

2024 Homeowners Insurance Market Outlook: At a Glance



Homeowners must take appropriate steps to protect their properties, families and investments financially. While this is true every year, it may be especially important in the difficult insurance market predicted for 2024. Home insurance remains one of the most frequently purchased types of coverage across the United States. However, hard market conditions have made acquiring an adequate policy more expensive and complicated for many people. Indeed, major insurance carriers have already limited or ceased offering certain types of insurance in some parts of the country—areas that were eligible for policies only a few years ago.

Part of being an informed insurance consumer, particularly in the face of rising rates, is understanding what's happening in the market and how it can affect you.

2023 by the Numbers

Factors Affecting the Industry

2023 was a turbulent year for the homeowners insurance market, as well as the industry as a whole.

Some of the top challenges faced by the industry include:



Inflation

Although inflation decreased from its 9% peak in mid-2022, the homeowners insurance market continued to be affected in 2023.



Climate-related Losses

According to government data, natural disasters and severe weather continued to be a significant cause of home- and property-related losses in 2023.

There were 25 severe weather events with estimated costs ranging from \$1 billion to \$10.5 billion each.



Reinsurance rates on the rise

Various economic- and climate-related conditions have caused reinsurance carriers to raise rates or even leave specific markets, much like traditional insurers.

What to Expect in 2024

Since many of the primary factors that affected the homeowners insurance marketplace in 2023 have not been alleviated, it is no surprise that the market is expected to remain hard. Premiums are expected to increase or stay elevated in the near future. Furthermore, insurance companies may be more meticulous while assessing home conditions and risk levels, potentially further increasing rates or making it more difficult to renew or acquire coverage in the first place.

Key Factors to Watch in 2024

The homeowners insurance industry is predicted to be affected by the following:



Inflation



Severe weather events and natural disasters



High loss cost severity



Building material supply chain struggles



Government reforms

Contact Us to Learn More

Navigating the complexities of the homeowners insurance market isn't something you need to do on your own; that's why we're here. Reach out to our agency today to learn more about the market's struggles, how it can affect your insurance, and cost mitigation strategies that may be right for you.