depending on property size and materials, she added.

Several states, including Alabama, California, Colorado, and Louisiana, offer grants to offset mitigation expenses, Hausman noted.

Certain states also require insurers to reduce premiums for specific upgrades, giving property owners a direct financial benefit for making improvements.

In a post from Liberty Mutual Insurance, the carrier advised homeowners to confirm which improvements qualify for discounts before starting any project.

Bach also pointed out that inexpensive steps, such as installing moisture sensors to detect leaks, can help reduce risk and potentially lower costs.

Policymakers face growing calls to close the insurance affordability gap
The CFA's findings have intensified calls for regulatory action at both the state and federal level to address the growing affordability problem.

The organization recommended increased public investment in loss prevention, risk mitigation, and community resilience to reduce long-term costs.

A federal reinsurance backstop, designed to lower the catastrophic coverage costs that carriers purchase on unregulated global markets, was among the CFA's proposals. The group also urged stronger oversight of rate increases by state insurance departments.

Douglas Heller, the CFA's Director of Insurance, argued in the report that commissioners and lawmakers have not collected enough data to target effective solutions.

The organization called on regulators to require insurers to publicly disclose all consumer transactions, following the model of mortgage data reporting under federal law.

Prior CFA research in March 2024 found that more than six million American homes carry no insurance at all. Rising premiums and growing coverage gaps have placed the homeowners insurance market at the center of a broader national affordability debate.