

Homeowners insurance customers in Oklahoma still paying high rates

Live Insurance News

Residents of the state are still seeing costs that are among the highest in the United States. Property owners in Oklahoma are already paying some of the highest homeowners insurance rates in the country due to the state's high risk of severe weather such as tornadoes, hail, and other damaging forces of nature.

Now, insurers in the state are seeking to increase their rates by as much as 40 percent. Despite the fact that the residents of the state are already paying more than those of most other states across the country for home insurance, it is only expected that those bills are going to become even more expensive in the near future. Residents and some consumer groups are becoming rather restless in response.

Some feel that homeowners insurance companies may be taking advantage of property owners. For example, the executive director Amy Bach, from the United Policyholders consumer nonprofit, stated that it isn't an uncommon behavior for insurers to respond to catastrophes such as the Oklahoma tornadoes in May 2013 with an increase in their rates. However, she added that "As consumer advocates, we often feel that there is an overreaction there by the insurers."

On May 20, a massive EF5 tornado ripped its way through Moore, a suburb of Oklahoma city. Since that time, there have been 19 homeowners insurance companies that have filed notices for increasing their rates, with the Oklahoma Insurance Department. These rate increase proposals range from the lowest, at 5.4 percent, to a massive 40.6 percent.

That said, a spokesperson from the department, Kelly Collins, has explained that there is likely more to these homeowners insurance rate increase requests than only the tornadoes in May. She said that they are likely more a response to losses related to weather damage from previous years.

Collins explained that “It takes insurers a long time to analyze the effects of a catastrophe and to determine how they should adjust.” She also stated that the increases in rates happen all throughout the year and are an indication of the response that homeowners insurance companies are having to what they have undergone in previous years, as opposed to being an early reaction to the conditions happening more currently.