

[Texas insurance rates on the rise as companies can increase prices immediately](#)

The Dallas Morning News

Carl N. Scott of Coppell put a question to The Watchdog: “Has anyone told you how Texas insurance rates have soared?” He told me his homeowner’s policy with Nationwide jumped 64% in one year. Wow! That’s crazy.

Steve Brown, *The Dallas Morning News* real estate editor, followed that with another question:

Since State Farm and Allstate have stopped writing new homeowners’ policies in California because of high risk and Farmers Group pulled out of Florida, could that spread to Texas?

All that talk unnerved assistant business editor Kyle Arnold (who is editing this story). He was expecting his renewal notice any day. He fretted that there could be a wild increase.

His instincts were correct. His Liberty Mutual annual policy — even with no claims — jumped 48%. He did lose his multipolicy discount when he moved his auto insurance to another company, but that shouldn’t account for that big of an increase.

Liberty Mutual spokesperson Gregory Kessler told me the company won’t comment on an individual’s policy. (Sorry, boss.)

Kessler said most Americans are experiencing big increases. He blamed inflation, high labor and construction costs and the go-to excuse for so much: “supply chain issues.”

Using Liberty Mutual as an example, S&P Global Intelligence reports that one of the largest increases last year in Texas was a 21% jump.

Carmen Balber, executive director of [Consumer Watchdog](#), taught me something. That 21% announced rate jump isn't the highest increase allowed. It's only the average number. Many homeowners see increases that are much higher.

Weaker regulations

Something important you need to know about the Texas insurance approval process is that Texas is a "file and use" state. This means a company doesn't have to ask for permission to increase prices and wait for a decision.

A company can file its request with the [Texas Department of Insurance](#) and then increase prices right away. If the regulators have any questions, they can always ask for data from the companies to support the request.

"Generally, what happens is those rates are approved," insurance department spokesman Ben Gonzalez said.

No pull outs here. Yet.

State Farm and Allstate cite California's loss of property from massive wildfires as the basis for the refusal to accept new customers. Farmers says it stopped writing new policies in Florida because of hurricane losses.

So far, no major insurance companies have pulled out of the Texas market, Gonzalez says. There are more than 100 companies offering home insurance here.

Albert Betts, executive director of the [Insurance Council of Texas](#) which represents the industry, told me: "Thankfully, Texas is very different than the situations that exist in Florida and California."

Dallas: "Very high" risk

The [Federal Emergency Management Agency](#) has declared Dallas County as the Texas county with the third [highest risk](#) in the state. Harris County is first.

Dallas scores “very high” risk from FEMA because of hail, tornadoes, ice storms, heat waves and lightning.

Consumer activists

Consumer advocates are critical of large increases and a growing trend of homes that are listed as uninsurable.

Amy Bach of [United Policyholders](#) says she believes companies overstate their risk. She complained that rates go up after storms, but in years when there are no storms, rates don’t go down.

She said she believes some insurance companies “pad” their numbers, giving them more profits.

Because insurance companies use proprietary software for their modeling, she said “it’s very hard for regulators to find the truth.”

Doug Heller, insurance director for the [Consumer Federation of America](#), said that with climate changes, insurance companies should act as partners with communities that allowed them to earn profits for decades.

“Insurers are saying, ‘You do it our way or we’ll walk away.’ Insurance companies should not be allowed to bully regulators and bully the public.”

What to do

Balber of Consumer Watchdog says that reader Carl, editor Kyle and anyone else hit hard should shop around.

“Every single insurance company prices differently,” she said. “You may be an undesirable customer paying more at one company, and in another company, you’ll be their target market and eligible for discounts you didn’t know about.”

State insurance spokesman Gonzalez said: “The only option you have is to shop. If you’re staying with the same company, chances are [your premiums] are going to creep upwards as costs go up.”

How often should you shop around? “Every couple of years,” he says.

“There’s more chances of you being able to get a good deal if you’re willing to change.”