

Texas Is Entering Peak Hail Season — And Most Homeowners Don't Understand the Deductible That Could Cost Them Thousands

Live Insurance News

Spring has arrived in Texas, which means the skies are about to get interesting. April and May are historically the most active months for severe hailstorms across the state, and North Texas sits in one of the most active hail corridors in the country. According to NOAA's Storm Prediction Center, Texas consistently ranks in the top three states for severe hail events year after year — recording over 14,000 significant hail events between 2000 and 2023 alone.

For a state where severe weather already drives more homeowners insurance losses than any other single peril, this is the season that tends to define what homeowners pay — and what they collect — for years afterward.

There is one number buried in most Texas homeowners policies that tends to go unnoticed until a storm makes it impossible to ignore. It is called the wind and hail deductible. And for a significant number of Texas homeowners, it does not work the way they expect.

The Deductible That Works Differently Than You Think

Most people think of a deductible as a flat dollar amount — the specific figure they pay out of pocket before insurance picks up the rest. That is how it works for most types of claims. But wind and hail deductibles in Texas are frequently calculated differently. They are percentage-based, meaning the deductible is not a fixed number — it is a percentage of the home's insured dwelling value.

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<https://uphelp.org/texas-is-entering-peak-hail-season-and-most-homeowners-dont-understand-the-deductible-that-could-cost-them-thousands/> Date: August 25, 2026

The Insurance Information Institute confirms that wind and hail deductibles typically run between 1 and 5 percent of a home's insured value. Here is what that looks like in practice. A home insured for \$400,000 with a 2 percent wind and hail deductible means the homeowner is responsible for the first \$8,000 of storm damage before insurance pays anything. That is a significant gap — and it catches people off guard because it has nothing to do with the cost of repairs. It is a percentage of the entire insured value of the home.

In 2026, 2 percent has become the dominant standard deductible for wind and hail coverage across most of Texas, particularly in North Texas, where hail claims are most frequent. Some carriers operating in higher-risk areas have moved to 3 percent. The days when 1 percent deductibles were widely available from major carriers are largely over in the state's most hail-active markets, according to Texas insurance agents tracking renewal filings.

That shift means homeowners who have not reviewed their policy recently may find themselves on the hook for more than they realized when the next hailstorm rolls through. And Texas storms do not give much warning.

What Is Actually Driving Texas Insurance Costs Right Now

The Texas Department of Insurance puts the official statewide average homeowners insurance premium at \$3,291 for 2024, based on market filings. That figure represents the full statewide pool including lower-cost markets, and consumer research consistently shows real-world costs running significantly higher. NerdWallet's most recent analysis places the Texas average at approximately \$4,915 annually, and Insurify projects the Texas average could reach \$4,529 by the end of 2026, ranking the state among the top five most expensive in the country.

Longer-term data from Texas 2036 shows average homeowners insurance premiums in Texas increased more than 55 percent between 2019 and 2024 — among the fastest-rising insurance markets in the country. TDI data confirms rate changes averaging 21 percent in 2023 and 19 percent in 2024. Those double-digit increases have slowed somewhat heading into 2026, with the average filed rate request for the 90-day period from November 2025 through February 2026 actually running at -0.8 percent — meaning some carriers are modestly pulling back. But that does not translate to lower bills for most

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homeowners given how much ground rates already covered.

Several forces push costs upward simultaneously in Texas. Hail and wind claims — particularly across the Dallas-Fort Worth corridor and central Texas — are the dominant driver. Severe convective storms caused more than \$52 billion in insured losses nationally in 2025, the third-highest total on record according to Insurify, and Texas sits at the epicenter of that exposure. Construction and rebuilding costs have risen sharply. Reinsurance costs, which insurers pass on to policyholders, have been elevated. And the state's geographic reality means insurers writing policies here are exposed to a uniquely wide range of perils: hurricane risk along the Gulf Coast, wildfire risk in the Hill Country and West Texas, tornado exposure across the central and northern portions of the state, and hail virtually everywhere.

Several carriers have tightened their presence in Texas. Progressive restricted homeowners policy writing in the state, with the company noting Texas storms accounted for nearly 40 percent of its losses in one recent quarter. Foremost, a Farmers Insurance division, has also scaled back. The Texas FAIR Plan — the state's insurer of last resort — has seen growing enrollment as private options narrow in certain regions, rising from roughly 66,500 policies in 2021 to over 121,600 by early 2025, according to Capstone DC.

The Roof Question That Determines More Than You Think

In Texas, a roof is not just a roof. It is often the single biggest factor determining whether a homeowner can get coverage at all, what that coverage costs, and what happens when a claim gets filed.

Insurers are increasingly scrutinizing roof age and condition when writing and renewing policies in Texas. A roof that is 15 or 20 years old may be covered differently than a newer one — some carriers now limit coverage on older roofs to actual cash value rather than replacement cost.

The distinction between replacement cost and actual cash value matters significantly at claim time. A replacement cost policy pays what it actually costs to replace the damaged roof with comparable materials today. An actual cash value settlement factors in the age and condition of the existing roof and deducts for depreciation. On a roof that has been in place for a decade or more, that depreciation deduction can be substantial — and the gap between the claim payment and the actual cost of putting

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on a new roof can leave homeowners with a large out-of-pocket expense on top of their percentage-based deductible.

For Texas homeowners along the Gulf Coast, there is an additional layer. Standard homeowners policies in certain coastal counties do not include windstorm coverage at all. Coastal windstorm must be purchased separately through the Texas Windstorm Insurance Association, which operates exclusively in 14 coastal counties and parts of Harris County. For more on how TWIA operates and how its rate decisions affect coastal Texas homeowners, see our breakdown of TWIA's approach to its most recent rate review.

The Flood Coverage Gap That Catches Texas Homeowners Every Time

Texas sees significant flooding — not just from Gulf hurricanes but from the intense rainfall that spring storm systems routinely produce across the state. It is a peril that trips up Texas homeowners with notable regularity, because standard homeowners policies do not cover it.

Flood damage — water that enters a home from the ground up, whether from a hurricane storm surge, an overflowing creek, or a drainage system overwhelmed by heavy rain — requires a separate flood insurance policy. That coverage is available through the federally backed National Flood Insurance Program or through private flood insurers. Sewer backup, which can occur when municipal systems are overwhelmed by heavy rainfall, typically requires its own endorsement on top of a standard policy.

The combination of hurricane, hail, wind, flood, and wildfire exposure is what makes Texas one of the most complex homeowners insurance markets in the country. Between 1980 and 2024, Texas experienced 190 confirmed weather events with losses exceeding \$1 billion each, according to NOAA — with 68 of those occurring in just the last five years of that period.

New Rights Texas Homeowners Have in 2026

Texas homeowners entered 2026 with meaningful new legal protections that were not in place before. Senate Bill 458, which applies to policies issued or renewed after January 1, 2026, now requires all personal and residential property insurance policies to include an appraisal provision — a formal

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mechanism for resolving disputes about how much a loss is worth. For homeowners who receive an adjuster's estimate that does not reflect actual repair costs, that provision creates a structured path to contest the valuation without immediately resorting to litigation. Note that SB 458 does not apply to TWIA policies

For a fuller picture of the consumer rights Texas homeowners gained at the start of 2026, including the appraisal provision and two other new protections, see our coverage of the three new rights most Texas homeowners still don't know they have.

The spring storm season is already underway. Hail events have been recorded across Texas since March 2026, and the window of peak activity runs through May. The intersection of elevated home values, aging roof stock, 2 percent deductibles now standard across most major carriers, and a market that has tightened considerably means the gap between expectation and reality at claim time is wider than it has been in a long time.

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