

Tucson homeowners struggle with insurance hikes, and non-renewals

KOLD News

A growing number of homeowners in southern Arizona are being dropped by their insurance companies.

Despite paying for years of coverage, some policy holders aren't being renewed in 2024.

A family from Tucson tells 13 News they weren't renewed by their insurance company due to wildfire risk. So, they posted about it on Nextdoor, a neighborhood discussion website, to give others a heads up.

Turns out, they're not alone in having to find new coverage. It's a growing trend here and around the country.

More than 100 people responded to the post on Nextdoor. Many are homeowners, struggling as insurance companies hike rates, drop customers, or leave the state altogether.

"For a couple years now, they're really pulling back on what they'll cover, where they will cover," said Amy Bach, executive director of United Policyholders, a non-profit organization that helps consumers nationwide.

Bach says the main reason for premium increases and cancellations has to do with climate change, inflation, and technology.

She says insurers are investing in hi-tech tools to get a granular look at the homes and businesses they're insuring.

"For example, they're buying drone aerial images of roofs, they're using Google Earth, they're using data mining. And suddenly they can see oh my gosh, look at Mrs. Smith storing her wood pile right next to her propane tank," said Bach. "And look at this pool we didn't know these people had."

In the event of non-renewal, some homeowners complain they're only being given 30-days notice.

While some states require up to 75-days notice, it's 30 days in Arizona.

So, what should people on a deadline do?

We reached out to the Arizona Department of Insurance and Financial Institutions or DIFI. The organization monitors rate increases and ensures companies are complying with Arizona insurance laws.

A spokesperson told 13 News in an email, "There are approximately 100 insurance companies selling homeowners insurance in Arizona. Not all of these insurers will be offering coverage as they may be limiting their risk exposure in certain areas of the state. Consumers should be active in shopping and work with their agents to find those insurers willing to provide coverage and compare those policy costs."

Surprisingly, there's no law requiring homeowners insurance, although most mortgage lenders require it.

A growing number of people who have their homes paid off are foregoing insurance.

A Nextdoor user from Marana said, "I had one claim in 44 years and now I am willing to assume the risk."

While it's not recommended, Bach says as many as 20% of homeowners in Florida don't have homeowners insurance. Here in Arizona, that number isn't tracked because reporting it isn't required.

"So, the federal government is about to do a national survey to figure out what pockets of the country are going bare. And I think we'll know a lot more by the end of this year," said Bach.

For more information about mitigating risk, shopping for insurance, and resources to help better understand your policy visit DIFI and United Policyholders for state by state help.