

[Soaring profits are ‘fueling tremendous anger’ among consumers as insurance rates skyrocket across the US. Here’s how to keep a lid on your premiums](#)

Moneywise

An insurance premium that ratchets up almost \$1,000 over a few years is the kind of unwelcome surprise that every homeowner dreads, but that’s what happened to Cliff and Laura Pasquello, now of North Carolina, when they owned a home in Pennsylvania.

“We had only owned [it] for five years, since 2019. And in that five-and-a-half-year span, we saw our premium jump from about \$1,300 to almost \$2,300,” Laura Pasquello told WVIR 29 News (1), adding that there had been no hurricanes or floods over that period.

They are not alone, across the U.S., insurance premiums have skyrocketed.

Consumers pay more as insurers’ profits surge

Homeowners’ insurance premiums rose in 95% of U.S. ZIP codes between 2021 and 2024, according to a report from the Consumer Federation of America (2). The typical homeowner was faced with a 24% increase, \$648 more per year on average. Scaled up, that’s \$21 billion more in premiums being paid by American homeowners in 2024 than in 2021.

Auto insurance premiums have been on the same relentless upward trend. Between September 2020 and September 2025 the price consumers paid rose by more than 64%, well above the general inflation rate

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of 25% in the same period (3).

Meanwhile, insurers have been posting near-record profits. Underwriting profits across property and casualty insurers, which includes home and auto, hit their highest level in almost 20 years in 2024, at nearly \$27 billion, according to a S&P Global Market Intelligence report (4).

“The near-record profits are fueling tremendous anger ... among people in every state,” said Amy Bach, executive director of consumer group United Policyholders, in a recent interview with the Wall Street Journal (5).

The disconnect between rising premiums and record profits has put the insurance industry in the regulatory crosshairs.

Lawmakers move to rein in costs

New York Governor Kathy Hochul is pushing for profit caps on insurers to tackle “crushingly expensive” auto insurance rates, citing in a recent press release (6) that, “New Yorkers pay some of the highest car insurance rates in the nation — just over \$4,000 annually on average.”

Lawmakers in Illinois introduced a bill (7) aimed at reining in “excessive” rates that fell just short of passing the house in 2025. It came on the heels of a 27% average rate hike by State Farm for home insurance policyholders across the state last summer (8).

In comparison, North Carolina homeowners will pay an average increase of 15% over two years, under a 2025 agreement between the North Carolina Rate Bureau and the North Carolina Insurance Commissioner (9) — well below the 42.2% increase initially proposed.

But these debates offer little comfort to households facing renewal shock. While regulators argue over long-term policy fixes, consumers looking for relief may have to take matters into their own hands.

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Smart ways to pay less for insurance

Here are ways you can rein in home and auto insurance costs yourself:

Shop around, but compare apples to apples

Shopping around can really pay off. According to a 2025 survey by Consumer Reports (10), Americans saved a median \$461 annually by switching auto insurers.

Gather your current details, such as coverage limits and deductibles, and do some comparison shopping come renewal time. When evaluating new policies, ensure these match your current coverage so that you can accurately compare prices.

Adjust coverage strategically

Revisit what you're paying for and how much it's worth to you. For example, an add-on such as rental car coverage on your auto policy may be an unnecessary expense if you have access to a second car.

Raising your auto or home deductible is a surefire way to lower premiums, but only makes sense if you know you will have cash on hand to cover that gap in the event of out-of-the-blue repairs at the garage or at home.

Bundle, but not at the expense of the right policy

Bundling your auto and home policies with a single insurance company can save you between 5% and 25% on premiums (11). But this is only an economic win if the two policies each address your needs. Compromising to get a deal could turn out to cost you in terms of coverage.

Scout out all possible discounts

Drivers who log less than 10,000 miles a year may qualify for low mileage discounts (12), which could make for a nice perk for those who work remotely, retirees or carpoolers. Completing a defensive or safe-driving course could also result in a discount on your auto premiums.

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Some insurers offer discounts to customers paying annually rather than monthly or as an incentive to switch to paperless statements. And setting up home security systems or a leak detecting device could also result in lowered home premiums.

Improve and maintain your credit score

While some states limit credit scores from impacting insurance rates (13), in most, insurers can take your credit score into account when setting premiums. If you are in one of those states, improving your score can result in lower home and auto insurance bills at renewal, and greater leverage when shopping around.

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