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Examining Homeowner Property Insurance Market Dynamics

AN ASSESSMENT OF COUNTRYWIDE STATE-LEVEL DATA FROM 2018 TO 2024

FINAL RESEARCH REPORT

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NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

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EXAMINING HOMEOWNER PROPERTY INSURANCE MARKET DYNAMICS – AN ASSESSMENT OF COUNTRYWIDE STATE-LEVEL DATA FROM 2018 TO 2024

Executive Summary

Homeowners insurance plays an essential role in protecting a consumer's financial well-being. It helps people rebuild after losses or natural disasters, protects their largest asset, and supports economic stability that broadly benefits communities. But in recent years, concerns about homeowners insurance affordability and availability have emerged as many consumers felt growing pressure from higher premiums, tighter underwriting, and concerns about whether insurers will still write policies in their area.

Insurance is regulated at the state level in the United States, and state insurance regulators hear consumer concerns clearly. The job of regulators is to protect consumers, hold insurers accountable, and support insurance markets that are fair, competitive, and financially strong. To do that well, regulators need strong data. They must know how markets are working, where stress is building, and where consumers may be facing the greatest challenges. This report is a first-of-its-kind effort by the National Association of Insurance Commissioners (NAIC), a coordinating body for state insurance regulators, to provide policymakers and regulators with that information to power data-driven decision-making related to homeowners insurance.

This report examines homeowners insurance data collected by state insurance regulators through the NAIC Market Conduct Annual Statement (MCAS) from 2018 to 2024. The MCAS provides regulators with a uniform system for collecting market-related information to help states monitor insurance companies' market behavior and policyholder treatment. The MCAS is used to collect claims, underwriting, lawsuit, and complaint data in a number of insurance lines of business each year, including the traditional homeowner property insurance market.[1]

It gives regulators a broad national view of this market over time while still allowing them to see important differences across states and regions. Those distinctions matter, as good data helps regulators understand differences across the country and respond both nationally and locally in targeted ways.

[1]MCAS data is collected for the following lines of business each year: annuity, health, homeowners, disability, lender-placed (auto and homeowners), life, long-term care (LTC), other health, pet, private flood, private passenger auto (PPA), short-term limited duration (STLD) health, and travel.

Overall, five key themes from the analysis emerged:

The data shows that the homeowners insurance market remains operationally strong. While we acknowledge that homeowners' insurance markets are highly localized, in general a wide range of insurers continue to write homeowners coverage across the country, and recent underwriting results have shown financial improvement.

At the same time, clear signs of stress are evident. Even though insurers are still operating across the country, more than half have reduced the number of policies they wrote between 2018 and 2024. That suggests companies are adjusting their exposure and reassessing where and how they write coverage.

Trends support what some consumers are already feeling: In some places, homeowners insurance is becoming more expensive and harder to keep. Claim frequency, claim severity, insurer-initiated nonrenewals, and cancellations for nonpayment have generally increased over time, with some of the largest increases occurring between 2021 and 2024. Premiums and company-initiated nonrenewals have also risen more sharply in recent years, particularly from 2023 to 2024.

This analysis shows why it is important not to treat trends in homeowners insurance as a single national problem with a single national answer. Homeowners insurance markets are local. Weather risk, rebuilding costs, claims patterns, insurance participation, and mitigation efforts all affect what consumers experience. Looking only at national averages can hide important differences.

This more detailed, data-driven view helps regulators separate broad trends from local conditions and identify where action may be most needed. It also helps frame key questions about market health, insurer behavior, affordability, availability, competition, and the need for mitigation and resilience efforts.

More importantly, this report is only the first of more detailed homeowner property insurance market data analysis. In March 2026, state insurance regulators, coordinated through the NAIC, launched the homeowner property insurance market data call.[2] That effort collects ZIP-code-level data from the property/casualty (P/C) insurers representing a significant share of the homeowners insurance market. It will include information on premiums, policies, claims, losses, limits, deductibles, nonrenewals, and coverage types.

Following this report, the homeowner property insurance market data call will be the next major step forward. It will give regulators an unprecedented local and national view of the homeowners insurance market over time and at a much more detailed level. With this increasingly better data, regulators will have improved tools to understand their own markets, identify pressure points, support informed decision-making, and help protect consumers while maintaining stable and solvent insurance markets.

Consumers are facing real challenges. This report shows that the homeowners insurance market is changing, but it also shows why data matters: It helps regulators know where problems are emerging, where markets remain stable, and how best to support consumers in a changing risk environment.

[2] content.naic.org/sites/default/files/cmte-c-home-market-data-call-overview.pdf

Introduction and Main Findings

More frequent and severe weather events, along with a host of broad macroeconomic and environmental factors, are making homeowners property insurance less available and less affordable in a growing number of regions across the nation.[3] In this hardening insurance market, homeowners insurance premiums have increased across the country.[4] State insurance regulators monitor homeowners property insurance markets as part of their mission to protect consumers, hold insurers accountable, and ensure fair, competitive, and healthy insurance markets. Under their regulatory authority, state departments of insurance (DOIs) routinely collect data from insurance companies to better understand market dynamics.

The purpose of this report is to provide a countrywide overview and dynamic assessment of homeowners property insurance markets from existing state-level data, collected under this authority, during the period of 2018 to 2024. The Market Conduct Annual Statement (MCAS) was developed by state insurance regulators working through the National Association of Insurance Commissioners (NAIC) in 2002 to provide regulators with a uniform system for collecting market-related information to help states monitor the market behavior of and policyholder treatment by insurance companies. The MCAS is used to collect claims, underwriting, lawsuit, and complaint data at the company-level (not group-level) in a number of insurance lines of business each year, including the traditional homeowner property insurance market.[5] Through an NAIC-provided portal, insurance companies report MCAS data to each jurisdiction in which they are licensed and have at least $50,000 in annual direct premium written. The data is used to analyze the behavior and health of individual companies over time or in comparison to other companies. When aggregated at the state, regional, or national level, the data is also valuable for examining the insurance marketplace trends as we do in this report.

[3] content.naic.org/committees/c/property-casualty-insurance-cmte (see *Affordability and Availability of Homeowners Insurance Playbook*)
www.congress.gov/118/meeting/house/116462/witnesses/HHRG-118-BA04-Wstate-GordonR-20231024.pdf
[4] content.naic.org/committees/c/property-casualty-insurance-cmte (see *Affordability and Availability of Homeowners Insurance Playbook*)
www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/us-homeowners-insurance-rates-jump-by-double-digits-in-2023-80057804
[5] MCAS data is collected for the following lines of business each year: annuity, health, homeowners, disability, lender-placed (auto and homeowners), life, long-term care (LTC), other health, pet, private flood, private passenger auto (PPA), short-term limited duration (STLD) health, and travel.

In this report, we looked at six MCAS homeowners policy data fields from 2018 to 2024, for each company writing more than $50,000 in annual direct premium written in each state it operates in:

- Number of policies in force at the end of the period.
- Dollar amount of direct premium written during the period.
- Number of claims closed with payment during the period.
- Number of company-initiated nonrenewals during the period.
- Number of company-initiated cancellations that occur after the effective date, excluding rewrites to a related company.
- Number of cancellations for nonpay or nonsufficient funds.

The analysis of that data yields important insights related to a number of significant and ongoing questions pervading the homeowner insurance marketplace today. These include:

- What is driving affordability and availability challenges?
- How has the competitiveness of homeowner property insurance markets changed?
- Are insurers moving into or out of certain geographic areas?
- How has the cost of residential homeowners insurance changed by geography?

Because MCAS information is collected under the state insurance departments' regulatory examination authority—rather than through a public disclosure process—company-level data is confidential. To address these questions, we use the NAIC zone structure[6] to share aggregate, nonconfidential homeowner property insurance market information at the regional and national levels.

[6]The NAIC is split into four zones (Northeast, Southeast, Midwest, and Western) that have regional representation. Individual member states by zone can be found here: content.naic.org/sites/default/files/regulator-members-by-zone.pdf

Based on our analysis of 2018 to 2024 MCAS homeowners data, we find that:

- **The overall homeowners property insurance market has remained operationally robust, and recent underwriting results show an improvement in the financial condition of insurers.**
  - Nearly half of the 700+ companies that write homeowners insurance policies operate consistently in any one NAIC zone.
  - Each zone has a diverse mix of companies writing homeowners policies in that zone, from national carriers operating in nearly all states across all zones to state-by-state writers isolated to one zone.
  - Homeowners insurance companies in the admitted market have absorbed a growing number of policyholders.
  - Homeowners insurance companies have been faced with paying claims in both an increasing claim frequency and claim severity environment.
  - After years of deterioration and significant fluctuations, homeowners underwriting profit as a percent of direct premiums increased in all zones in 2024 and was positive in three of the four zones.

- **However, underlying homeowners property insurance market adjustments have transpired.**
  - Although companies' consistency in market participation in each NAIC zone has remained generally consistent year over year, more than half of the companies that consistently operate in each zone are writing fewer policies. (We have conducted this analysis at the company level as reported in the MCAS. Given that many homeowners companies operate within a branded group, it is possible that company-level results would look different when focused at the group level.)
  - The majority of policies/premiums are underwritten by companies writing in a large number of states across the country, and these larger, cross-state writers are often the companies decreasing their policy counts.
  - Regional and state-by-state writers are absorbing these policies. Their loss ratios—the share of premiums paid out in claims, excluding investment income—are generally comparable to those of larger national companies. However, in some regions and during some periods, these companies are also experiencing growing loss costs, or the portion of premiums expected to pay for claims.

- **Homeowners property insurance markets are also exhibiting relatively strong signs of availability and affordability stress, especially from 2022 to 2024. This includes increased premiums, company-initiated nonrenewals, and cancellations.**
  - Adjusted for inflation, average direct written premium has increased since 2018, ranging from 18% to 43% across the country. The largest increases have occurred since 2022, even as overall U.S. inflation has cooled.[7]
  - Insurance companies are choosing not to renew homeowners policies more frequently. Since 2018, the ratio of company-initiated nonrenewals per 1,000 policies-in-force has been increasing in all zones—anywhere from 96% to 216%—with rates between 11.7 to 25.1 per 1,000 policies in force in 2024. Further, while the rate of company-initiated nonrenewals had previously been at 10% to 25% of the rate of cancellations for nonpayments, in 2024 they averaged 25% to nearly 50% of nonpayment cancellation rates.
  - Since 2018, rates of cancellations for nonpayment have also increased across all zones, with the largest increases occurring from 2020 to 2022. Those rates leveled off in 2023 and 2024 and ranged from 48.5 and 65.3 per 1,000 policies in force in 2024.

- **The homeowners property insurance market cannot fully be understood at the zone, state, or national level, and nuances to the aggregate market and loss data need to be better understood by further analysis, as forthcoming in the homeowner property insurance market data call.**
  - When the average homeowners premium that insurers charge is adjusted for inflation or normalized given changes in housing values, its growth is somewhat muted. Nonetheless, given that we are looking at NAIC zone-level aggregated market values, it is likely that there are localized areas where premiums have risen much faster or slower than shown regionally
  - Homeowner property insurance markets are generally becoming more concentrated, but not every company in a given market is contributing to that trend. Likewise, overall market loss ratios are not representative of the full distribution of company loss ratios.
  - Further understanding of the geographic granularity of the homeowner property insurance market data elements we analyzed will be important.

[7]For reference, cumulative inflation from 2018 to 2024 as measured by the Personal Consumption Expenditure (PCE) percent change from preceding year was 21.5%. www.bea.gov/sites/default/files/2025-02/gdp4q24-2nd.pdf

The MCAS homeowners countrywide data assessment presented here is an important component of a long-term strategy to better understand the health of homeowners property insurance markets at both the state and national levels. This work can help inform regulators, assess market concentrations and competitiveness, and identify areas in need of mitigation and resilience efforts to ensure that consumers continue to have access to the coverage they need to safeguard their financial well-being and their families' future. Moreover, this assessment can be considered an initial prelude analysis of the complementary, yet significantly more comprehensive, data being collected via the homeowner property insurance market data call, issued by state insurance regulators and coordinated by the NAIC in March 2026.[8]

The homeowner property insurance market data call data template[9] and related questions ask P/C insurers, representing a significant market share of homeowners insurance coverage, to submit ZIP-code-level data across the U.S. on premiums, policies, claims, losses, limits, deductibles, nonrenewals, and coverage types. Given the broader geographic and policy-form information embedded in the MCAS data as compared to the homeowner property insurance market data call, it is important to consider our findings within this context. For example, homeowners property market dynamics can vary within a relatively small geographic area, so while a state's property insurance market may be generally healthy overall, there can be localized protection gaps that challenge certain communities. This would not be reflected in our existing MCAS-based analysis.

Nevertheless, this type of data-driven assessment is especially critical given the homeowners property insurance availability and affordability challenges being faced by a growing number of regions across the nation.

Together, the MCAS analysis presented in this report and the forthcoming data from the homeowner property insurance market data call provide regulators, policyholders, and the public with the data needed to protect consumers, ensure solvent markets, and inform smart mitigation strategies.

[8] www.minneapolisfed.org/about-us/monetary-policy/inflation-calculator/consumer-price-index-1913-

[9] content.naic.org/sites/default/files/inline-files/2025%20Updated%20Template.pdf

Homeowner Property Insurance Market Analysis Data

The Market Conduct Annual Statement (MCAS) was developed in 2002 to give state insurance regulators a uniform system for collecting market-related information to and monitoring the market conduct of insurers. The MCAS is used to collect claims, underwriting, lawsuit, and complaint data in a number of insurance lines of business each year, including the homeowners admitted market.[10]

In March 2026, for each reporting MCAS HO company and by each MCAS reporting state it operates in we pulled the following six MCAS homeowners data fields during the time period of 2018 to 2024:

- Number of **policies in force** at the end of the period
- Dollar amount of **direct premium written** during the period
- Number of **claims closed with payment** during the period[11]
- Number of **company-initiated nonrenewals** during the period
- Number of **company-initiated cancellations** that occur after effective date, excluding rewrites to a related company[12]
- Number of **cancellations for nonpay** or non-sufficient funds

[10] The MCAS does not collect data for the excess and surplus (EandS) lines (i.e., nonadmitted) carriers that write homeowners premium. In 2024, EandS carriers represented 1.9% of the total homeowner property insurance market (SandP Global Market Intelligence, 2025 - Available at pages.marketintelligence.spglobal.com/2025-US-Excess-Surplus-Market-Report.html)

[11] We note that MCAS claims are reported at a coverage level (i.e., Coverage A, B, C, etc.), meaning multiple claims could be reported from one incurred loss.

[12] The number of company-initiated cancellations are the sum of company-initiated cancellations that occur in the first 59 days after the effective date, those that occur 60 to 90 days after the effective date, and those that occur greater than 90 days after the effective date as collected by the MCAS.

We note that the reporting requirements for the MCAS are any homeowners company with $50,000 or more in annual direct premium written. MCAS reporting also has no distinction by homeowners insurance policy form type so that the six data fields pulled will represent collective HO market data across all policy forms collected: Dwelling Property Policy types DP-1 (Basic), DP-2 (Broad), and DP-3 (Special); and HO Insurance Policy types HO-1 (Basic), HO-2 (Broad), HO-3 (Special), HO-4 (Renters), HO-5 (Comprehensive), H0-6 (Condo), HO-7 (Mobile Home), and HO-8 (Modified Coverage). Beginning in 2021, the number of policies in force data field has been collected by policy form type, and we will provide a snapshot of this data field from 2021 to 2024 later in the report. Lastly, not all states and jurisdictions reported to the MCAS during this time period. Therefore, MCAS homeowners data from American Samoa, Guam, New York, North Dakota (2024 reported data only), Northern Mariana Islands, Puerto Rico (2022, 2023, and 2024 reported data only), and the U.S. Virgin Islands are not included in this 2018 to 2024 analysis unless otherwise indicated. For example, North Dakota and Puerto Rico are not included in year-over-year comparisons at a zone level but are included in 2024 snapshot views of the data.

The NAIC's Financial Data Repository (FDR)[13] is a centralized data repository of financial data based on the annual statutory financial statements filed each year by insurance companies regulated under the various state insurance departments. Depending on the primary type of business written or filing type, insurers complete their financial statements using the same template and statutory accounting instructions. This provides a consistent basis to evaluate an insurer's financial characteristics, such as assets, expenses, and premium information. As we pulled the MCAS data for each homeowners company, using the unique NAIC HO company code, we were able to obtain additional homeowners company financial information from the FDR related to relevant data elements such as losses paid in a reporting year.

[13] content.naic.org/insurance-topics/financial-data-repository

Finally, information collected in the MCAS is confidential at a company level. By signing the MCAS agreement, each state consents to share its confidential information with the NAIC, but the NAIC is not otherwise able to disclose the confidential MCAS state- and company-specific information beyond sharing with other state insurance regulators. Therefore, we are limited in this analysis to report aggregate, non-company-specific data on the homeowners property market. More generally to help organize the NAIC's overall efforts, the U.S. has been divided into four geographic zones: Northeast, Southeast, Midwest, and Western. We use the NAIC zone structure[14] to share aggregate, nonconfidential homeowner property insurance market information and to gain insights into the health of homeowners property markets at both the NAIC zone and national levels. Given some of the inherent MCAS geographical reporting limitations noted above, data results shown may not be completely representative at the NAIC zone level. For example, New York data is not collected in the MCAS during this time period and thus not included in any Northeast Zone results.

[14]NAIC member states by zone can be found here - content.naic.org/sites/default/files/regulator-members-by-zone.pdf

Homeowner Property Insurance Market Descriptive Results

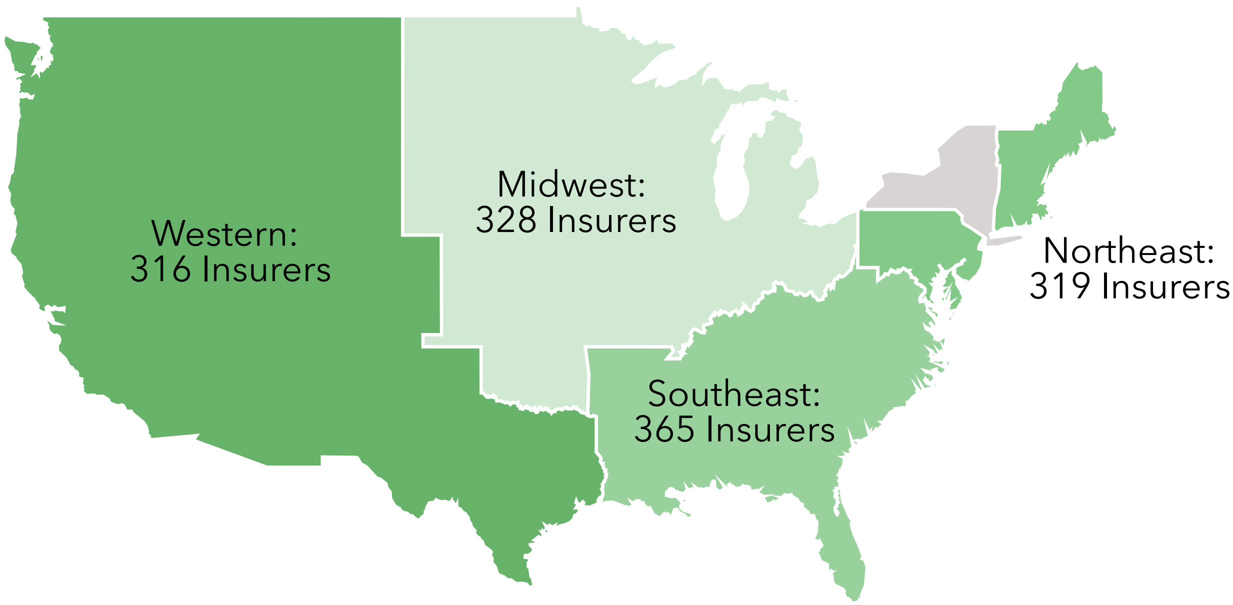
To gain insights into the health of homeowners property insurance markets at both the NAIC zone and national levels, we analyze the above-described MCAS-based data in turn, beginning with the number of homeowners companies operating in the market[15] and then moving to policies in force, premiums, claims, and financial performance, and ending with cancellations and nonrenewals. We assess each of these data components using a cross-sectional view of the homeowner property insurance market in 2024, the most recent year of data, and then ascertain how the associated homeowner property insurance market data has trended over time from 2018 to 2024. We are also able to provide further insights by leveraging NAIC financial data, other NAIC-published homeowner property insurance market reports, and other relevant outside data as applicable.

HOMEOWNERS COMPANIES

According to the MCAS data, 715 homeowners companies wrote at least $50,000 in annual premium across the U.S. in 2024. For 2024, we find that nearly half of the total 715 countrywide homeowners companies operate in any one NAIC zone, ranging from 44% in the Western Zone to 51% in the Southeast Zone.

[15]Because many homeowners companies operate within branded groups, company-level results may differ from results analyzed at the group level.

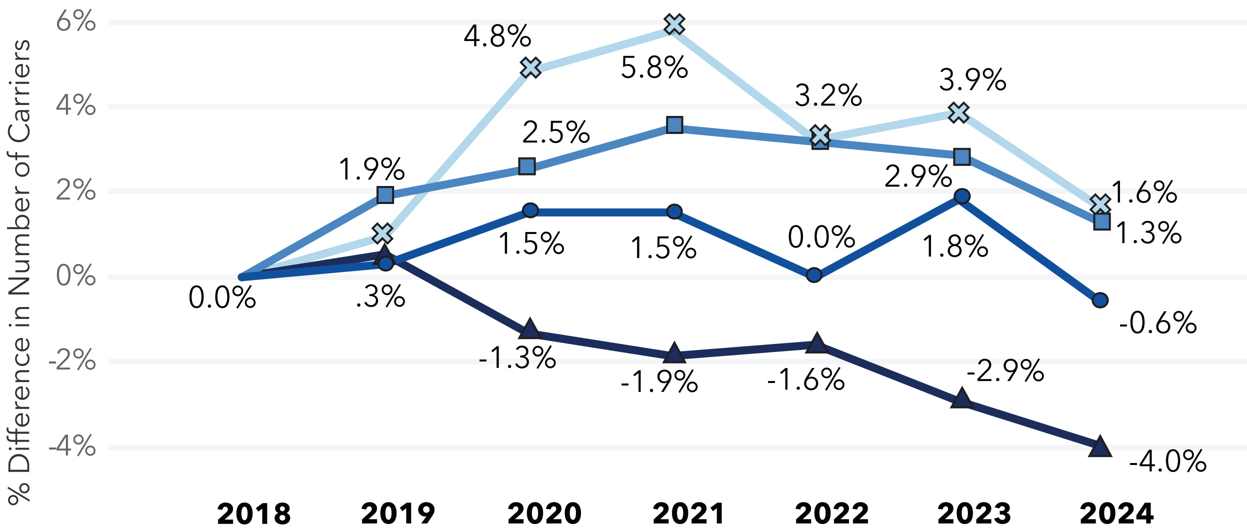
Figure 1. Homeowners Carriers by Zone, 2024[16]



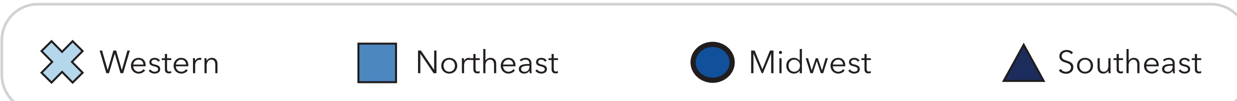
Further, since 2018, the total number of countrywide homeowners companies operating in each zone has remained relatively constant. Across the four NAIC zones, the change in total companies operating in each zone from 2018 to 2024 ranges from a -4.0% decrease to a 1.6% increase. The total number of homeowners companies operating in the Western and Northeast Zones grew slightly from their 2018 baselines of 311 and 315 total companies, respectively, while the Midwest remained relatively flat from its 2018 total company baseline of 329 total companies. During this 2018 to 2024 time frame, only the Southeast Zone had a detectible decrease from its baseline of 377 companies. However, all zones showed a slight decrease in the number of homeowners carriers from 2023.

[16]New York does not provide MCAS data and, therefore, is excluded from the Northeast Zone illustrations on this map and other similar maps in the remainder of the report. Similarly, for the territories of American Samoa, Guam, Northern Mariana Islands, and the U.S. Virgin Islands are excluded. Alaska, Hawaii, and Puerto Rico are not pictured for ease of illustration.

Figure 2. Net Percent Change in the Number of Homeowners Carriers, 2018–2024



Data is based on state-reported data and excludes Puerto Rico and North Dakota.



To further understand the overall geographic market extent of the homeowners companies writing in each zone and, hence, the associated homeowner property insurance market geographical concentration mix of national, regional, and state-by-state writers operating in each zone, we assess by company and by zone the number of states each homeowners company is operating in during 2024. We define categories for companies operating in 31 or more states (national), those operating in 15 to 30 states (regional), and those operating from one to 14 states (state-by-state). While the same 54 national companies operate in 31 or more states and write across all four NAIC zones, representing anywhere from 15% to 17% of the total homeowners companies in each zone, companies writing in 14 states or less represent anywhere from 66% to 71% of the homeowners companies in each zone in 2024. Further, these percentages have stayed relatively stable over the 2018 to 2024 period.

Figure 3. Distribution of Geographical Diversity of Homeowners Companies by Zone, 2024

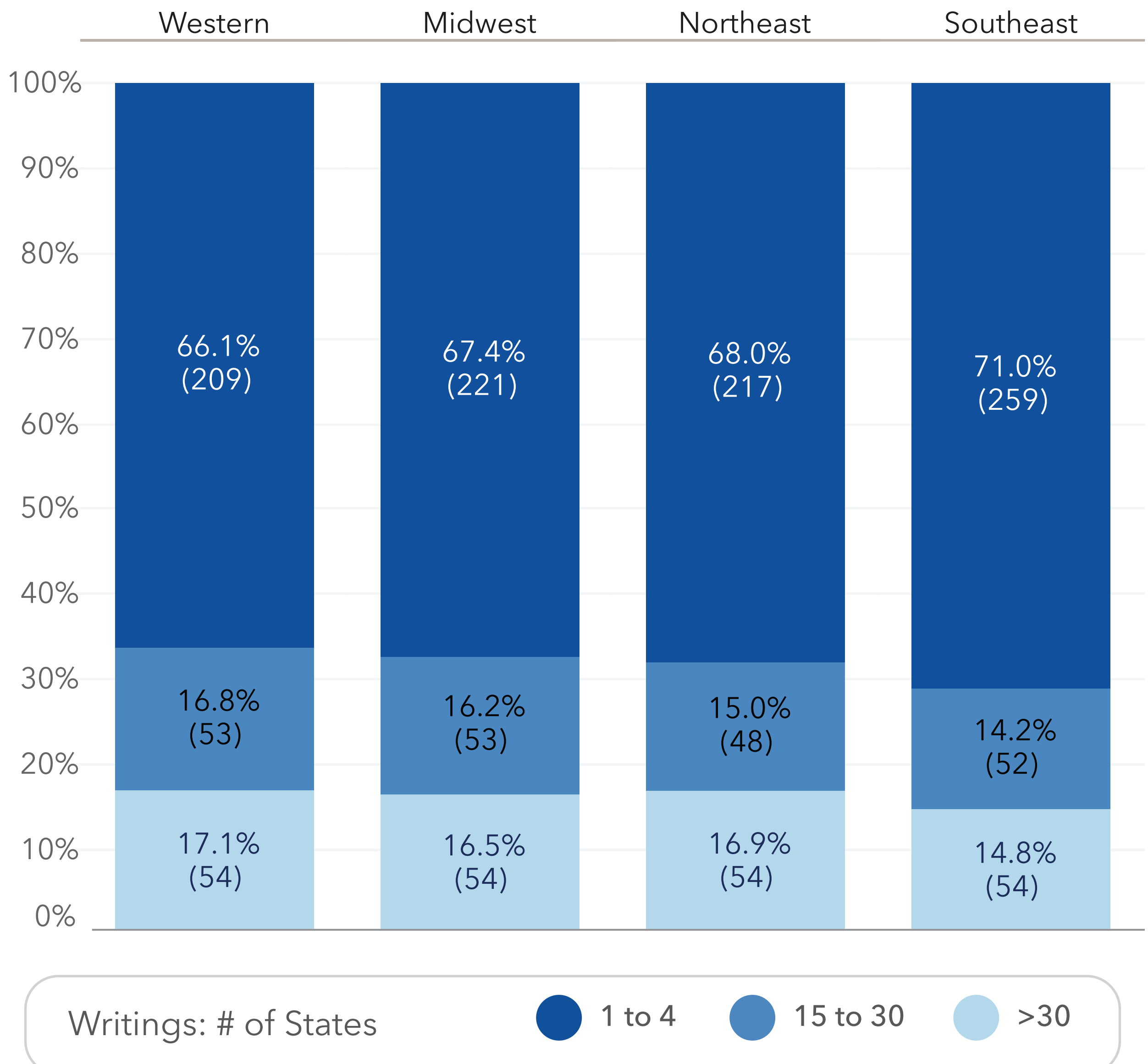


Figure 4.1. Distribution of Geographical Diversity of Homeowners Companies by Zone, 2018–2024

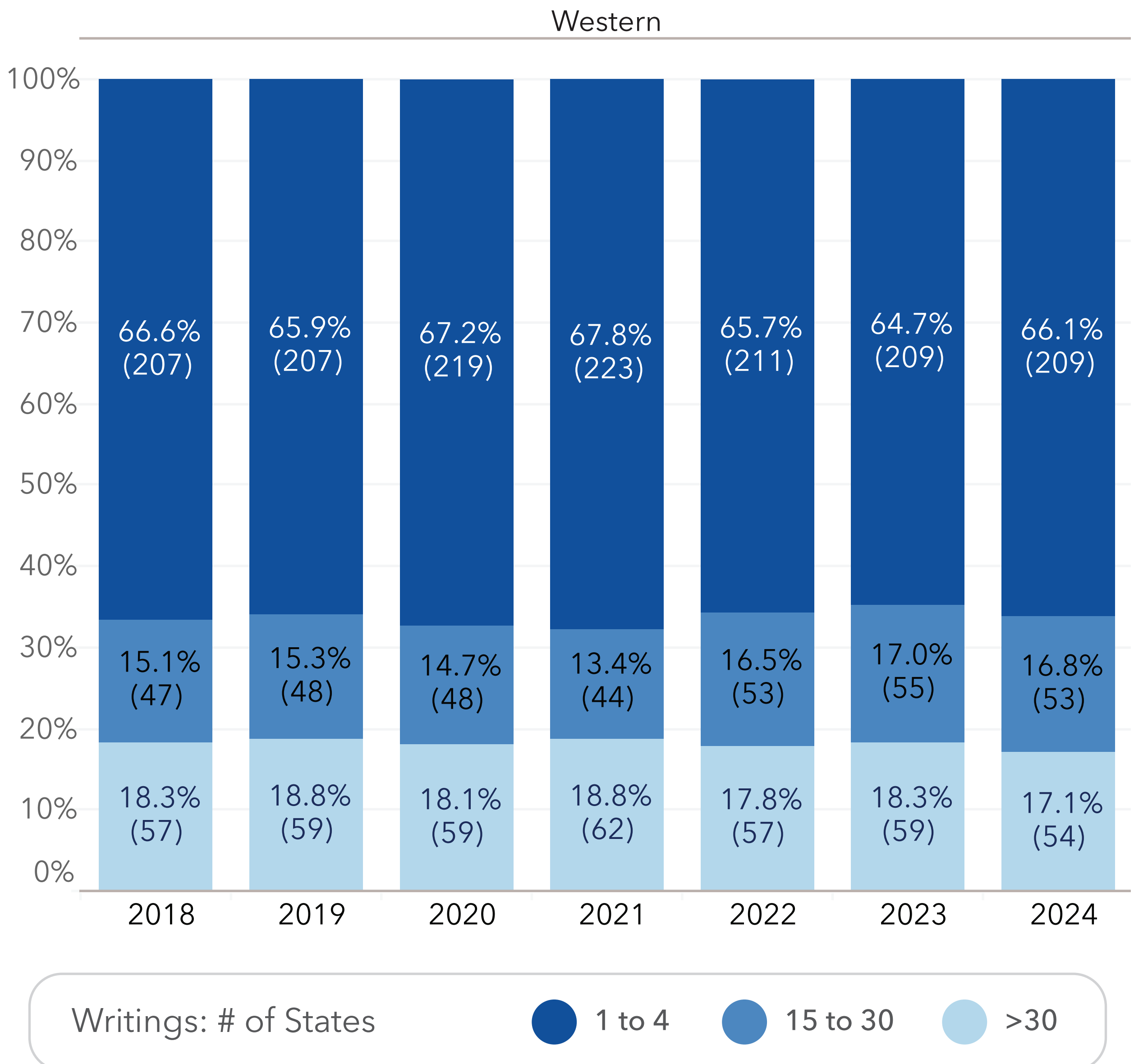


Figure 4.2. Distribution of Geographical Diversity of Homeowners Companies by Zone, 2018–2024

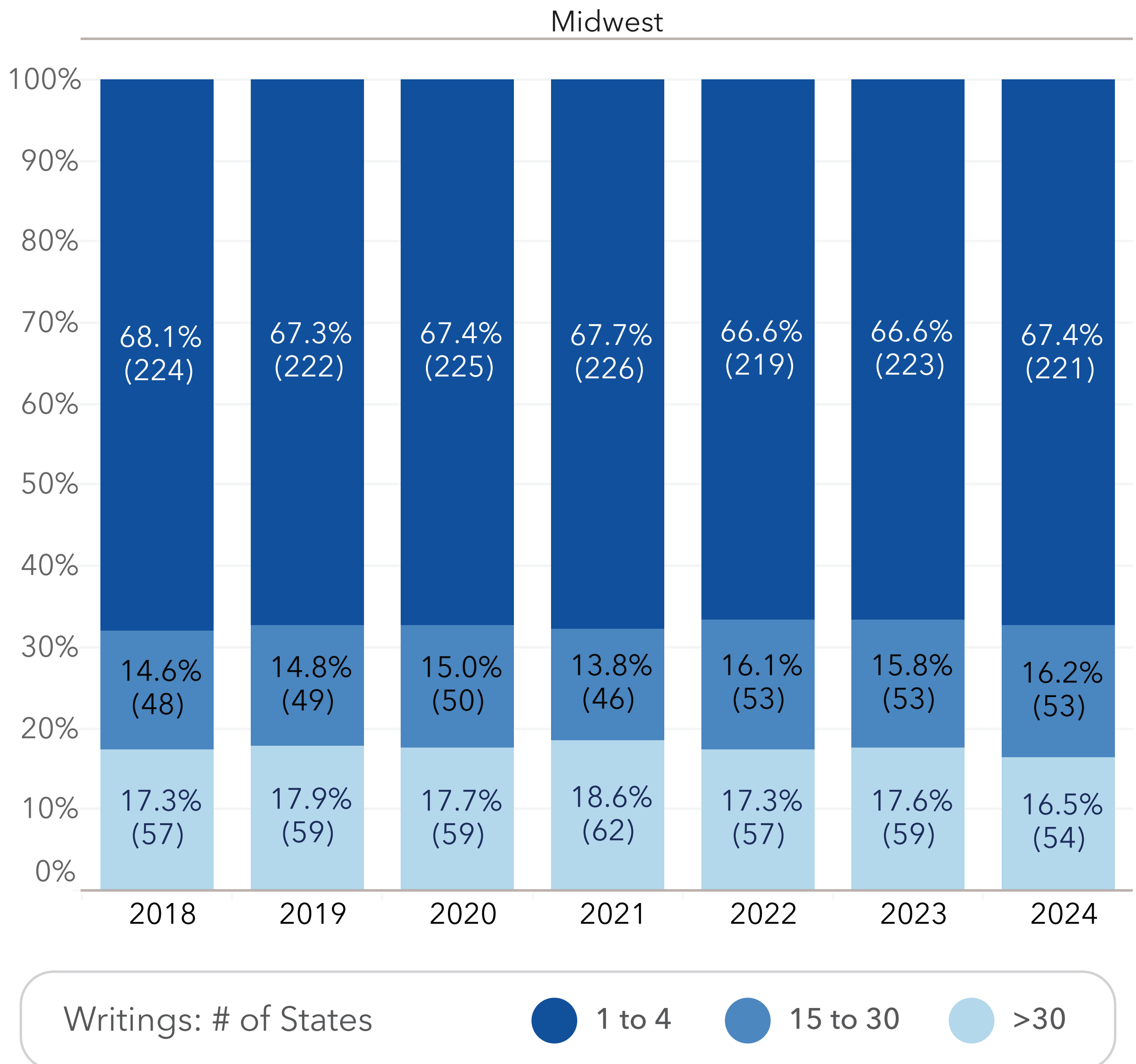


Figure 4.3. Distribution of Geographical Diversity of Homeowners Companies by Zone, 2018–2024

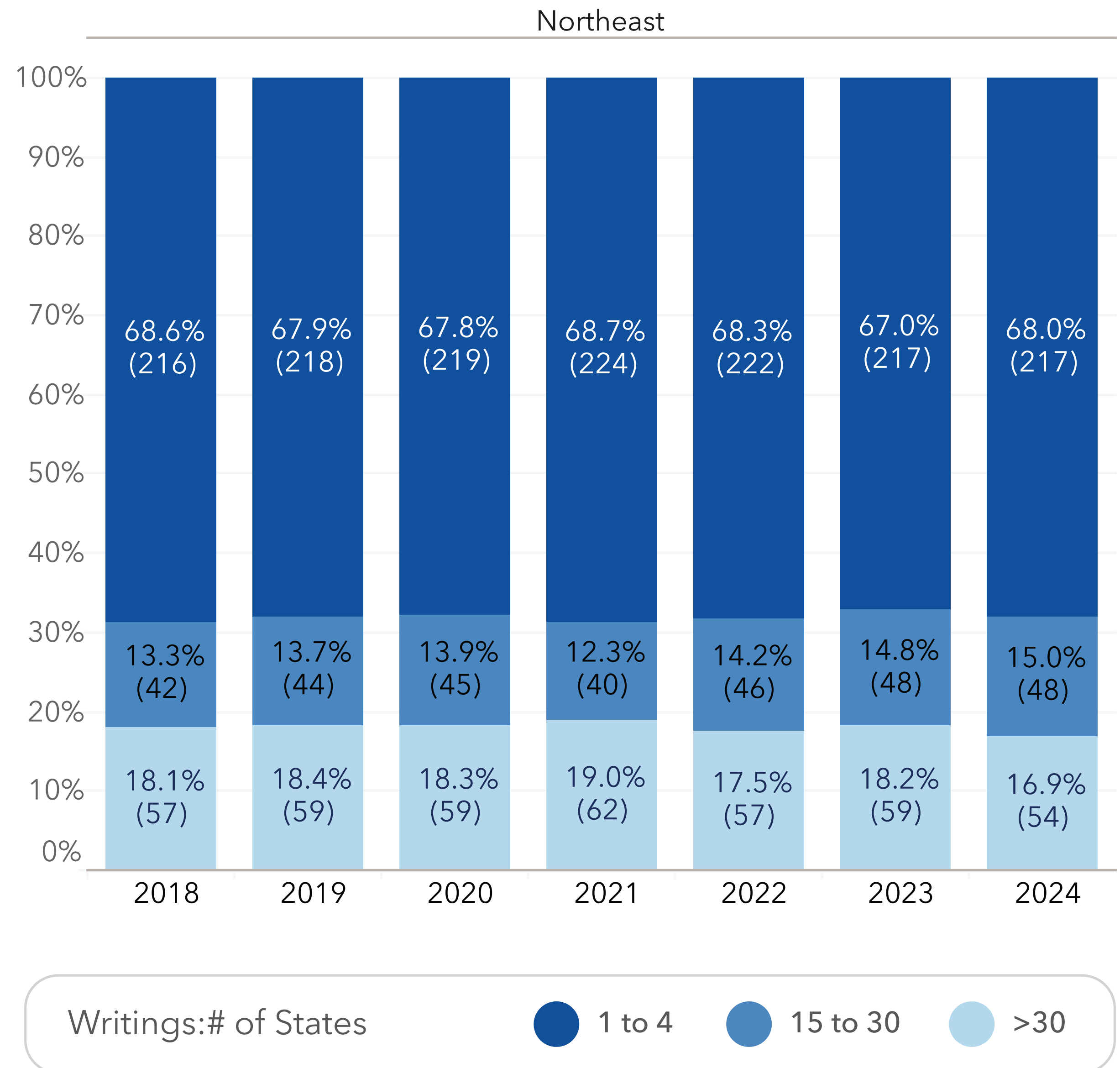
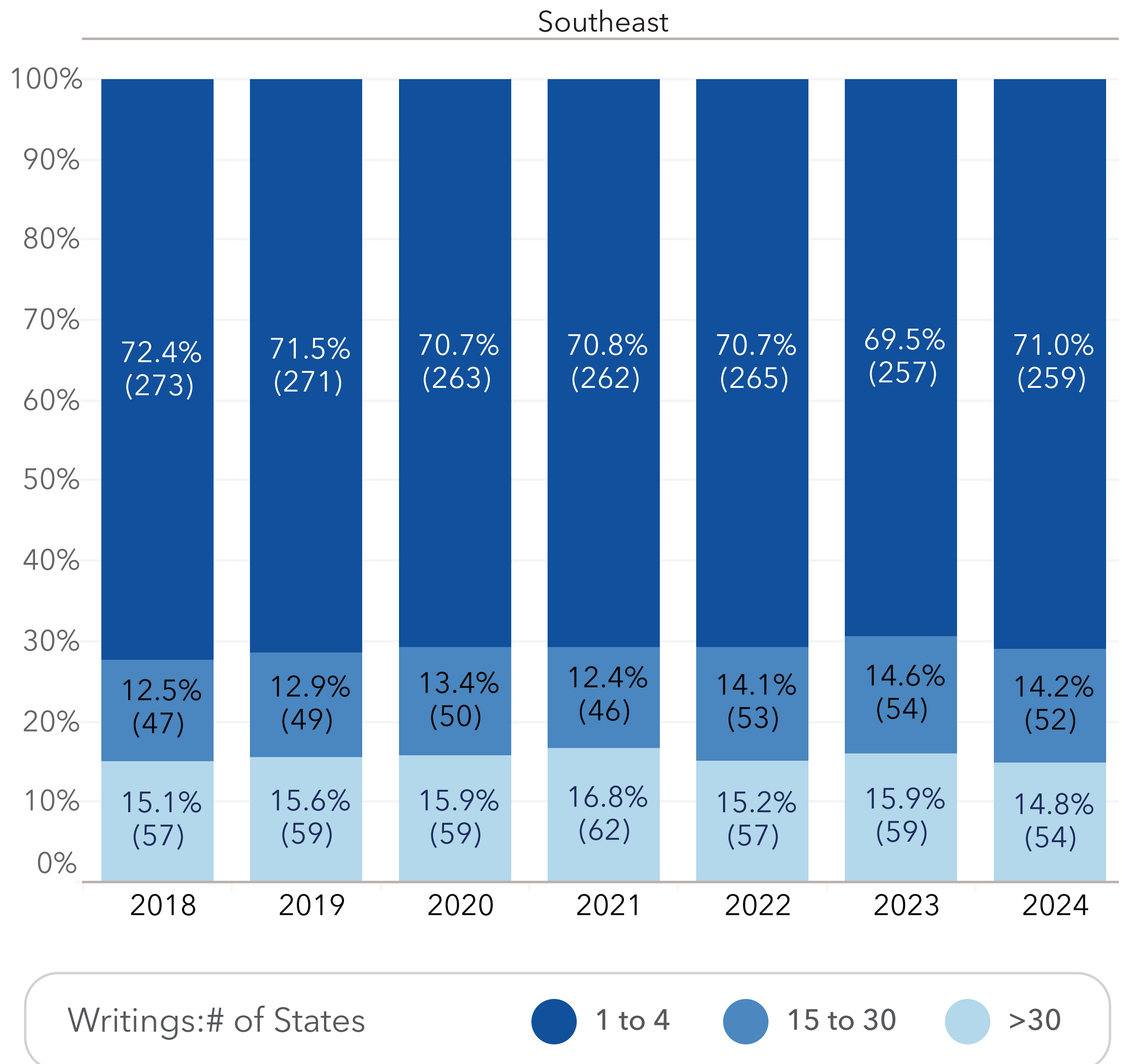


Figure 4.4. Distribution of Geographical Diversity of Homeowners Companies by Zone, 2018–2024



In general, across all four NAIC zones, homeowners companies that write policies in more states also tend to write more policies and generate more direct premium written. For example, in 2024, the 54 national companies that operate in 31 or more states are the largest carriers in each zone with an average of 155,066 to 337,525 policies in force and an average of $202 million to $531 million in direct premium written. But the data also highlights the importance of regional and state-by-state carriers in each zone's homeowner property insurance market in terms of policies and premium. For example, in 2024, across the four zones, state-by-state writers—those operating in one to 14 states—have an average of 27,784 to 57,129 policies in force and an average of $40 million to $97 million in direct premium written. Next, we turn to these two aspects of the homeowner property insurance market (policies and premium) of each zone.

Table 1. Average Number of Policies In Force and Direct Premium Written, 2024

NAIC Zone	Number of States Writing Coverage	Number of Companies	Avg. Number of Policies in Force	Avg. Direct Written Premium
Western	> 30	54	337,525	531,551,036
	15 to 30	53	72,104	101,739,259
	1 to 14	209	57,129	97,012,705
	Total	**316**		
Midwest	> 30	54	251,480	358,264,892
	15 to 30	53	95,980	156,451,704
	1 to 14	221	28,239	41,327,992
	Total	**328**		
Northeast	> 30	54	155,066	202,437,508
	15 to 30	48	27,582	44,724,242
	1 to 14	217	27,784	40,899,069
	Total	**319**		
Southeast	> 30	54	274,122	419,472,652
	15 to 30	52	49,873	97,884,307
	1 to 14	259	43,518	94,100,175
	Total	**365**		

HOMEOWNERS POLICIES

For homeowners policy data, the MCAS does not distinguish by homeowners insurance policy form type from 2018 to 2024. Therefore, the homeowners policy data presented here is a total of several policy form categories, including:

Dwelling property policy forms:

- **DP-1 (Basic Form):**
  Covers the dwelling structure and attached structures against specific named perils like fire, lightning, and windstorm.
- **DP-2 (Broad Form):**
  Covers the perils included in DP-1, plus additional named perils such as falling objects, weight of snow, and vandalism.
- **DP-3 (Special Form):**
  Offers "all-risks" coverage for the dwelling and attached structures. It covers all perils except those explicitly excluded in the policy, such as floods or earthquakes.

Homeowners Policy Forms:

- **HO-1 (Basic Form):**
  Covers named perils such as fire, lightning, windstorm, and theft.
- **HO-2 (Broad Form):**
  Covers additional named perils than HO-1, including falling objects and water damage from specific causes.
- **HO-3 (Special Form):**
  Covers all perils except those explicitly excluded, such as floods or earthquakes.
- **HO-5 (Comprehensive Form):**
  Provides comprehensive coverage, including open perils for both dwelling and personal property.
- **HO-8 (Modified Coverage):**
  Provides limited coverage for older or high-risk homes.

Homeowners package policies for tenants, condominium and cooperative unit owners:

- **HO-4 (Renter's Insurance):**
  Broad "named-perils" coverage for the personal property of tenants.
- **HO-6 (Condo/Co-op Insurance):**
  Broad "named-perils" coverage for personal property of condominium or cooperative unit owners, as well as certain building items in which the unit owner may have an insurable interest.

Mobile homes policy form:

- **HO-7 (mobile home form):**
  The same as HO-3 but specific to the risks of mobile or manufactured homes that are not covered by standard homeowners insurance.

According to the MCAS data, there were 103,289,334 policies in force across the U.S. at year-end 2024. In 2024, the Western Zone states held almost one-third of these total policies (32.9%), followed by the Southeast Zone (27.8%), the Midwest Zone (24.1%), and the Northeast Zone (15.2%). Since 2018, the total number of policies in force has been increasing, ranging anywhere from a 7.4% increase in the Midwest and Northeast Zones to an 11.1% increase in the Southeast Zone.

Figure 5. Policies in Force by Zone, 2024 (M = millions)

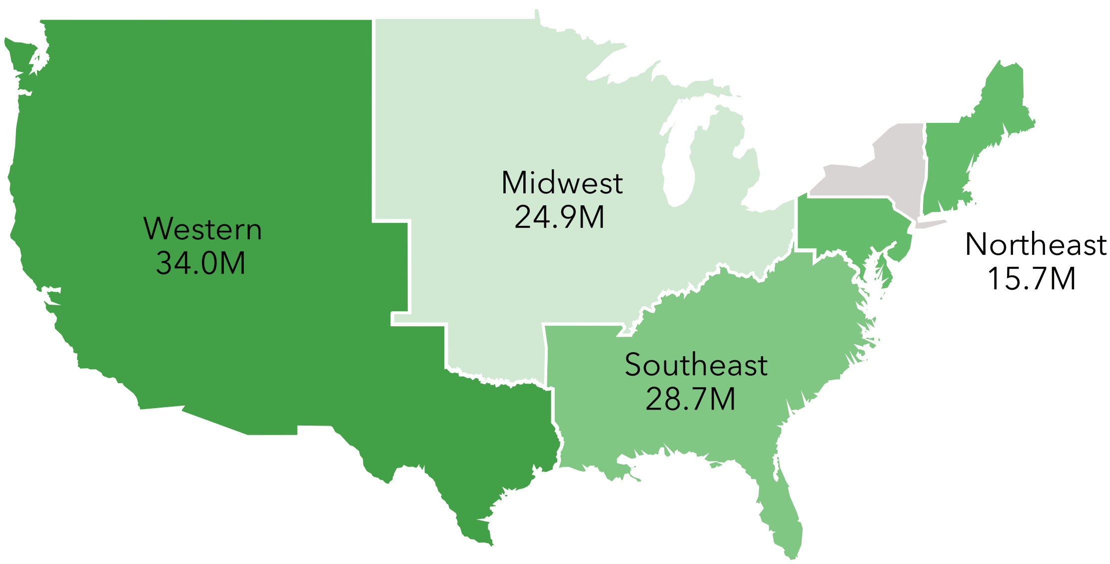
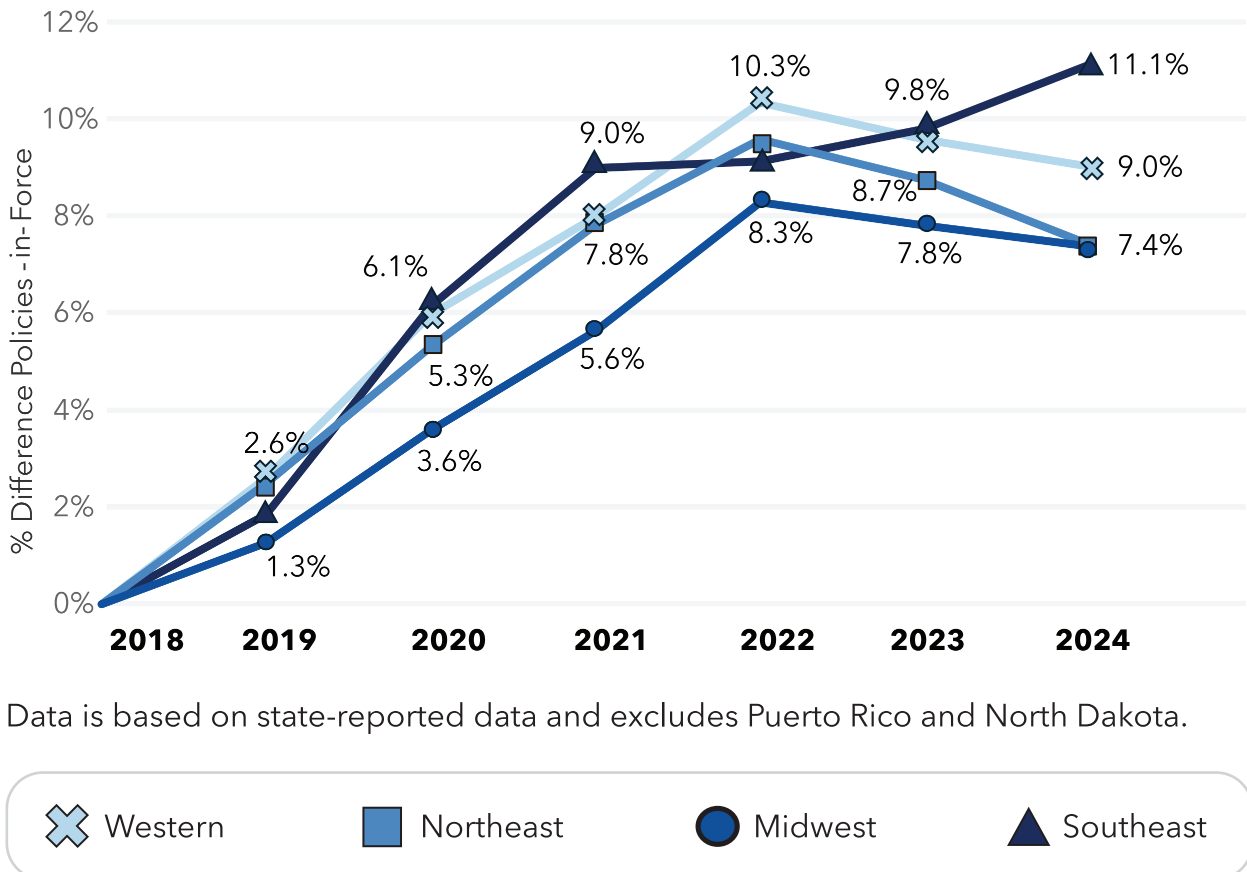


Figure 6. Percent Change in the Number of Policies In Force, 2018–2024



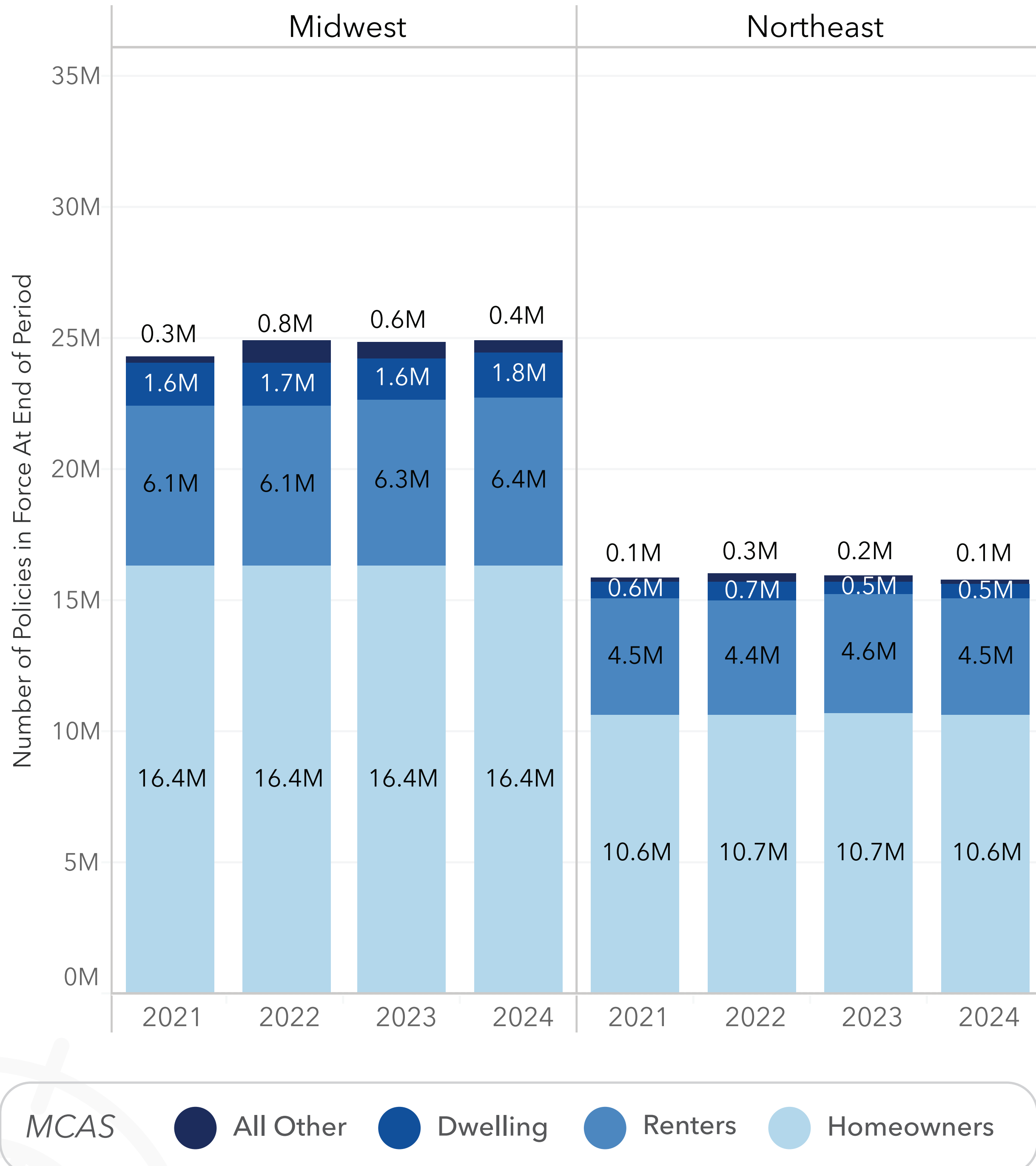
Data is based on state-reported data and excludes Puerto Rico and North Dakota.

SIDEBAR - FURTHER INSIGHTS ON HO POLICY COUNTS

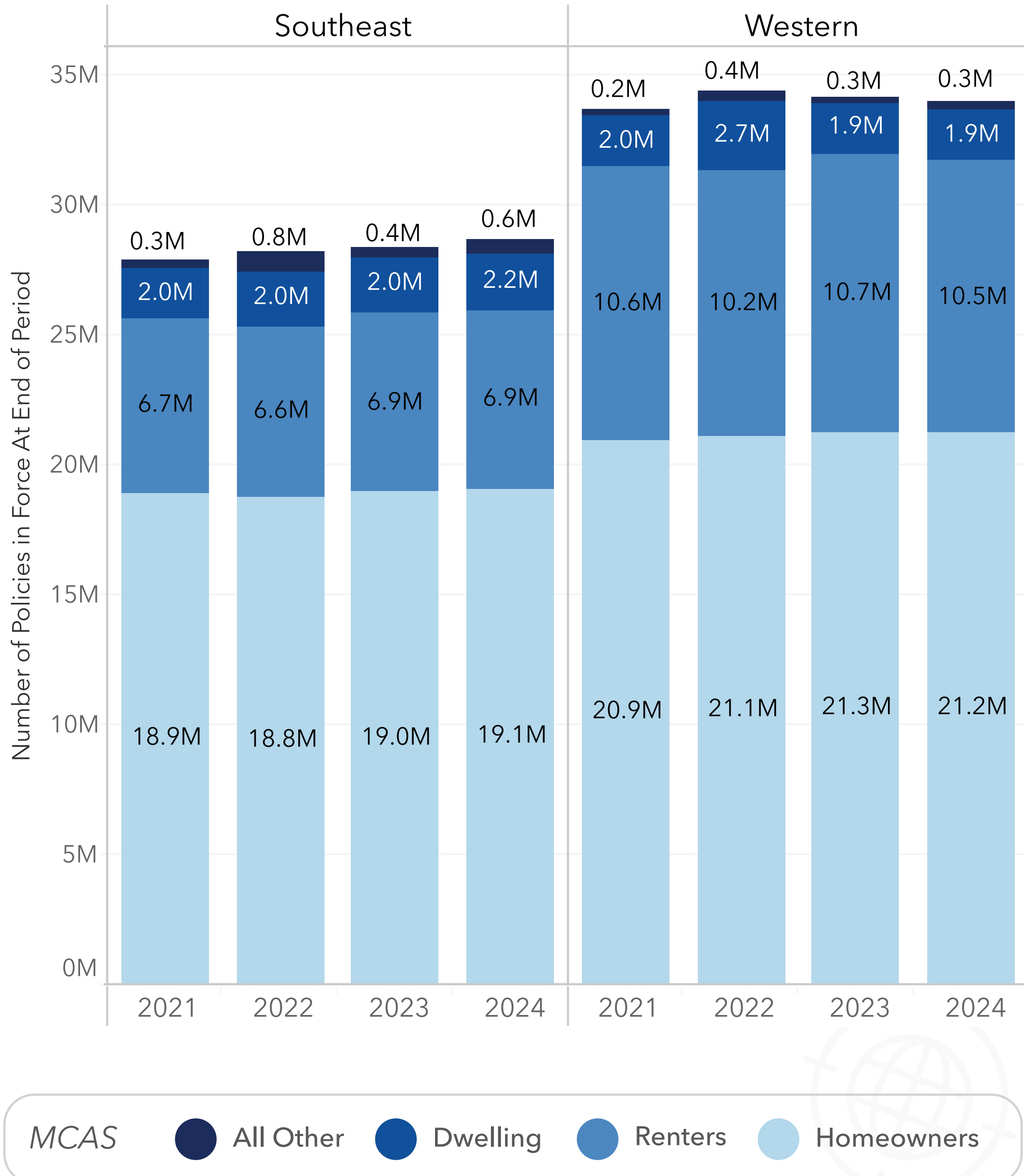
MCAS POLICY COUNTS BY MCAS POLICY FORM TYPE:

Beginning in 2021, the NAIC MCAS system collected policy counts by policy form type. The graph below shows policy counts for the past four years aggregated by NAIC zone. We see for the HO form type portion of the policies in force that these amounts have either slightly increased (20.9 million in 2021 to 21.2 million in 2024 in the Western Zone) or remained stable (16.4 million in the Midwest Zone).

Inset 1. MCAS Homeowners, Renters, and Dwelling Policy Counts for the Midwest and Northeast Zones



Inset 2. MCAS Homeowners, Renters, and Dwelling Policy Counts for the Southeast and Western Zones



INSTRUCTIONS FROM THE MCAS BLANK

Please note: In the Underwriting Section there are questions asking for policies in-force by type of policy. These are asking for a count of the policies in-force that meet the specifications to be included on the MCAS. Please use the following as a guide to determine which policy types should be reported for each question:

Dwelling = (3-42) Number of dwelling fire policies in force at the end of the period. Include dwelling policies that meet the definition of a dwelling policy as defined within this document. This would typically include policies written on forms DP-1, DP-2 and DP3.

HO = (3-43) Number of homeowner policies in force at the end of the period. Include homeowner policies that meet the definition of a homeowner policy as defined within this document. This would typically include policies written on forms HO-1, HO-2, HO-3, HO-5, HO-7 and HO-8.

Renter = (3-44) Number of tenant/renter/condo policies in force at the end of the period. Include tenant/renter/condo policies that meet the definition of a tenant/renter/condo policy as defined within this document. This would typically include policies written on forms HO-4 and HO-6.

All Other = (3-45) Number of all other residential property policies in force at the end of the period. Include other policies that meet the specifics of MCAS reporting, but that do not fall into one of the categories requested in questions 3-42, 3-43 and 3-44. If your company only writes policies that fall into the forms specified for questions 3-42, 3-43 and 3-44, this number will be 0.

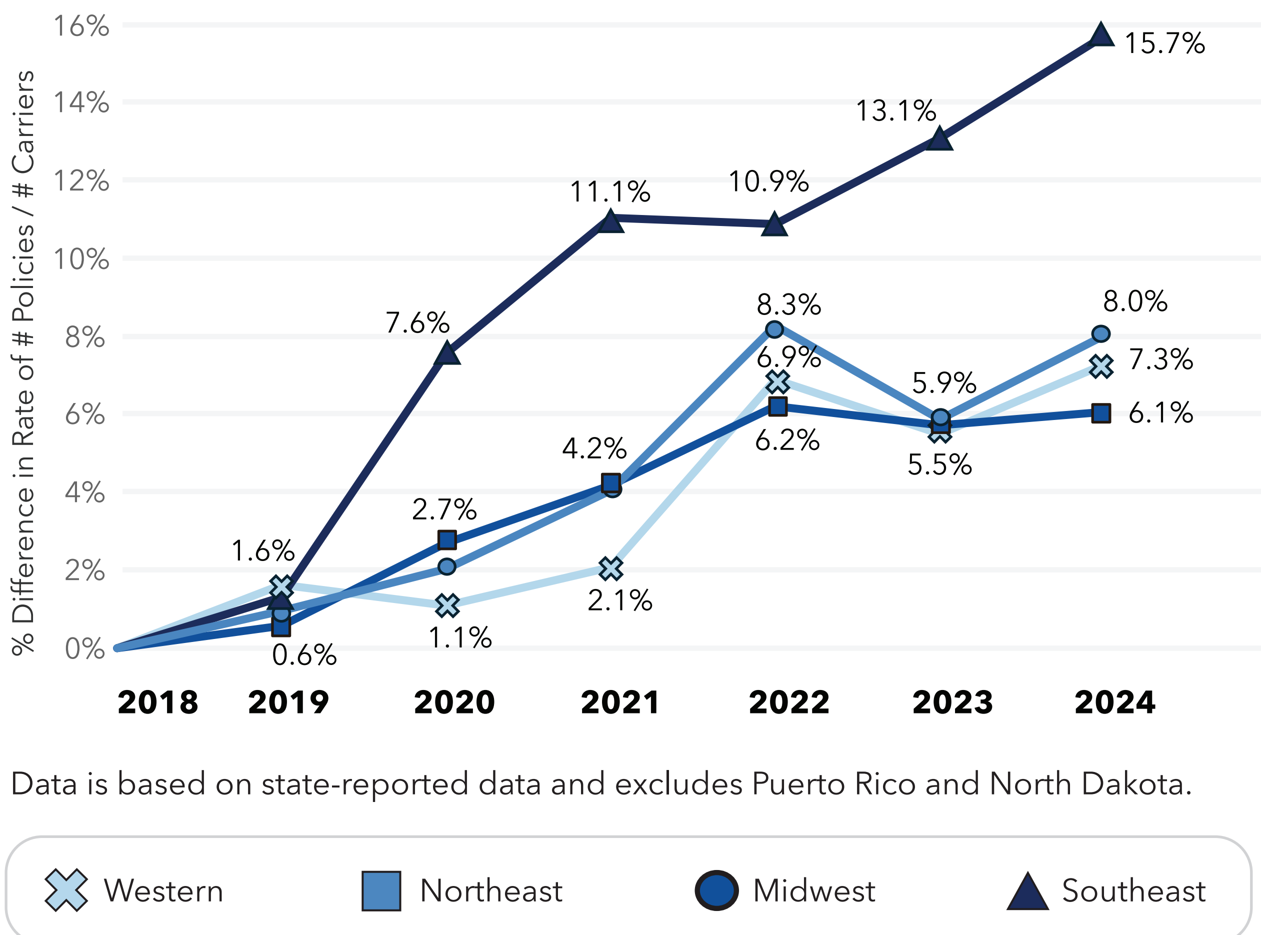
As described in the previous section, homeowners companies that write policies in more states generally write more policies and generate more direct premium written across all four NAIC zones. In 2024, we see that companies writing in 15 or more states are roughly 61% to 75% of each zone's total homeowners policies in force. Although state-by-state writers make up a larger share of companies in each zone—66% to 71% in 2024)—they still account for a substantial share of the market, underwriting approximately one-third of the total homeowners policies in force in each zone.

Table 2. Percent of each Zone's HO policies in-force by Company Geographical Diversity

Reporting Year	Number of States Writing Coverage	Midwest	Northeast	Southeast	Western
2024	1 to 14	25.1%	38.3%	39.3%	35.1%
	15 to 30	20.4%	8.5%	9.1%	11.3%
	> 30	54.5%	53.2%	51.6%	53.6%
Grand Total		**100.0%**	**100.0%**	**100.0%**	**100.0%**

Combining the policy-in-force data with the number of companies operating in each zone, as described in the previous section, allows us to determine a relative carrier concentration ratio equal to the total number of policies in force divided by the total number of homeowners companies. In 2024, this policy-to-company ratio was 107,600 policies written per company in the Western Zone, 75,900 in the Midwest Zone, 78,500 in the Southeast Zone, and 49,300 in the Northeast Zone. Until 2023, this ratio had been growing across all four zones since 2018, indicating that, on average, more policies are being written by any one carrier participating in the homeowner property insurance market for that zone. So, in general, homeowner property insurance markets are becoming more concentrated as the number of companies operating has decreased slightly or remained relatively constant from 2018 (roughly 1.47% on average) compared to the increased percentage growth in policies in force from 2018 (roughly 7.13% on average).

Figure 7. Percent Change in the Ratio of Homeowners Policies In Force to Homeowners Companies, 2018–2024



Data is based on state-reported data and excludes Puerto Rico and North Dakota.

Although homeowner property insurance markets are generally becoming more concentrated, this is not true for every company operating in that market. To better understand this individual company policies-in-force market concentration dynamic, we look in detail first at the underwriting consistency and policy growth of companies operating in the Northeast Zone as an illustrative example. During the period of 2018 to 2024, there were 370 total unique companies that wrote homeowners policies in the Northeast Zone. Of these, 263 companies (71%) wrote homeowners policies in at least one Northeast Zone state in each of the seven years.[17]

[17]At some point during the seven-year homeowners property insurance market time frame from 2018 to 2024, 61 companies left the Northeast Zone homeowner property insurance market completely, while 56 companies entered it.

Of the 263 companies that wrote homeowners policies in at least one Northeast Zone state in each of the seven years, more than half (54%) decreased their total number of policies written in the Northeast Zone by 38% on average from 2018 to 2024. In comparison, the other 122 companies that increased their total policies in force in the Northeast Zone during this same time period increased them on average by nearly 60%.

Table 3. Northeast Zone Company Policy-In-Force Consistency, 2018–2024

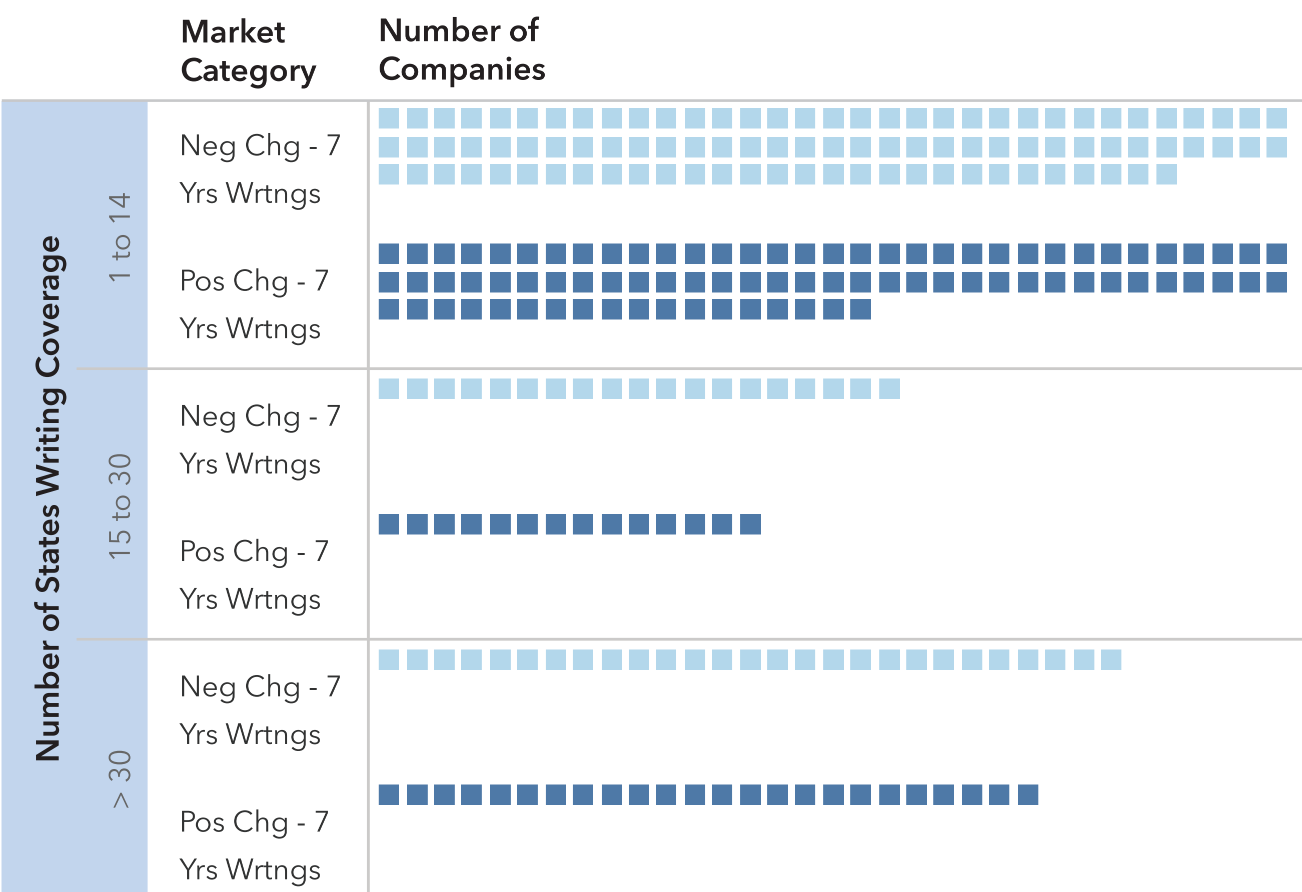
Northeast Zone Company Consistency	Count	Average of Percent Growth
2018-2024 time frame	263	8.8%
Decrease in total policies	141	-38.7%
Increase in total policies	122	60.0%

We can further see that the companies increasing their overall Northeast Zone policy counts tend to be more state-by-state oriented companies, those writing in 14 states or less, or the national carriers. For example, we know that in 2024, there are 54 companies operating in the Northeast Zone that write homeowners policies in 31 or more states, including the 11 states of the Northeast Zone where we have MCAS data.[18] Fifty-one of these 54 national companies wrote in at least one Northeast Zone state for all seven years, and three initiated writing business over the course of the data set. Twenty-four of these 51 national companies (47%) increased their total Northeast Zone policy counts during the seven-year period, whereas the other 27 companies decreased their total Northeast Zone policy counts. By comparison, 179 of the 217 state-by-state companies—those writing in one to 14 states countrywide—wrote policies in at least one Northeast Zone state in each of the seven years.[19] Of the 179 state-by-state companies that wrote in the Northeast Zone for all seven years, 47% increased their total Northeast Zone policy counts during 2018 to 2024.

[18]New York does not provide MCAS data

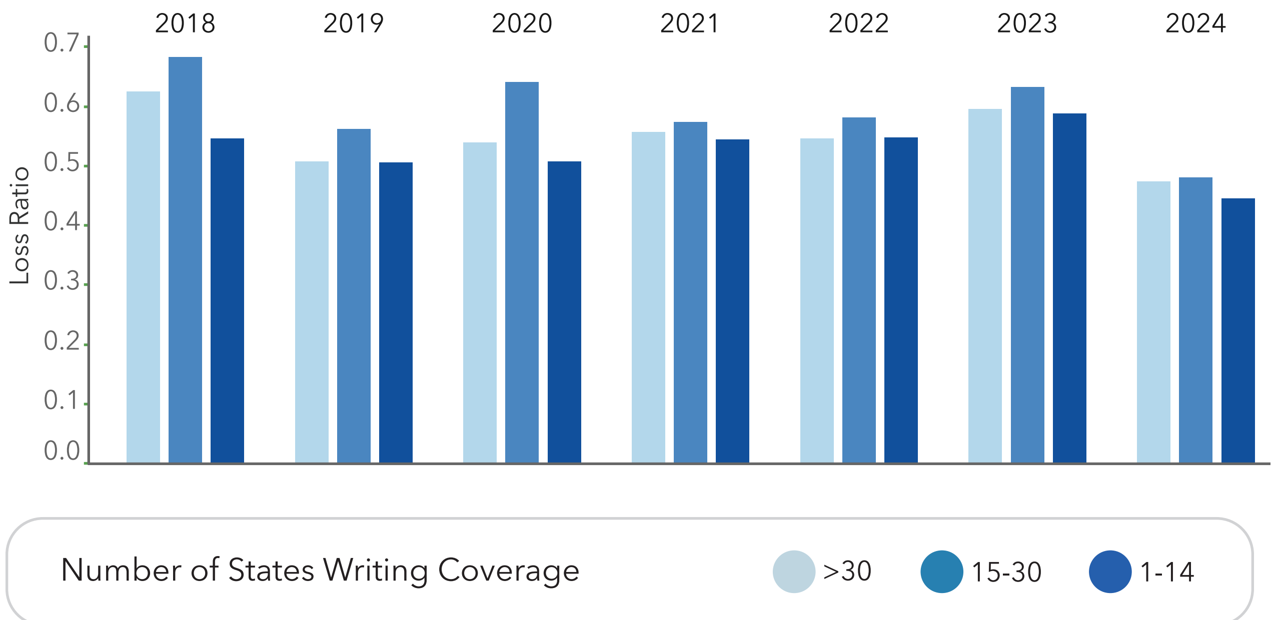
[19]Another 38 companies began writing business in the Northeast Zone during the data period. Two companies that wrote during the full period did not report any Northeast Zone policies for 2022 or 2023, and five companies were excluded because they shifted categories based on the number of states in which they wrote during the data period.

Figure 8. Number of Companies Decreasing or Increasing Total Northeast Zone Policies In Force, 2018–2024



Lastly, for the Northeast Zone, we examine loss ratios—the ratio of incurred losses to premiums earned—over time by geographic diversity for companies that consistently wrote homeowners policies from 2018 to 2024. Because MCAS data does not include incurred losses or direct premiums earned, we derive loss ratios by linking each MCAS company code to NAIC financial data to obtain incurred loss amounts to earned premiums. In 2024, $9.02 billion in losses were incurred by all Northeast Zone MCAS homeowners companies that consistently wrote Northeast Zone homeowners policies from 2018 to 2024. When looking at loss ratios by geographic diversity, we find that over time in the Northeast Zone, loss ratios have been slightly higher on average for the middle tier of the market (i.e., regional carriers) than for national and state-by-state carriers. However, all three markets have been fairly consistent from 2021 through 2023, and show improvement for 2024.

Figure 9. Northeast Zone Loss Ratios Over Time by Company Geographic Diversity



For the other three zones, 267 companies in the Midwest Zone, 282 in the Southeast Zone, and 245 in the Western Zone wrote homeowners policies in at least one state in their respective zones in each of the seven years. In each zone, more than half of those companies decreased their total number of policies written from 2018 to 2024: 55% in the Midwest Zone, 54% in the Southeast Zone, and 55% in the Western Zone. For these three other zones, we see similar results to the Northeast Zone in that homeowners companies increasing zone policy counts during the period of 2018 to 2024 tend to be those companies that are more state-by-state oriented—writing in 14 states or less. For example, in the Midwest Zone, 21 of their 51 national companies (41%) writing homeowners policies in 31 or more states increased their total Midwest Zone policy counts over the seven-year period, whereas the other 30 national companies decreased their total Midwest Zone policy counts. Comparatively, we see that 79 of the 176 (45%) state-by-state writers that wrote in at least one Midwest Zone state for all seven years increased their total Midwest Zone policy counts from 2018 to 2024.

Figure 10. Number of Companies Decreasing or Increasing Total Midwest Zone Policies In Force, 2024

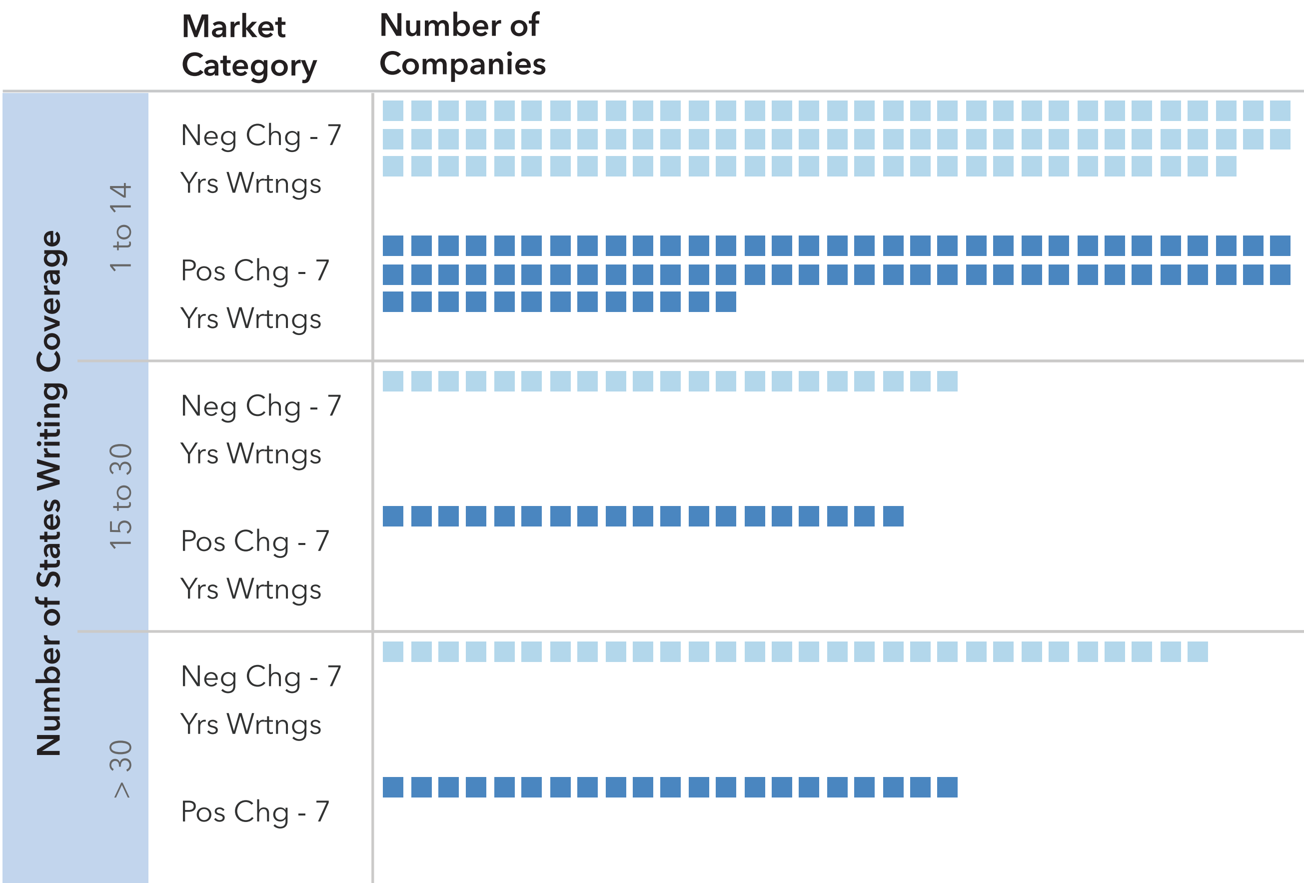


Figure 11. Number of Companies Decreasing or Increasing Total Southeast Zone Policies In Force, 2024

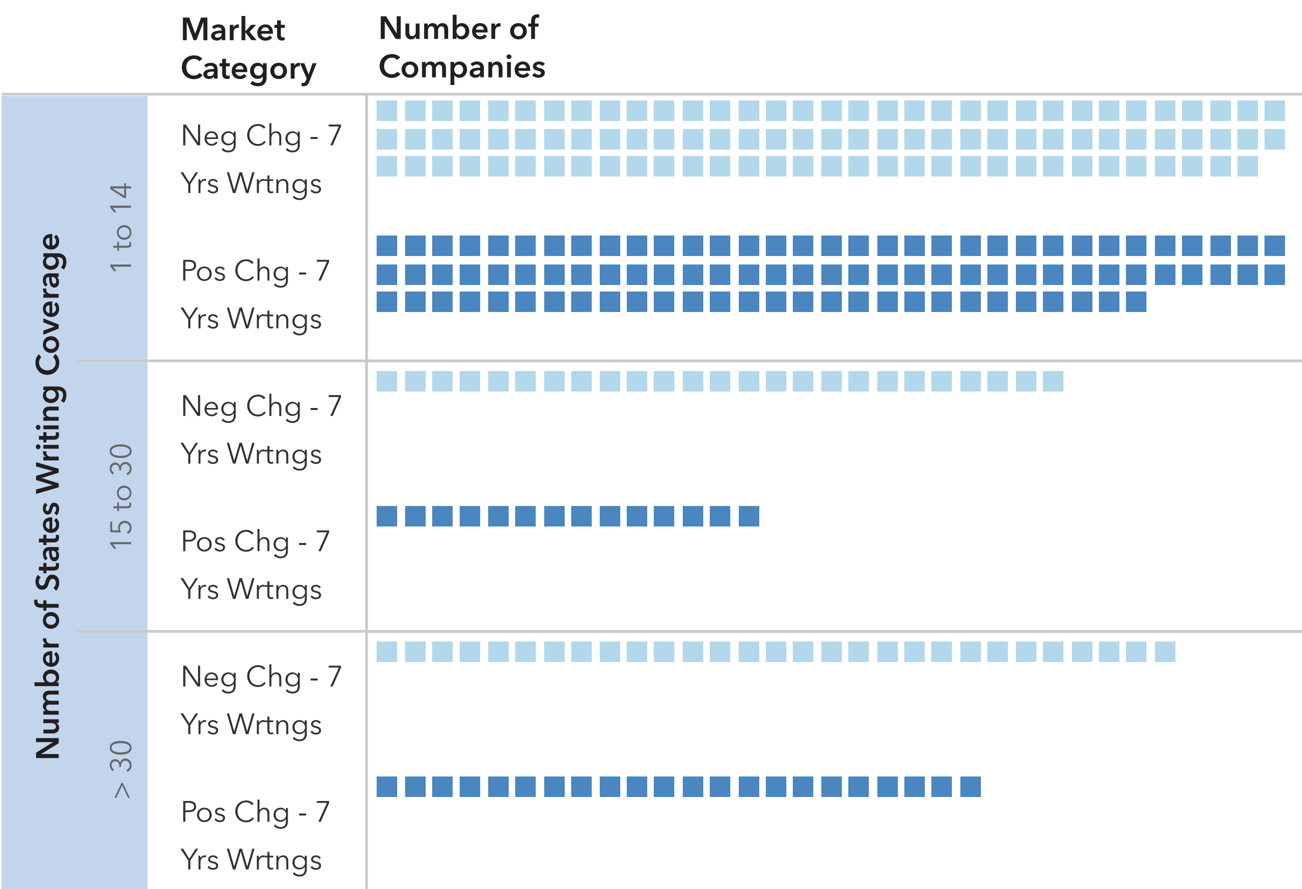
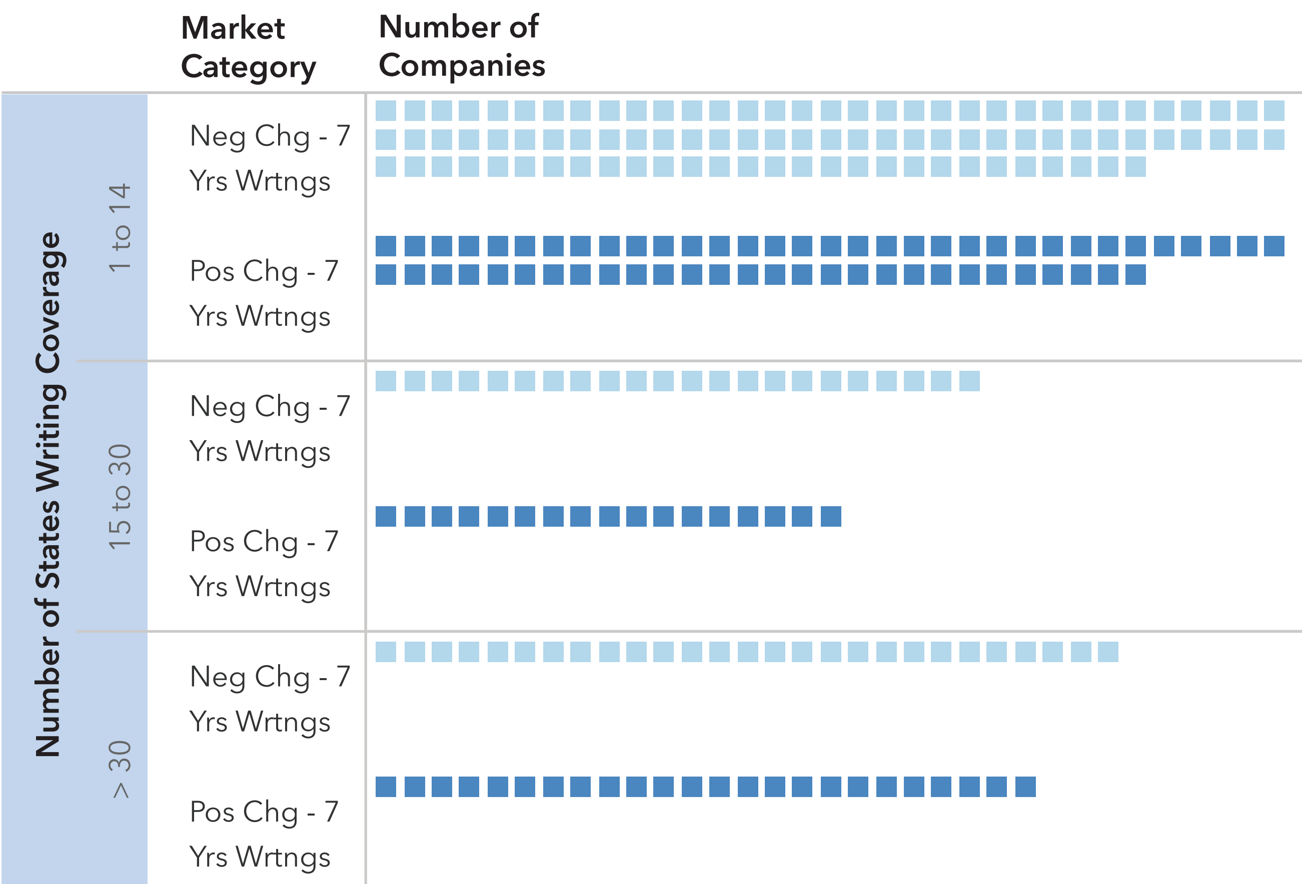


Figure 12. Number of Companies Decreasing or Increasing Total Western Zone Policies In Force, 2024



For the other three zones, we examined loss ratios for homeowners companies that consistently wrote policies in each zone from 2018 to 2024. In the Midwest Zone, loss ratios increased from 2018 to 2023, but the increase was slower for national writers. Regional and state-by-state companies had similar overall increases during that time frame. In the Western Zone, loss ratios for regional and state-by-state homeowners writers have been in line with the larger national companies operating in that zone, often lower. In the Southeast Zone, however, we find no consistent trend with respect to loss ratios and the number of state holdings.

Figure 13. Midwest Zone Loss Ratios Over Time by Company Geographic Diversity

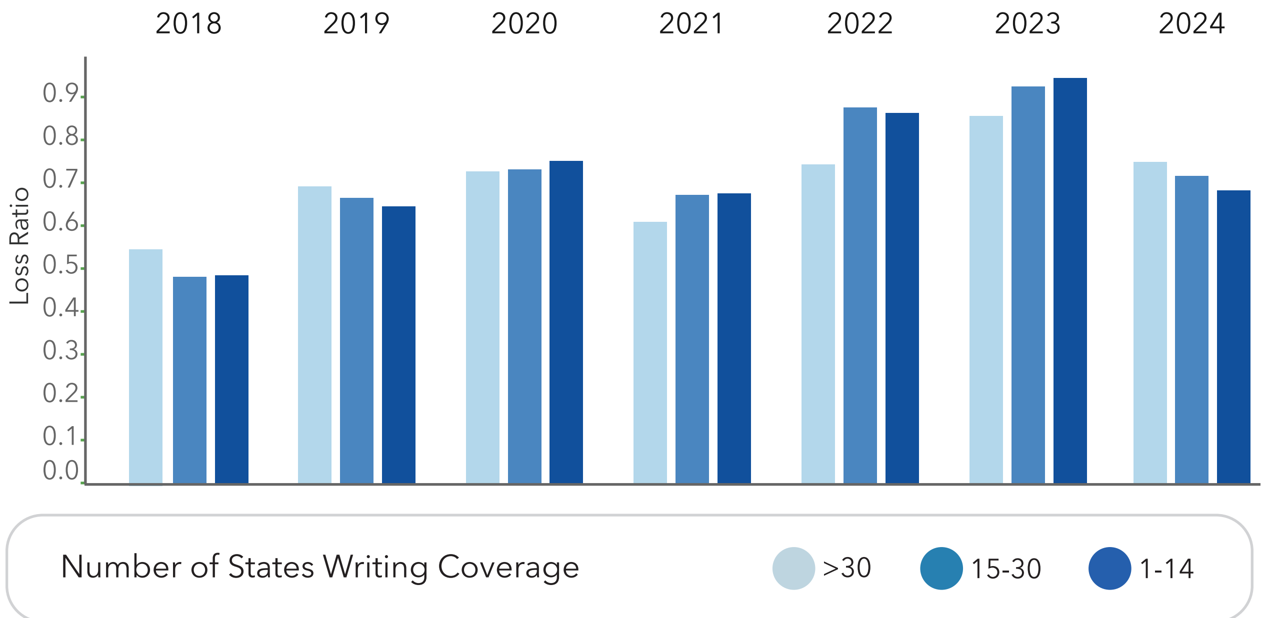


Figure 14. Southeast Zone Loss Ratios Over Time by Company Geographic Diversity

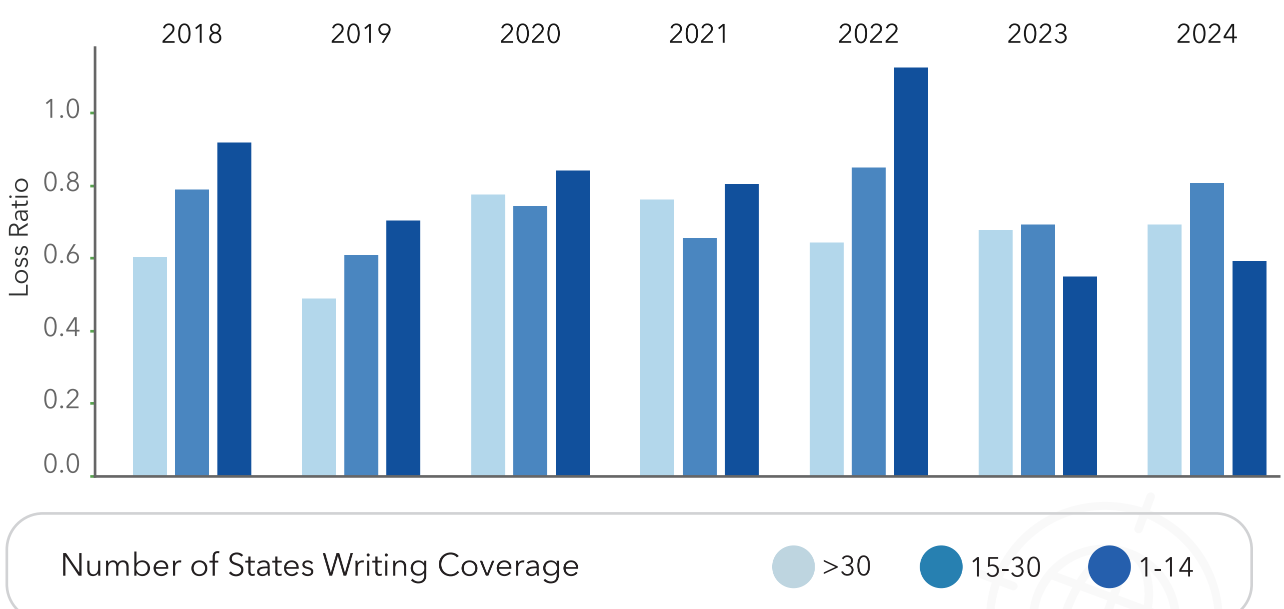
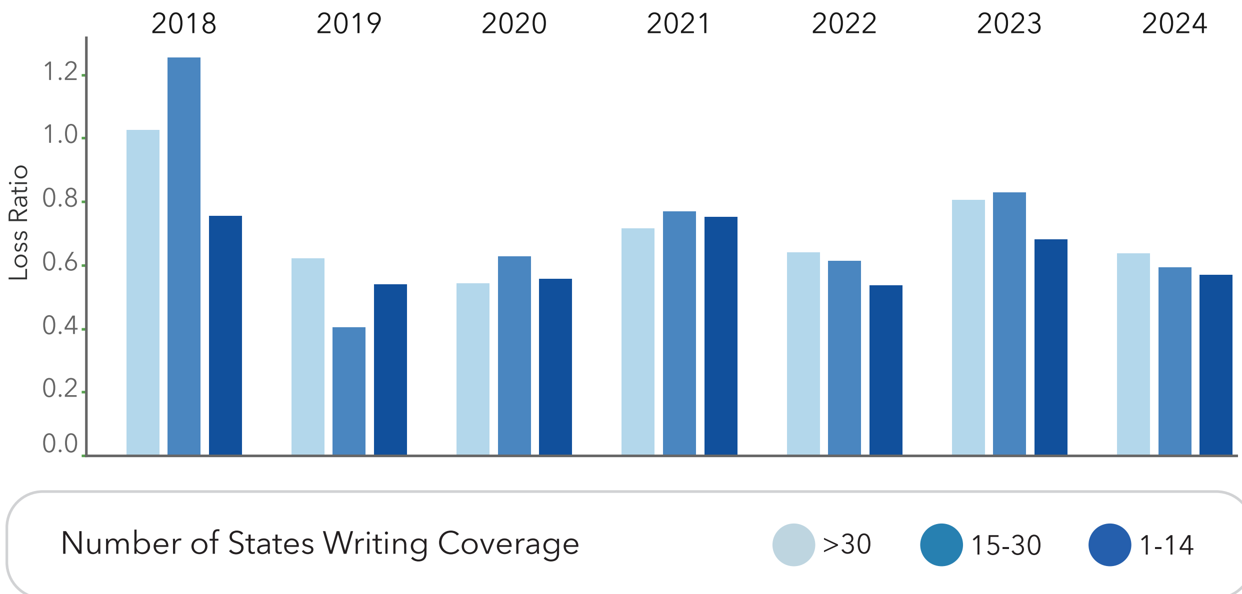


Figure 15. Western Zone Loss Ratios Over Time by Company Geographic Diversity



While we have been able to use the state-level MCAS data to highlight homeowners policy growth from 2018 to 2024 and how homeowners companies have absorbed this growth, the ZIP-code-level homeowner property insurance market data call will allow for a more granular assessment of where—and which—companies are increasing and decreasing policy counts.

HOMEOWNERS PREMIUMS

In 2024, the 715 homeowners companies writing 103,289,334 policies in force across the U.S. generated $165.2 billion in direct premium written, or an average of $1,600 per policy. Given that the Western and Southeastern Zones combined represent almost 60% of the total policies in force, it is not surprising that they also represent the majority of total direct premium written at a combined 65% of total premium ($54.4 billion and $52.1 billion, respectively). From an average premium per policy perspective, the Southeast Zone average premium per policy is the largest at $1,818, with the Northeast Zone the lowest at $1,396.

Figure 16. Homeowners Direct Premium Written, 2024 (B = billions)

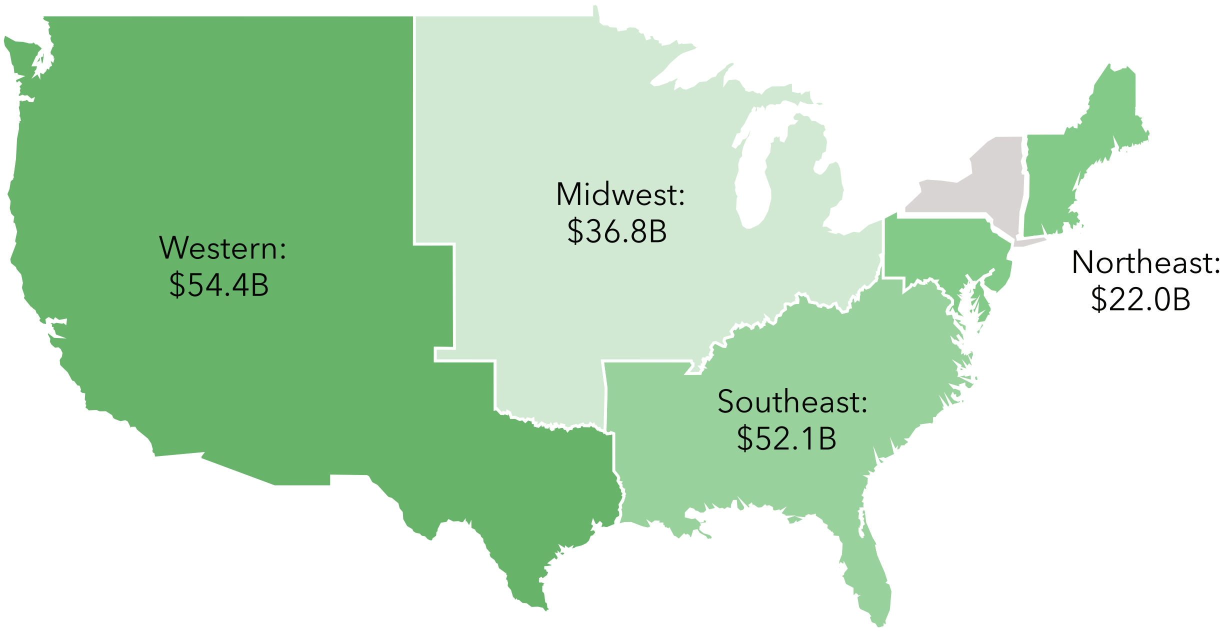
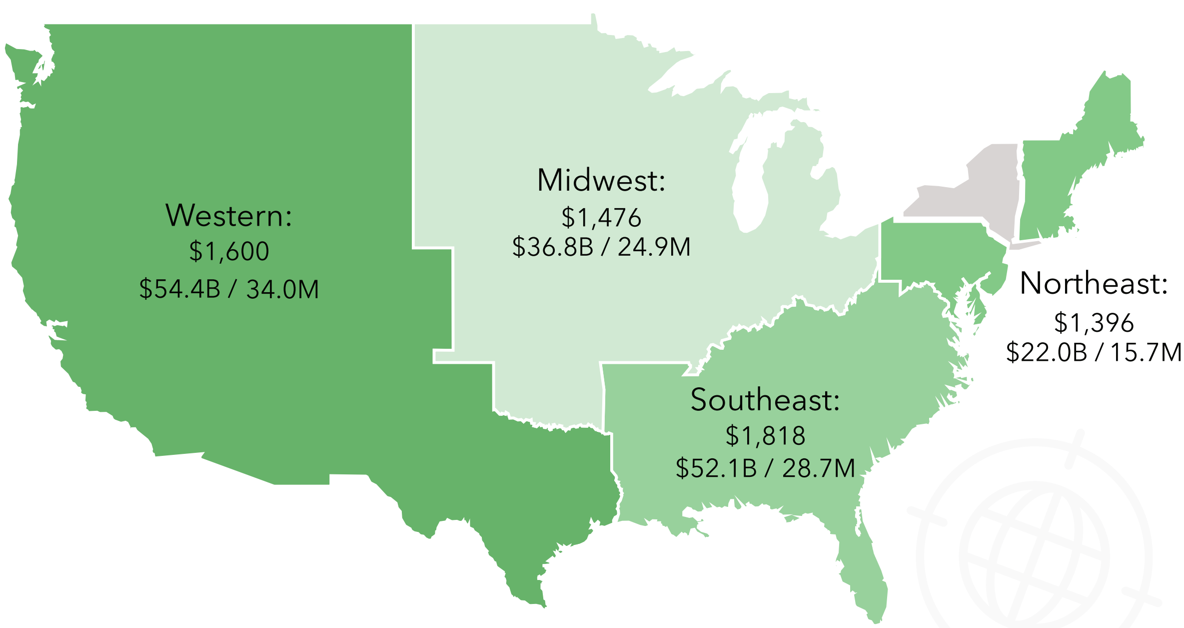
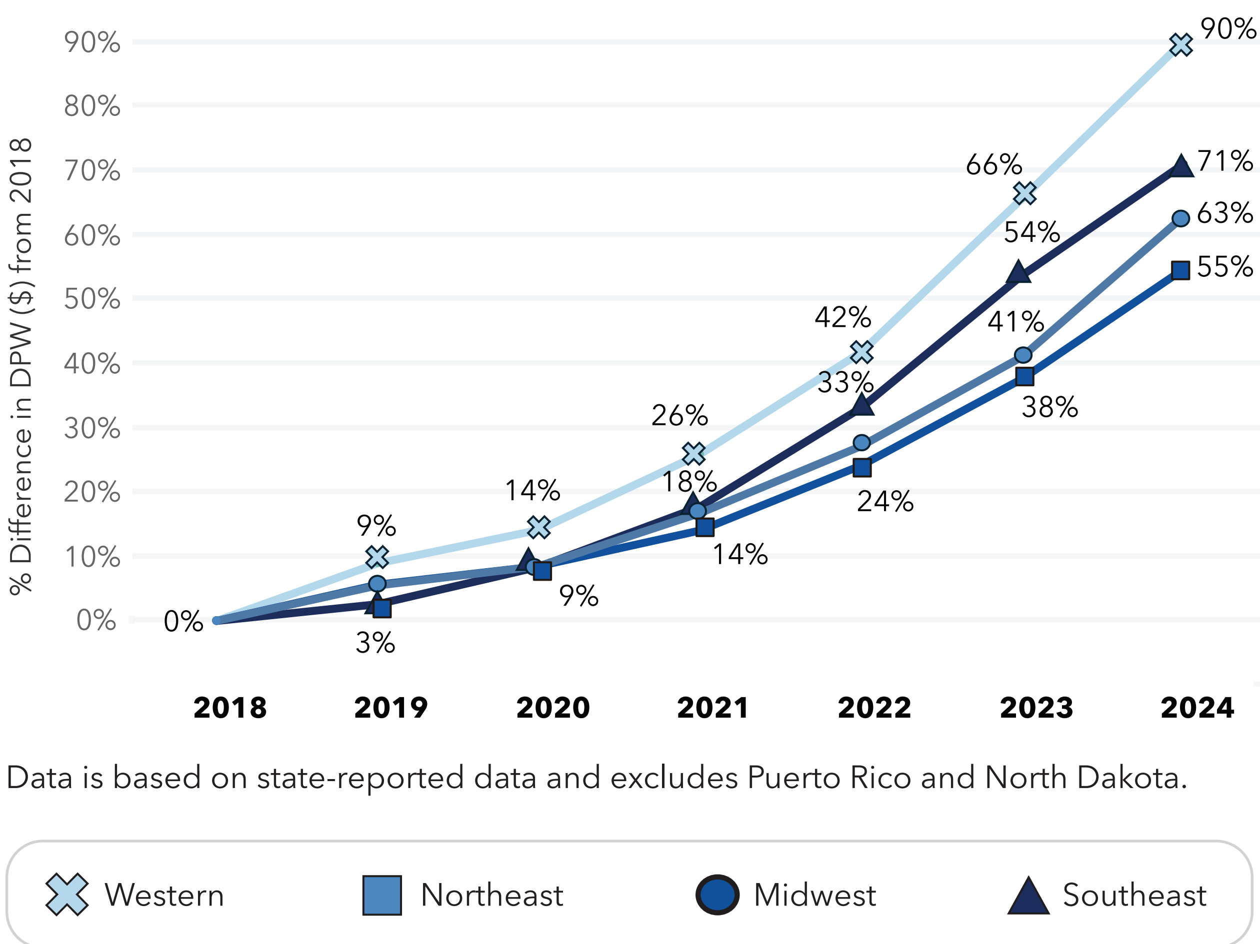


Figure 17. Homeowners Average Premium per Policy, 2024 (B = billions; M = millions)



Since 2018, the total direct premium written has been increasing across all zones, ranging from a 55% increase in the Northeast Zone to a 90% increase in the Western Zone. Total direct premium written increases during this period were most significant in 2023 and 2024.

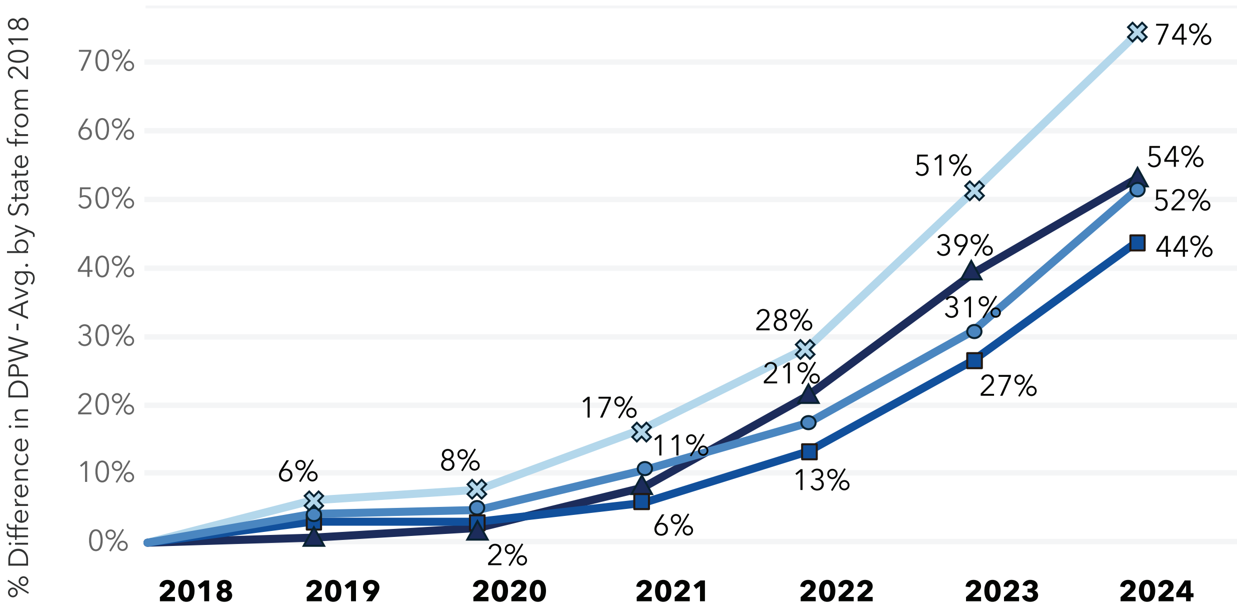
Figure 18. Percent Change in Overall Direct Premium Written, 2018–2024



Data is based on state-reported data and excludes Puerto Rico and North Dakota.

We see a similar average premium-per-policy increase over time since 2018 for all NAIC zones. Percentage increases since 2018 range anywhere from 44% in the Northeast Zone to 74% in the Western Zone. Again, average premium-per-policy increases during this period were most significant in 2023 and 2024.

Figure 19. Percent Change in Average Direct Premium Written per Policy, 2018–2024

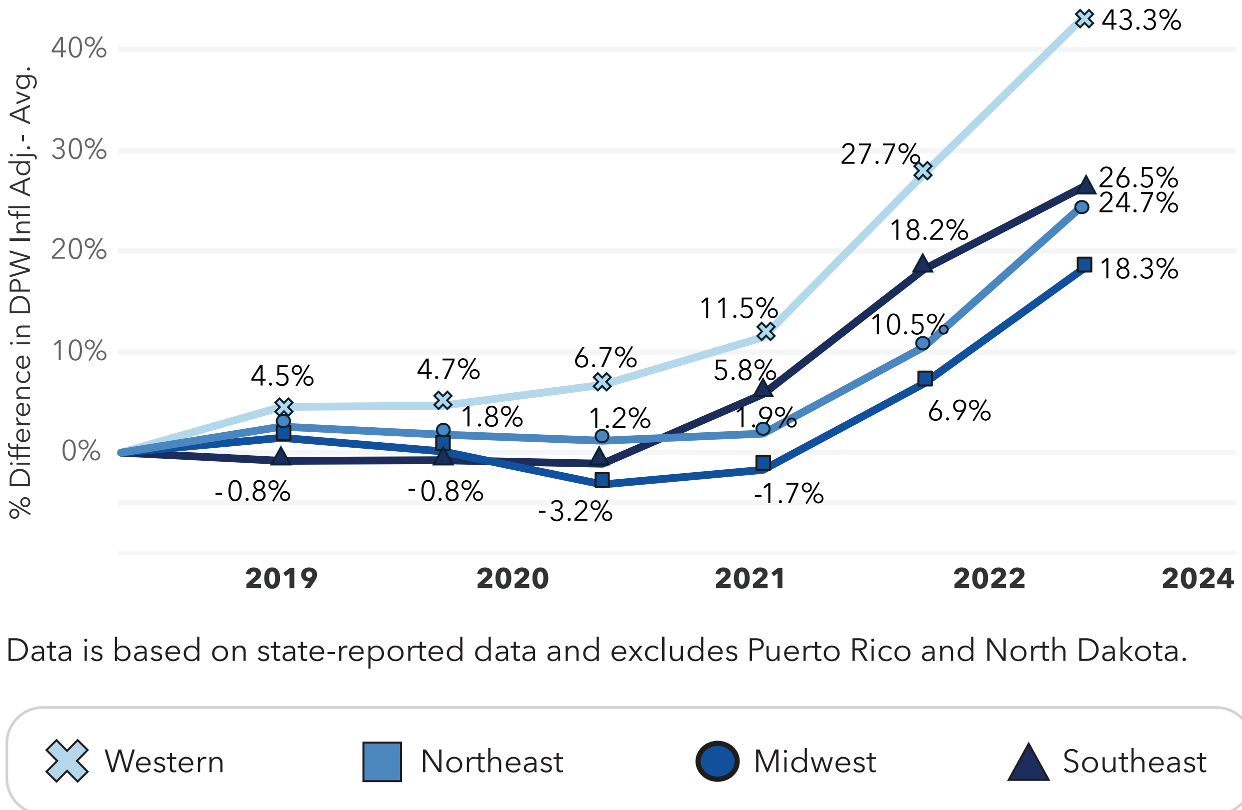


Data is based on state-reported data and excludes Puerto Rico and North Dakota.

Western Northeast Midwest Southeast

It is important to consider, however, that these direct premium written values are nominal values as they were reported in the year they occurred. Therefore, to properly compare these premium values over time, they must be adjusted for inflation and put into real terms. Moreover, during 2018 to 2024, general U.S. price inflation was increasing at a fairly significant historical rate, especially from 2021 to 2023. We adjust direct premium written to 2025 values using the Personal Consumption Expenditure Price Index. Given this inflation adjustment, the average premium per policy increases over time become more muted. In real terms, we see that average direct premium written percentage increases since 2018 range anywhere from 18.3% in the Northeast Zone to 43.3% in the Western Zone. In real terms, average premium per policy increases during this period were most significant during 2023 and 2024.

Figure 20. Percent Change in Average Direct Premium Written per Policy – Inflation Adjusted to 2025 Values, 2018–2024



Data is based on state-reported data and excludes Puerto Rico and North Dakota.

While the percentage increases resulting from this inflation adjustment are not as severe as the non-inflation-adjusted values shown earlier, the premium increases incurred are still nontrivial actual cash payments that policyholders have outlaid during this time period. Further, we only have zone-level aggregated market values; it is likely that there are localized areas where premiums have risen much faster than shown regionally. In addition, it is quite possible that some policyholders have reduced coverage in the face of higher premiums or moved from standard deductibles to percent-of-value deductibles, which would likely show up in the data as a decrease or no change in premium, given this coverage-to-premium trade-off. These critical underlying aspects to the MCAS data highlight the importance of the complementary ZIP-code-level homeowner property insurance market data call data being collected that will allow for a more granular geographic assessment, in addition to data on such things as deductible levels, for example.

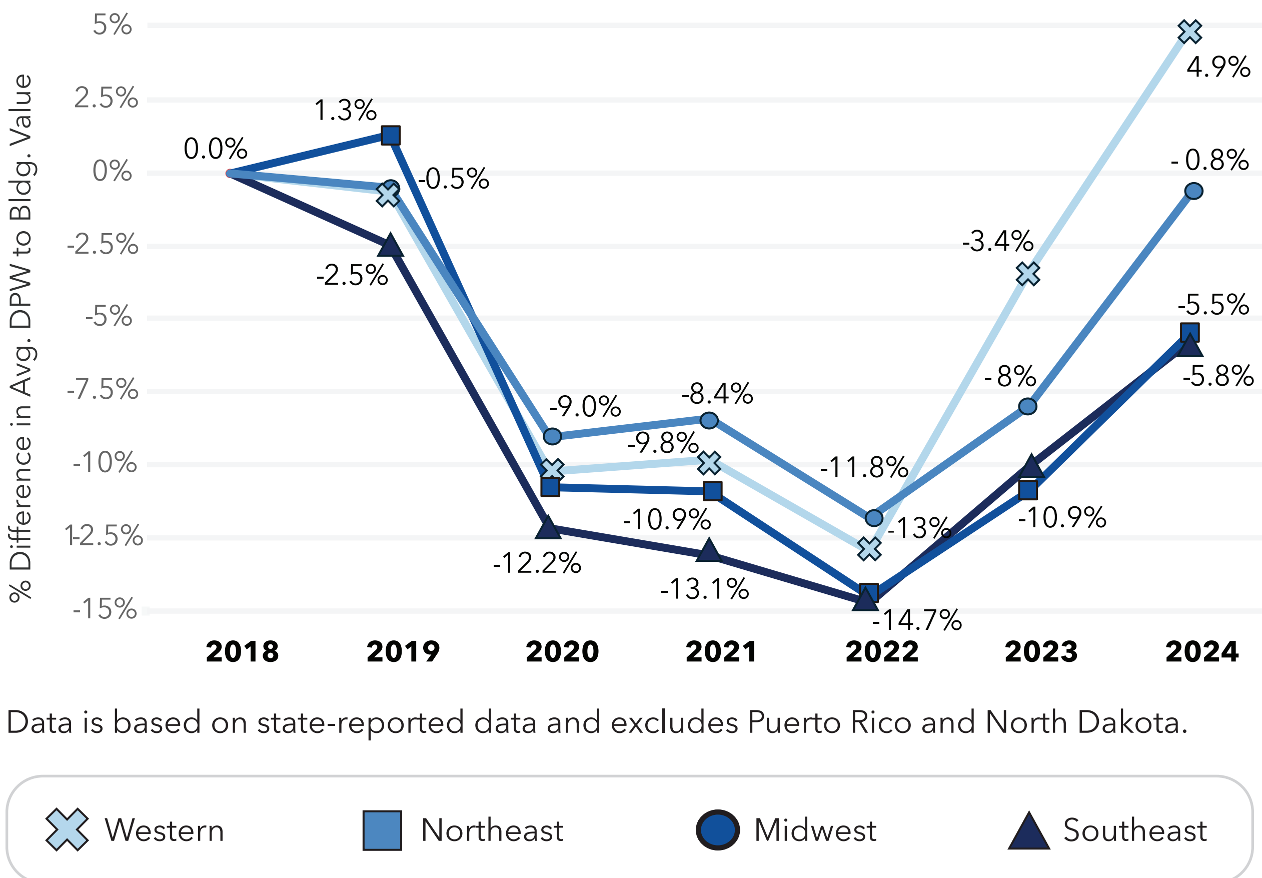
In addition to adjusting premium values to real terms, we also normalize premium values with home values, which serve as a proxy for insurance coverage amounts. For each state from 2018 to 2024, we calculate an effective homeowners rate by dividing the average premium per policy in that by the state's median house value. Median house values are based on the American Community Survey (ACS) for 2018, 2019, 2021, 2022, 2023, and 2024. Because 2020 data was not available, we estimated 2020 values by multiplying the 2019 values by the change in the state House Price Index (HPI) from 2019 to 2020. Compared with the 2018 baseline, average effective homeowners insurance rates mostly decreased from 2018 to 2024. This is because national median home values rose faster than average premiums during that period[20]: 56%[21] compared with premium increases ranging from 18% to 43%, as noted above. For the period of 2018 to 2022, we also note that our derived effective rates are comparable to average effective homeowners insurance rates generated by Freddie Mac, as well as in line with decreases the mortgage finance company finds during this time period.[22] However, while the 2024 overall average effective homeowners insurance rate relative to the 2018 baseline is still -2.2%, there is significant variance across zones. In the Northeast and Southeast Zones, average effective rates remained below the 2018 baseline in 2024, at -5.5 % and -5.8%, respectively. However, rates in both zones began trending upward in 2023. In the Western Zone, average effective rates exceeded the 2018 baseline by 4.9%. In the Midwest Zone, average effective rates nearly returned to the 2018 baseline, ending 2024 at -0.8%.

[20]A similar view of home affordability driver decomposition is shown by the Atlanta Federal Reserve with median sales prices outpacing property insurance as drivers of home affordability and unaffordability: www.atlantafed.org/research/data-and-tools/home-ownership-affordability-monitor#Tab1

[21]2018 median home value of $229,700 and 2024 median home value of $360,600. Data sourced from www2.census.gov/programs-surveys/acs/summary_file/ and www.census.gov/library/visualizations/2025/demo/homeownership-2024.html

[22]www.freddiemac.com/research/forecast/20240320-us-economy-remains-robust

Figure 21. Change in Average Effective Homeowners Insurance Rate Equal to Annual Premium per $1,000 of Home Value, 2018–2024



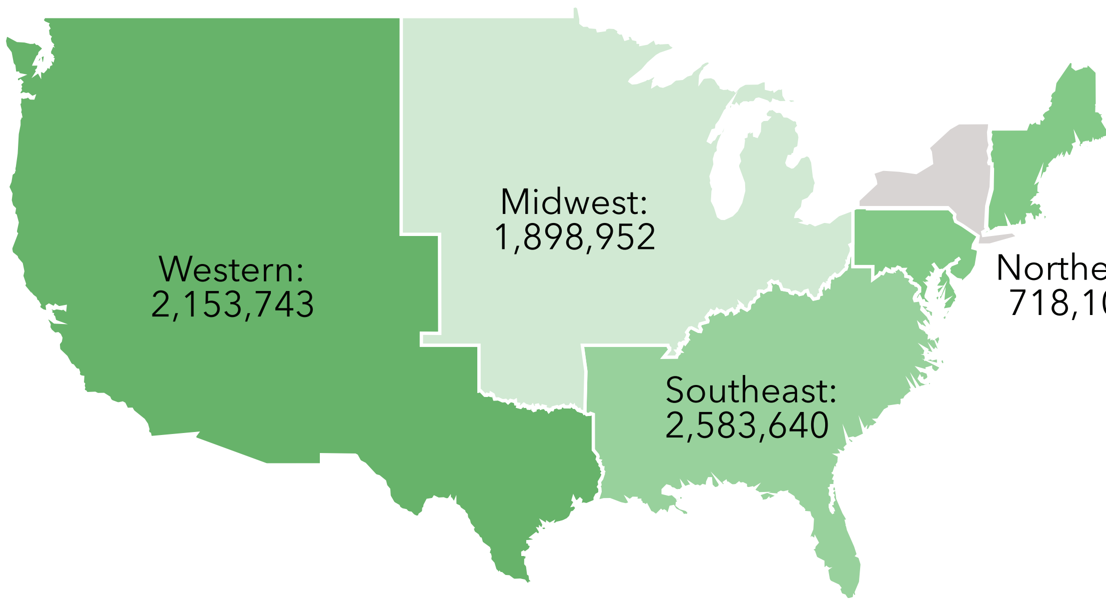
Data is based on state-reported data and excludes Puerto Rico and North Dakota.

No matter the amount of homeowners premium being paid, ultimately, the premium paid by policyholders represents a contract with the homeowners insurer that promises homeowners insurance companies will indemnify policyholders when a claim is filed. We turn next to understanding claims closed with payment during the period.

HOMEOWNERS CLAIMS

According to the MCAS data, 7,354,437 claims closed with payment were processed nationwide in 2024. Thirty-five percent of these closed claims were incurred in the Southeast Zone, 29% in the Western Zone, and 26% in the Midwest Zone. The Northeast Zone only represents 10% of closed claims.

Figure 22. Homeowners Claims Closed with Payment by NAIC Zone, 2024



Because not all policyholders incur claims during any one year, we normalize the claims data for the total number of policies in force to get a rate of claims closed with payment per 1,000 policies in force. When viewed from this perspective, the Southeast and Midwest Zones had the highest rates of claims, at 90.1 and 76.2 claims closed per 1,000 policies, respectively. The Western and Northeast Zones had lower rates, at 63.4 and 45.7 claims closed per 1,000 policies, respectively—roughly 17% to 50% below the Southeast and Midwest rates. We also compared the 2024 claims closed data by the number of states in which companies are operating nationwide. From this view of the data, we see that in the Western Zone, the larger national carriers have higher rates of paid claims per 1,000 policyholders, whereas in the other zones, the regional and state-by-state writers have some of the larger rates.

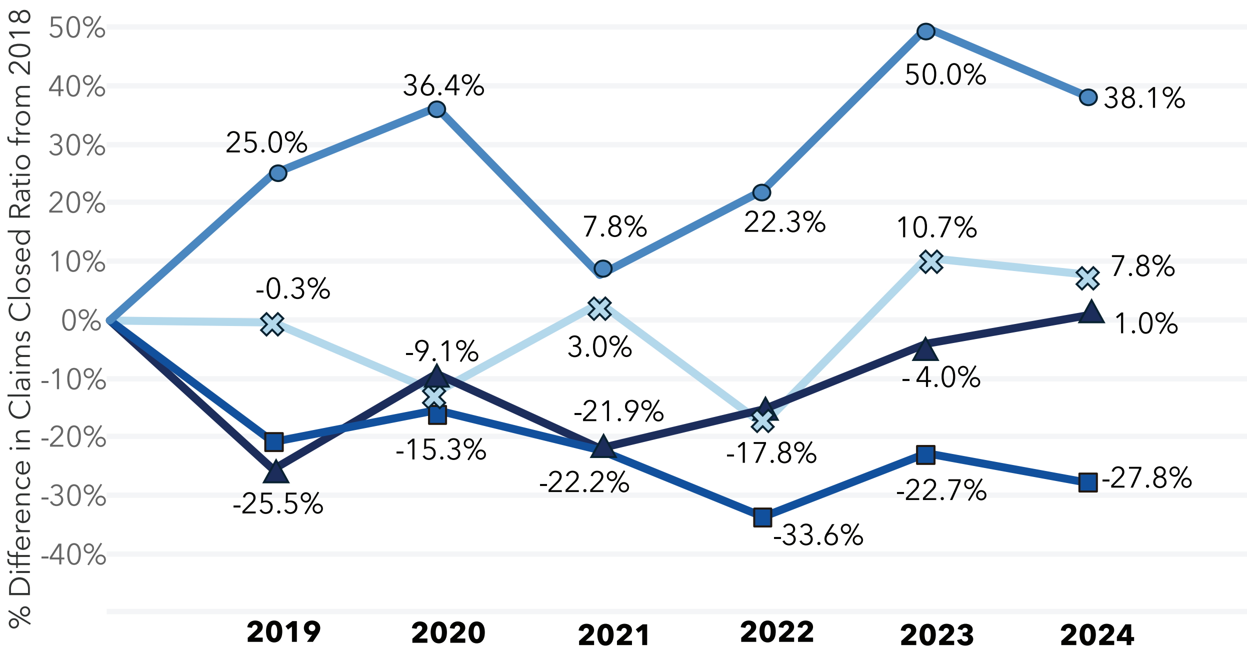
Table 4. Homeowners Claims Closed With Payment per 1,000 Policies In Force, 2024

NAIC Zone	Number of States Writing Coverage	Claims Closed With Payment	Policies In Force at End of Period	Claims Closed With Payment Per 1,000 Policies
Midwest	1 to 14	418,116	6,240,850	67.0
	15 to 30	465,568	5,086,942	91.5
	> 30	1,015,268	13,579,896	74.8
	Total	**1,898,952**	**24,907,688**	**76.2**
Northeast	1 to 14	275,664	6,029,064	45.7
	15 to 30	63,266	1,323,918	47.8
	> 30	379,172	8,373,577	45.3
	Total	**718,102**	**15,726,559**	**45.7**
Southeast	1 to 14	1,093,671	11,271,263	97.0
	15 to 30	241,800	2,593,395	93.2
	> 30	1,248,169	14,802,584	84.3
	Total	**2,583,640**	**28,667,242**	**90.1**
Western	1 to 14	709,318	11,939,949	59.4
	15 to 30	219,517	3,821,528	57.4
	> 30	1,224,908	18,226,368	67.2
	Total	**2,153,743**	**33,987,845**	**63.4**
Grand Total		**7,354,437**	**103,289,334**	**71.2**

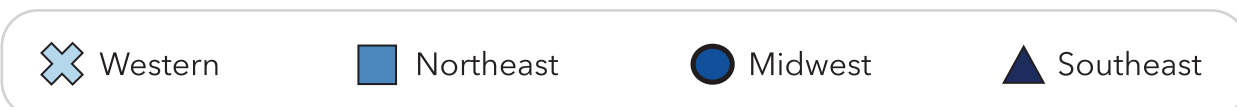
Since 2018, these claim frequency rates—measured as claims closed with payment per 1,000 policies in force—have fluctuated significantly from year to year. However, in 2023, there was a notable increase in claims for all zones, followed by a leveling off or reduction in growth rates in 2024 for all zones except the Southeast Zone. Catastrophe (CAT) claims have affected overall claims ratios, as shown by the outsized role that severe convective storms have played in terms of losses incurred by homeowners insurers in the Midwest since 2021.[23]

[23] www.ajg.com/gallagherre/-/media/files/gallagher/gallagherre/news-and-insights/2024/january/natural-catastrophe-and-climate-report-2023.pdf;

Figure 23. Percent Change in Claims Closed With Payment Per 1,000 Policies, 2018–2024

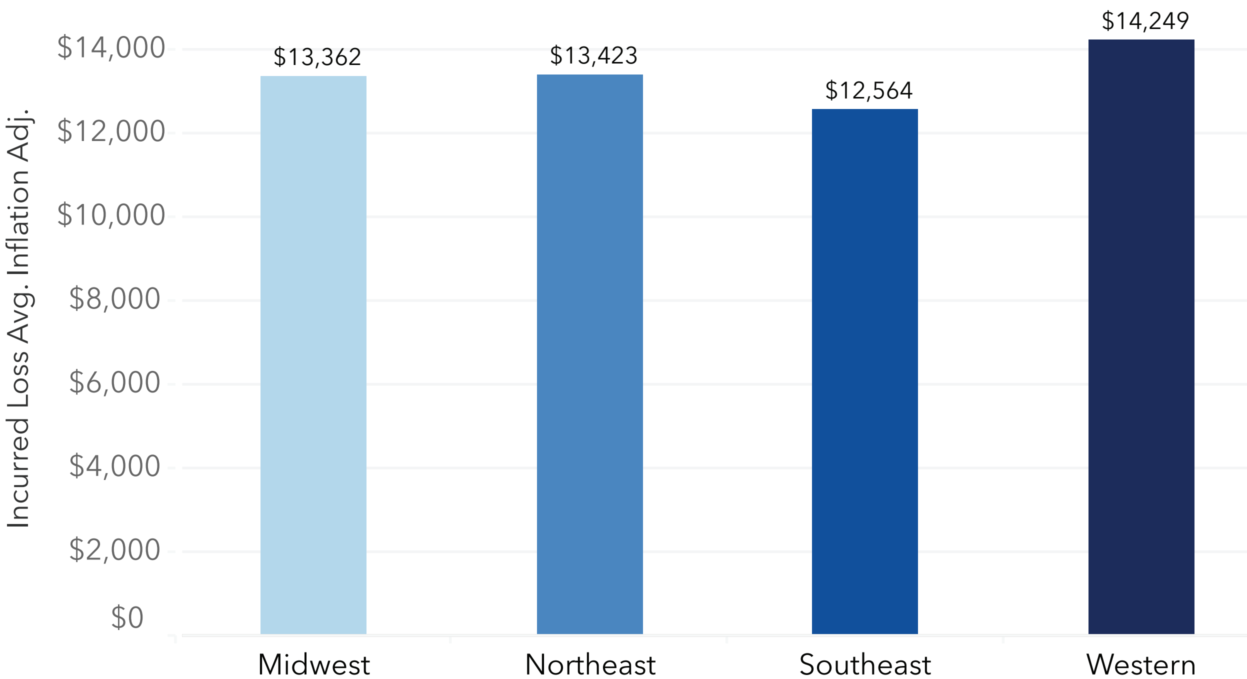


Data is based on state-reported data and excludes Puerto Rico and North Dakota.



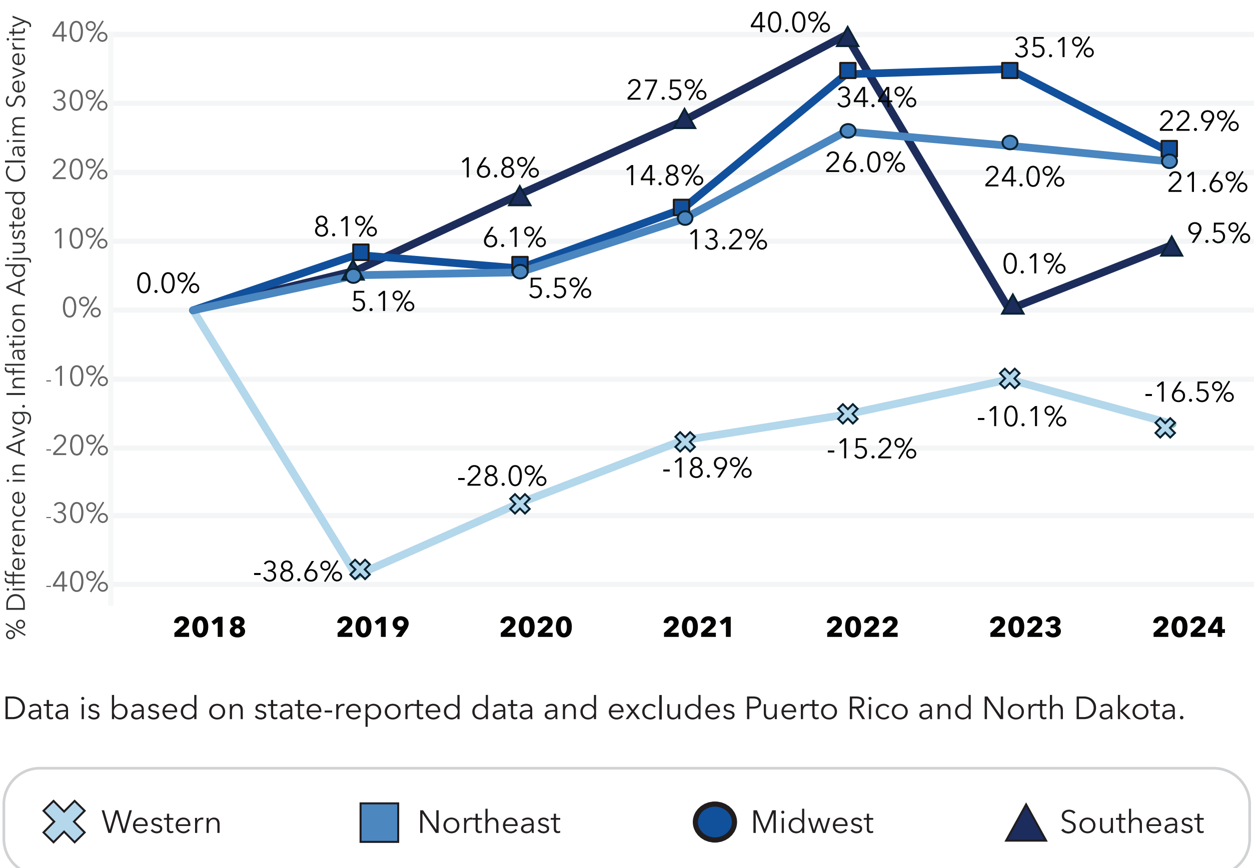
Although the MCAS data does not record claim loss amounts, we can estimate claim severity value by linking each company's MCAS code to NAIC financial data. In 2024, MCAS homeowners companies incurred $98.161 billion in losses . For the 7,354,437 claims closed with payment in 2024, this equates to an inflation-adjusted average claim severity value of $13,349. By zone, average claim severity in 2024 was highest in the Western and the Northeast Zones at $14,249 and $13,423, respectively.

Figure 24. Average Claim Cost by Zone Adjusted to 2025 Values, 2024



Over time, claim severity has generally increased, based on values adjusted to 2025 dollars. Compared with the 2018 baseline, claim severity increased by 21.6% in the Midwest Zone, 22.9% in the Northeast Zone, and 9.5% in the Southeast Zone. In the Western Zone, inflation-adjusted claim severity has remained below its 2018 baseline, which included several large wildfire losses. However, it has been trending upward since 2019. Claim severity reached a peak in 2022 for the Midwest and Southeast Zones, while the Northeast and Western Zones had their highest claims years in 2023.

Figure 25. Percent Change in Average Claim Severity, 2025 Dollar Values, 2018–2024



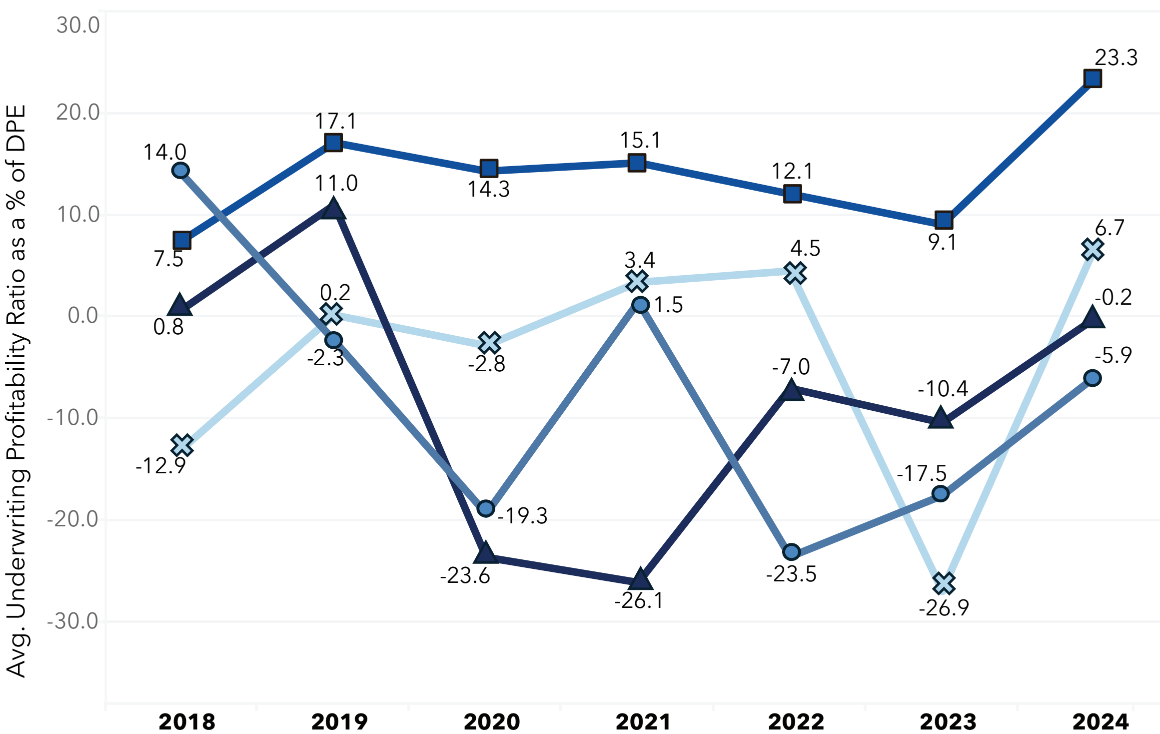
Data is based on state-reported data and excludes Puerto Rico and North Dakota.

Rising claim severity during this period has put financial stress on homeowners companies. This is especially true in the Midwest, given that both claim frequency and claim severity have increased relatively significantly since 2018. Next, we consider homeowners company financial performance from 2018 to 2024.

HOMEOWNERS FINANCIAL PERFORMANCE

The NAIC publishes its Report on Profitability by Line by State annually.[24] We examine the homeowners multiple peril results from this report by state and from 2018 to 2024. From 2018 to 2024, homeowners underwriting profit as a percent of direct premiums earned fluctuated significantly year over year in the Midwest, Southeast, and Western Zones. The Midwest Zone was the only zone to show a nearly persistent decline in operating profits since 2018. In 2023, all zones experienced a decline in underwriting profits, followed by a significant increase in 2024, superseding 2022 levels.

Figure 26. Homeowners Underwriting Profit as a Percent of Direct Premiums Earned



Data is based on state-reported data and excludes Puerto Rico and North Dakota.
Note: Zone averages are not weighted by premium, approximate

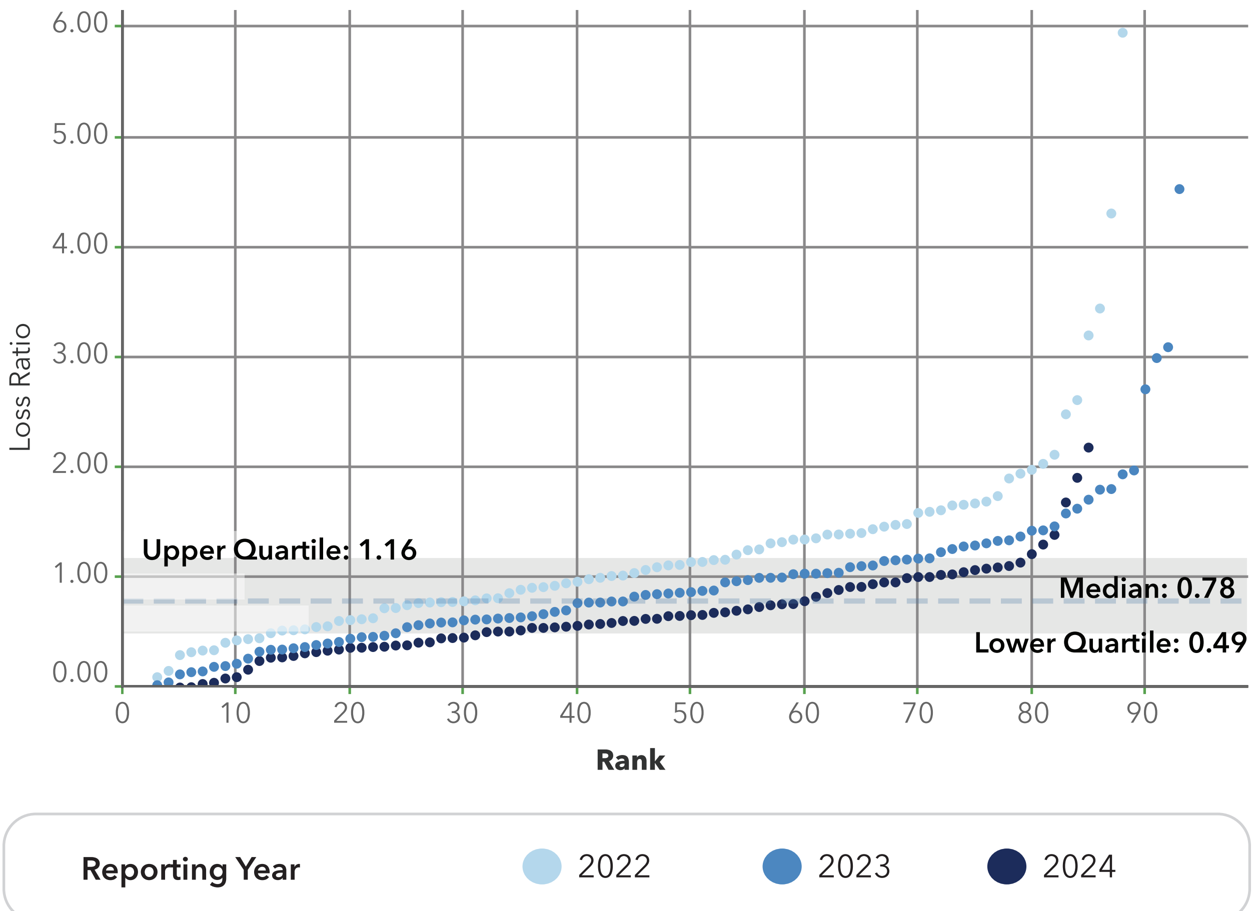
[24]Report on Profitability by Line by State in 2023 - content.naic.org/sites/default/files/publication-pbl-pb-profitability-line-state.pdf. At the time of writing we used unpublished yet NAIC internally available values for 2024.

In the Homeowners Policies section, we presented loss ratios over time by company geographic diversity. Here, we present another view of homeowners loss ratio data in assessing overall financial performance. For example, in 2022, Arkansas, a Southeast Zone state, had a total state loss ratio of 1.20, while Wisconsin, a Midwest Zone state, had a total state loss ratio of 1.16. A state loss ratio greater than 1 indicates that, in that state, total homeowners underwriting losses exceed homeowners earned premiums. In other words, homeowners companies writing in those states lost money on their underwriting business.

However, as we indicated earlier, homeowner property insurance markets in any one state comprise a range of homeowners companies of various sizes in terms of their geographic and policy-in-force diversity. To better understand the loss ratio distribution of all MCAS homeowners companies operating in any one state, we again link to the NAIC financial data by company code for 2022 to 2024.[25] In Arkansas, the total state loss ratio was 1.20 in 2022. However, when looking at the full loss cost distribution for the 93 Arkansas homeowners companies in the MCAS with matched incurred loss ratio data, approximately 63% of those companies had loss cost ratios below 1.0 that year. For 2023, only about 45% of homeowners companies have a loss cost ratio less than 1.0, whereas in 2024, about 82% of companies have a loss cost ratio less than 1.0.

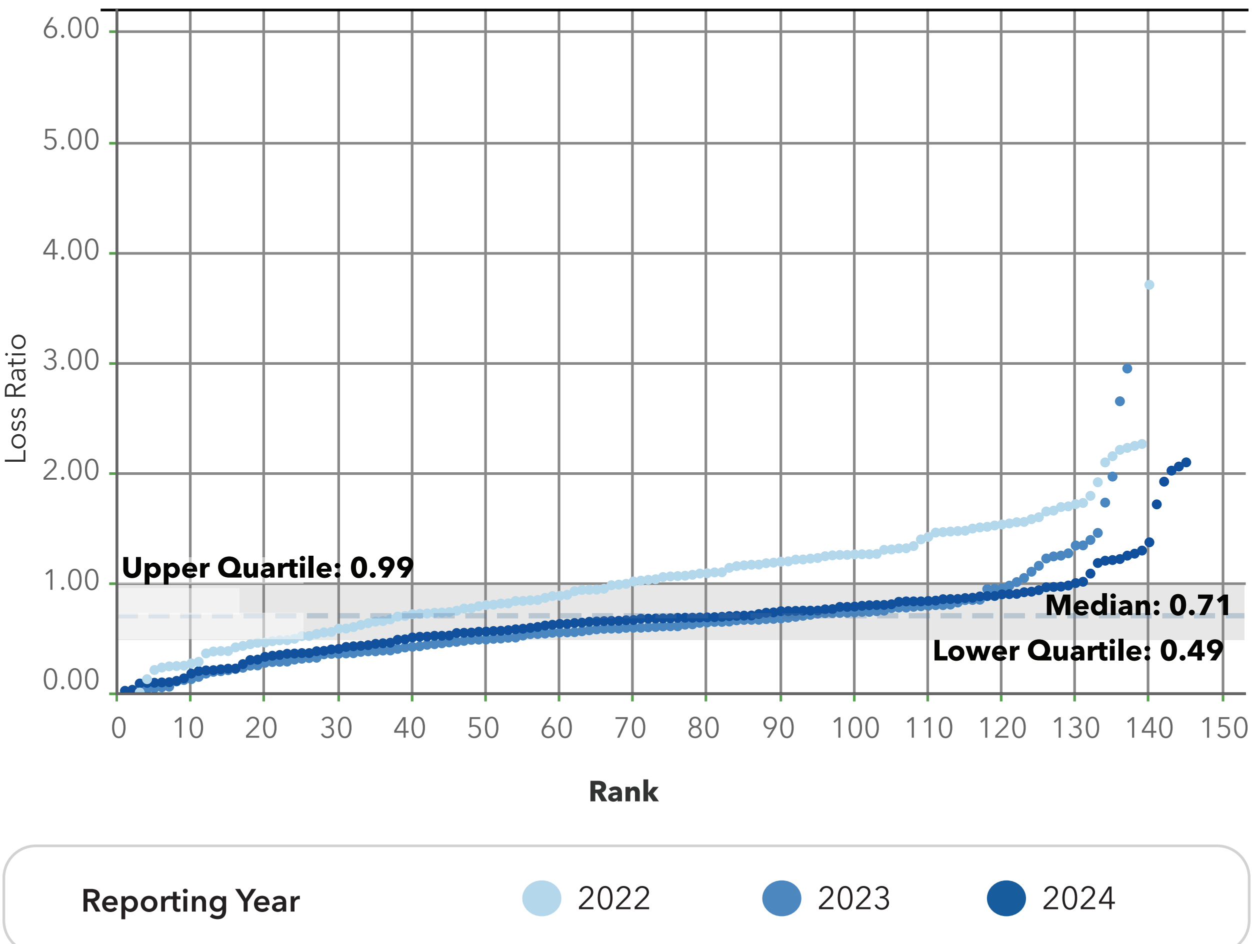
[25]By company code, the loss ratio data for individual MCAS HO companies matches to the underlying loss ratio data of the NAIC's PandC 2022 Market Share Report - naic.soutronglobal.net/Portal/Public/en-GB/DownloadImageFile.ashx?objectId=10410andownerType=0andownerId=4923

Figure 27. Arkansas Loss Cost Ratio Distribution – All MCAS Homeowners Companies, 2022–2024



Somewhat similarly, in Wisconsin, nearly 50% of the total 140 Wisconsin MCAS homeowners companies had a loss cost ratio less than 1.0 in 2022. However, in 2023 and 2024, the homeowner property insurance market in this state improved overall, with more than 80% of companies in each year having loss cost ratios below 1.0.

Figure 28. Wisconsin Loss Cost Ratio Distribution – All MCAS Homeowners Companies, 2022–2024



While the overall data generally indicates homeowner property insurance markets have been incurring financial pressure, there is a wide distribution of company loss ratios within any one state and across the country over time. In fact, in 2024, 81% of total MCAS homeowners company premium and matched incurred loss observations across all states had a loss cost ratio below 75%, compared to 64% in 2023. Similarly, from 2022 to 2024, we see that the number of homeowners companies with a loss cost ratio greater than 1.0 decreased from 16% to 6%. Again, the ZIP-code-level data collected from the homeowner property insurance market data call will allow for a complementary geographic assessment of where companies are incurring losses relative to premiums paid.

Table 5. Loss Cost Ratio Distribution – All MCAS Companies, All States, 2022–2024

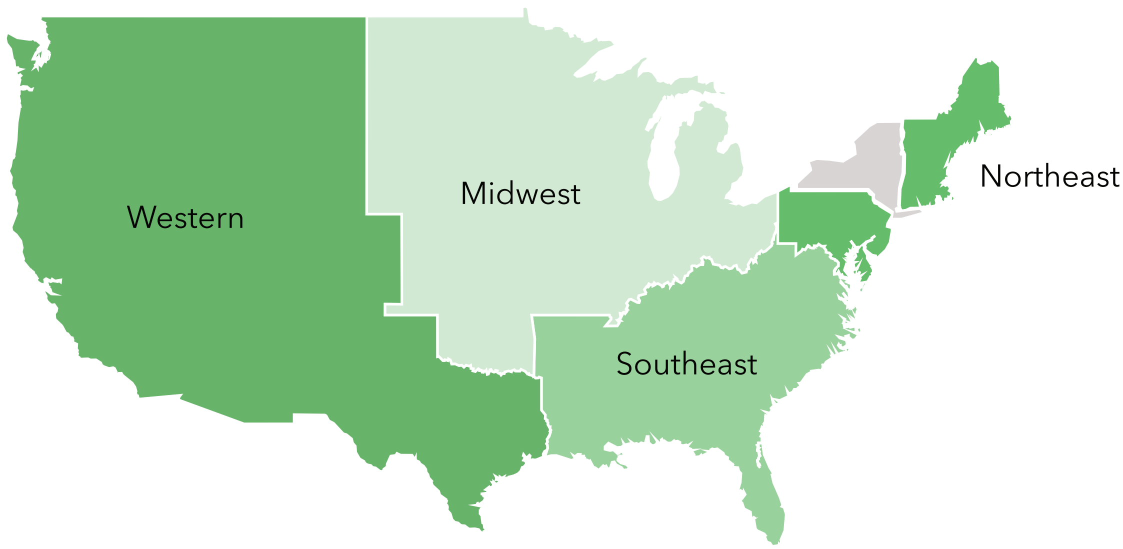
Loss Cost Ratio Range	2022 Percent of Total	2023 Percent of Total	2024 Percent of Total
0 to 0.25	6%	8%	10%
0.25 to 0.50	23%	21%	31%
0.50 to 0.75	38%	35%	40%
0.75 to 1.0	17%	22%	13%
> 1.0	16%	14%	6%
Total	**100%**	**100%**	**100%**

Although there is a wide variation in company loss cost ratios within any one state and across the country, homeowner property insurance markets have been facing increasing, and at times significant, financial pressure. One response homeowners companies have to this financial pressure is to limit the availability of homeowners insurance. We turn next to better understand HO cancellations and nonrenewals as a part of the homeowners availability story.

HOMEOWNERS CANCELLATIONS AND NONRENEWALS

Insurers reported 2,019,799 homeowners company-initiated nonrenewals nationwide in 2024. Thirty-one percent of these company-initiated nonrenewals were incurred in the Southeast Zone, and 42% were incurred in the Western Zone. Because not all policyholders are nonrenewed in any one year, we normalize the nonrenewal data by the total number of policies in force to get a ratio of company-initiated nonrenewals per 1,000 policies in force. Viewed this way, the Southeast and Western Zones had the highest rates of company-initiated nonrenewals in 2024, at 22.0 and 25.1 per 1,000 policies in force, respectively.

Figure 29. Homeowners Company-Initiated Nonrenewals, 2024



Western
Nonrenewals: 852,019
Policies: 33,987,845
Nonrenewal ratio: 25.1

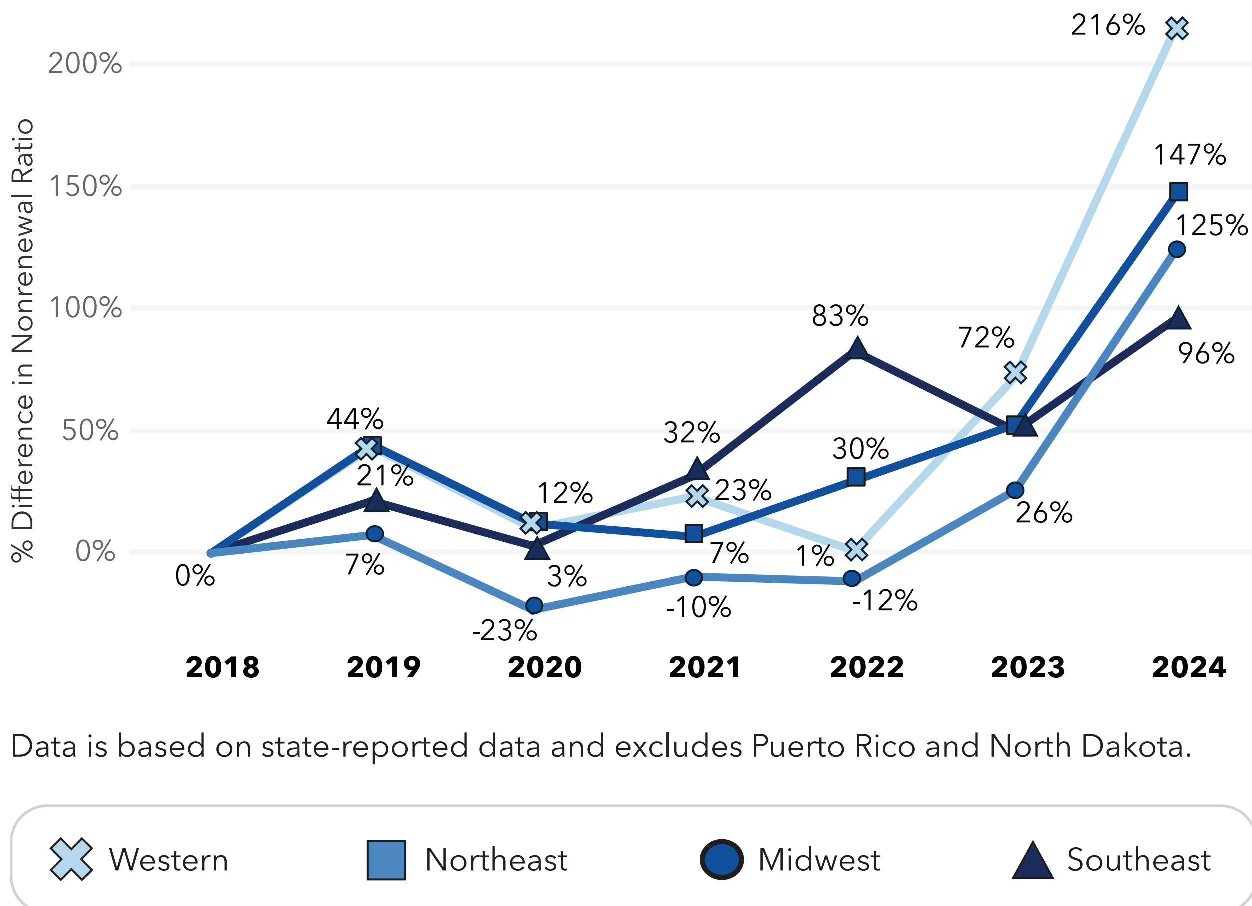
Midwest
Nonrenewals: 352,847
Policies: 24,907,688
Nonrenewal ratio: 14.2

Northeast
Nonrenewals:184,382
Policies:15,726,559
Nonrenewal ratio: 11.7

Southeast
Nonrenewals: 630,551
Policies: 28,667,242
Nonrenewal ratio: 22.0

Since 2018, the ratios of company-initiated nonrenewals per 1,000 policies in force have been increasing in all zones, anywhere from 96% to 216%. The most significant increases have occurred in the Northeast and Southeast Zones during this period at 147% and 216%, respectively.

Figure 30. Percent Change in Nonrenewals per 1,000 Policies, 2018–2024



Data is based on state-reported data and excludes Puerto Rico and North Dakota.

To provide additional insight into the percentage change over time, Table 6 below shows the changes in nonrenewal rates at a zone level over the past three years. Over the past three years, nonrenewal rates per 1,000 policies in force have nearly tripled in the Midwest and Western Zones, rising from 5.5 to 14.2 in the Midwest Zone and 8.0 to 25.1 in the Western Zone. During the same period, the Northeast Zone saw a steady increase, nearly doubling from 6.2 to 11.7. The Southeast Zone had more moderate fluctuations but ended the period at its highest rate, 22.0. Proportionately, the Southeast Zone decreased from almost 53% of the total countrywide nonrenewals in 2022 to 31% in 2024, and the Western Zone increased from 25% to 42% of the total countrywide nonrenewals during the same period. We note that this percentage of the total metric does not consider the volume of policies written, while the nonrenewal rate per 1,000 policies normalizes the number of nonrenewals.

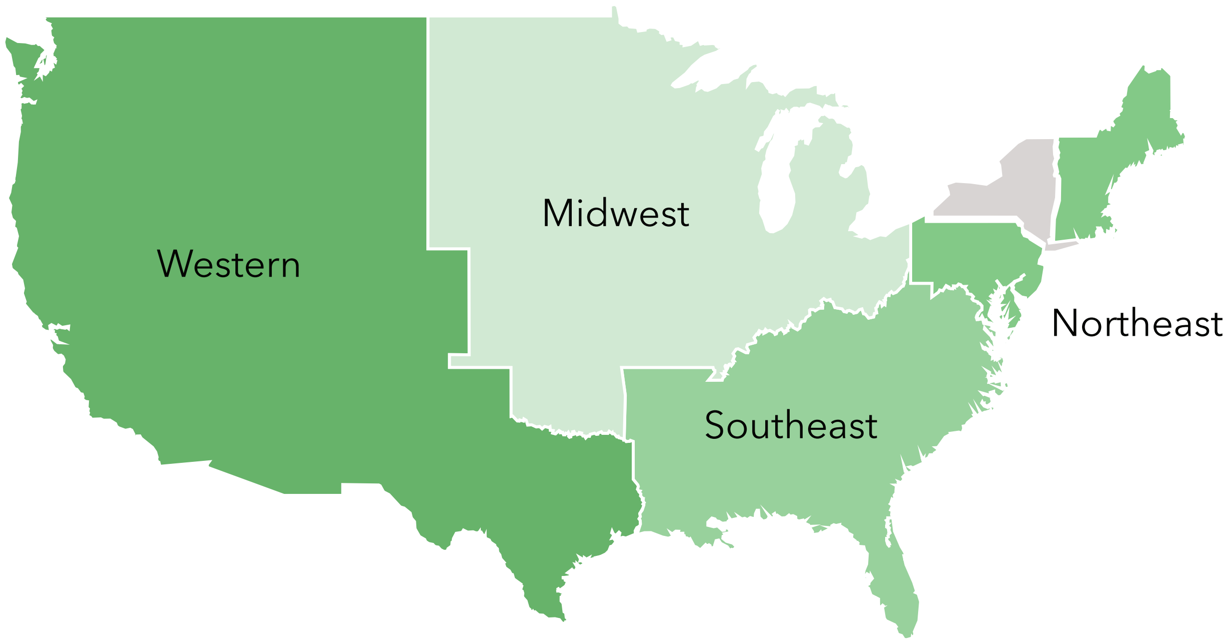
Table 6. Number of Company-Initiated Nonrenewals, 2022–2024

Reporting Year	NAIC Zone	Company Initiated Nonrenewals	Percent of Total Company Initiated Nonrenewals Along NAIC Zone	Policies in Force at End of Period	Nonrenewal Rate per 1,000 Policies
2022	Midwest	137,736	12.65%	24,935,974	5.5
	Northeast	98,780	9.07%	16,044,251	6.2
	Southeast	576,931	52.99%	28,155,376	20.5
	Western	275,309	25.29%	34,399,202	8.0
	Total	**1,088,756**	**100.00%**	**103,534,803**	**10.5**
2023	Midwest	195,002	15.53%	24,825,721	7.9
	Northeast	115,417	9.19%	15,921,484	7.2
	Southeast	478,724	38.11%	28,356,736	16.9
	Western	466,832	37.17%	34,161,629	13.7
	Total	**1,255,975**	**100.00%**	**103,265,570**	**12.2**
2024	Midwest	352,847	17.47%	24,907,688	14.2
	Northeast	184,382	9.13%	15,726,559	11.7
	Southeast	630,551	31.22%	28,667,242	22.0
	Western	852,019	42.18%	33,987,845	25.1
	Total	**2,019,799**	**100.00%**	**103,289,334**	**19.6**

Includes Puerto Rico and North Dakota

In addition to the company-initiated nonrenewal data, the MCAS also has data on the number of company-initiated cancellations that occur after the effective date, excluding rewrites to a related company. In 2024, insurers reported 852,908 company-initiated cancellations after the policy effective date nationwide. The Southeast and Western Zones accounted for 74% of those cancellations, even though they represented roughly 60% of policies in force. As with the company-initiated nonrenewal data, we normalize the company-initiated cancellation data by the total number of policies in force to get a ratio of company-initiated cancellations per 1,000 policies in force. Over time, we see a different story regarding company-initiated cancellations after the effective date compared to the company-initiated nonrenewals, as these rates have overall decreased since 2018—anywhere from -8% to -23%. Although company-initiated cancellation rates have fluctuated over time, especially in the Western Zone, they have generally decreased.

Figure 31. Company-Initiated Cancellations After the Effective Date, 2024



Western

Cancellations: 238,134
Policies: 33,987,845
Cancellation Ratio: 7.0

Midwest

Cancellations: 142,335
Policies: 24,907,688
Cancellation Ratio: 5.7

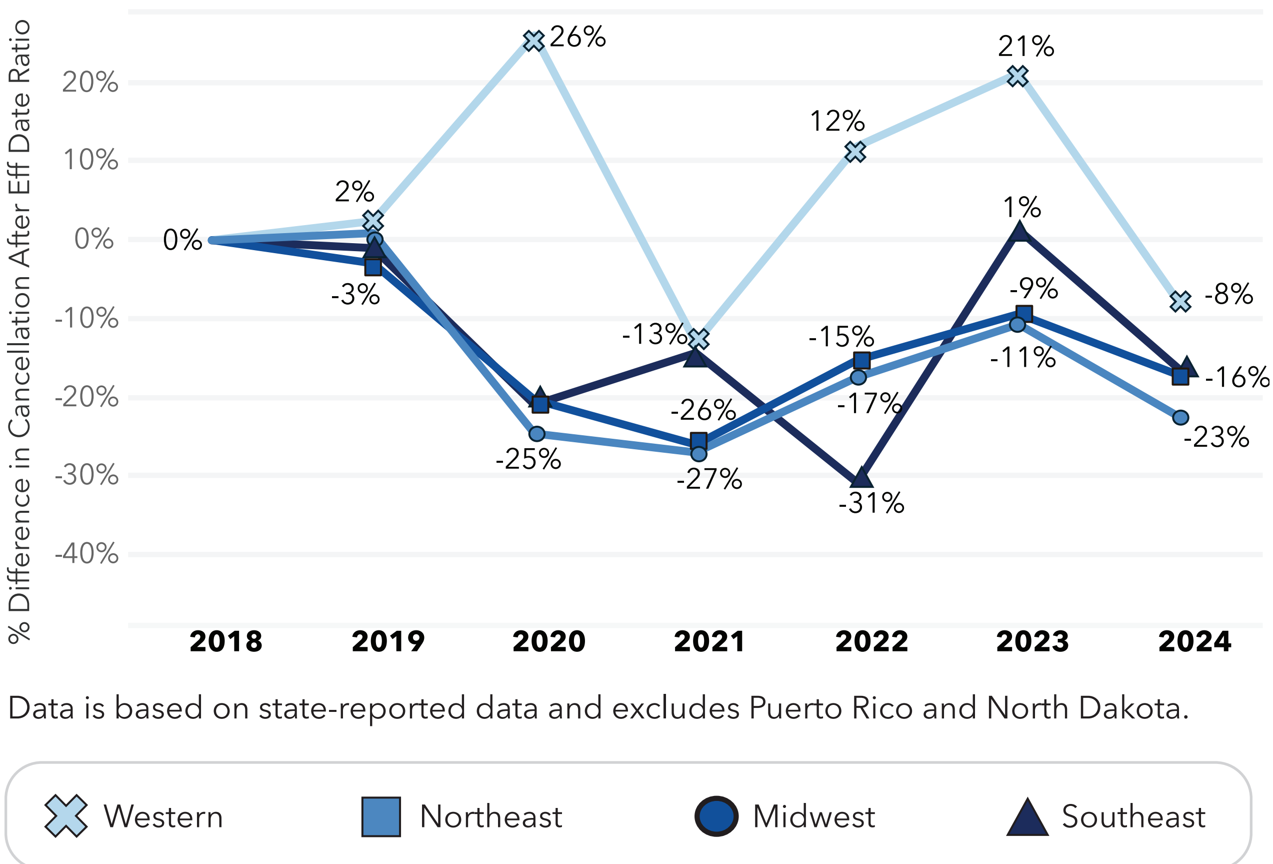
Northeast

Cancellations: 76,983
Policies: 15,726,559
Cancellation Ratio: 4.9

Southeast

Cancellations: 395,456
Policies: 28,667,242
Cancellation Ratio:13.8

Figure 32. Percent Change in Cancellations After the Effective Date per 1,000 Policies, 2018–2024



Data is based on state-reported data and excludes Puerto Rico and North Dakota.

Finally, we turn to the cancellation rates for nonpayment. We note that while we are assessing cancellations for nonpayment here, these cancellations are not the same as the company-initiated nonrenewals and cancellations described above. Cancellations for nonpayment can be due to a variety of reasons, including the policyholder simply deciding to move to another company, and thus part of a normal annual insurance market cycle.

Insurers reported 5,819,825 cancellations for nonpayment nationwide in 2024. In 2024, the Southeast and Western Zones each accounted for 32% of total cancellations for nonpayment, for a combined 64% of all nonpayment cancellations. Again, we normalize nonpayment cancellations by the total number of policies in force to obtain a cancellation rate per 1,000 policies in force. Rates for cancellations for nonpayment are highest in the Southeast Zone at 65.3 cancellations for nonpayment per 1,000 policies, followed by the Western Zone at 54.9, the Midwest Zone at 53.0, and the Northeast Zone at 48.5. Rates of cancellations for nonpayment have increased by 4% to 18% across all zones since 2018, with increases most significant from 2020 to 2022. In 2024, zones saw a leveling off or slight increases in nonpayment cancellations.

Figure 33. Homeowners Cancellation Nonpayment, 2024

Western

Nonpayment Cancellation: 1,865,384
Policies: 33,987,845
Nonpayment Cancellation Ratio: 54.9

Midwest

Nonpayment Cancellation: 1,319,403
Policies: 24,907,688
Nonpayment Cancellation Ratio: 53.0

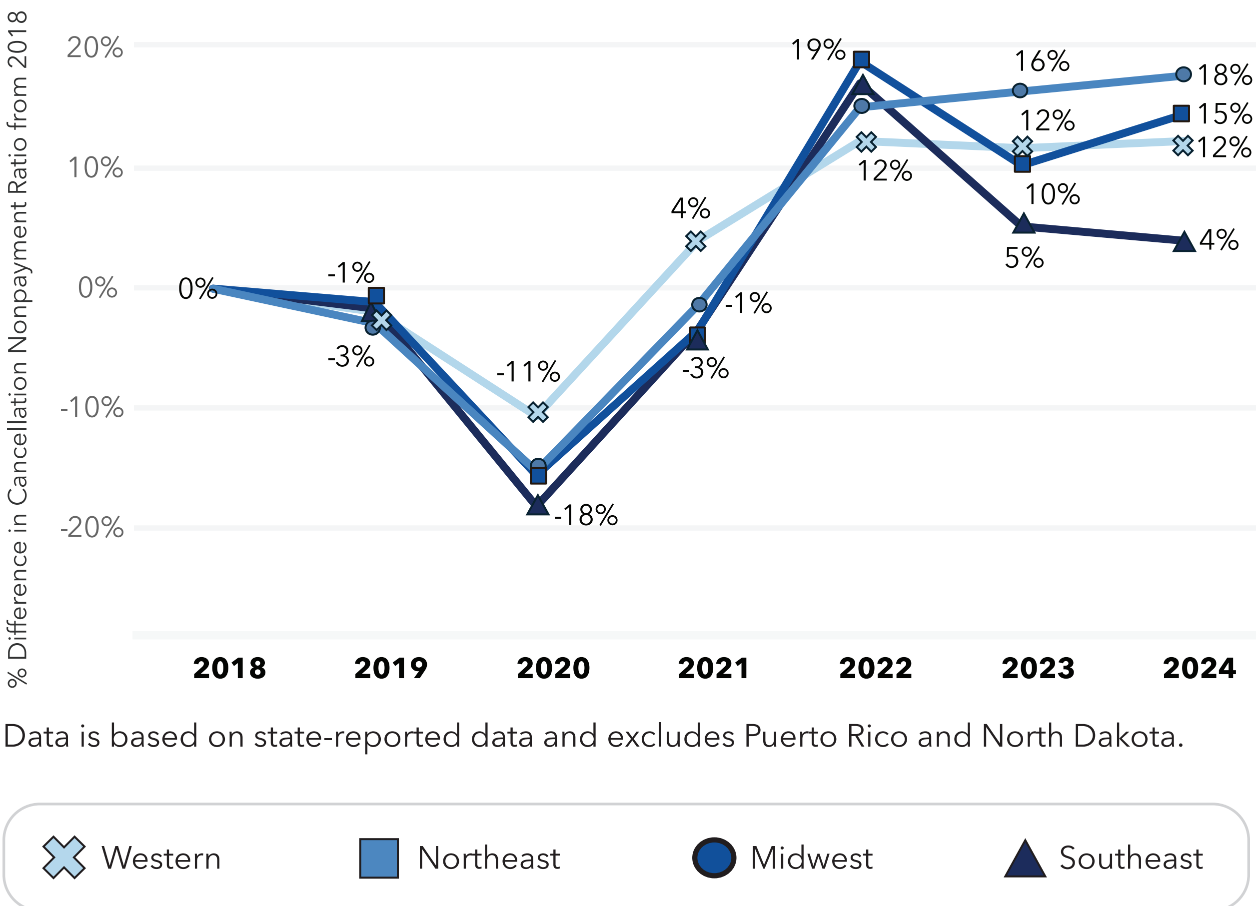
Northeast

Nonpayment Cancellation: 762,266
Policies: 15,726,559
Nonpayment Cancellation Ratio: 48.5

Southeast

Nonpayment Cancellation: 1,872,772
Policies: 28,667,242
Nonpayment Cancellation Ratio: 65.3

Figure 34. Percent Change in Cancellations Nonpayment per 1,000 Policies, 2018–2024



Data is based on state-reported data and excludes Puerto Rico and North Dakota.

In 2024, nonrenewal rates when compared to the nonpayment cancellation rates range from 24% in the Northeast Zone, 27% in the Midwest Zone, 34% in the Southeast Zone, and 46% in the Western Zone. When considering the past three years, the increase in the comparison of the normalized nonrenewal rate to normalized nonpayment rate indicates that nonrenewals are increasing at a faster rate than nonpayment cancellations.

Table 7. Comparison of Company-Initiated Nonrenewal Rates to Cancellations for Nonpayment Rates Per 1,000 Policies In Force

NAIC Zone	Year	Nonrenewal Rate Per 1,000 Policies	Cancellation for Nonpay Per 1,000 Policies	Rate of Nonrenewals to Nonpayments
Midwest	**2024**	14.2	53.0	27%
	2023	7.9	52.4	15%
	2022	5.5	51.8	11%
Northeast	**2024**	11.7	48.5	24%
	2023	7.2	46.7	15%
	2022	6.2	50.3	12%
Southeast	**2024**	22.0	65.3	34%
	2023	16.9	66.1	26%
	2022	20.5	73.6	28%
Western	**2024**	25.1	54.9	46%
	2023	13.7	54.6	25%
	2022	8.0	54.9	15%

Includes North Dakota and Puerto Rico

Concluding Comments

The data tells the story of a homeowners insurance market that is overall operationally robust but nonetheless under pressure and exhibiting signs of stress. Insurers continue to write coverage in every region of the country (with local variation), competition remains present, and overall financial results improved in 2024 after several challenging years. At the same time, the market is clearly adjusting to rising weather-related losses, higher claims costs, inflation, and other financial pressures.

Between 2018 and 2024, premiums increased, claim frequency and severity generally trended upward, insurer-initiated nonrenewals became more common, and cancellations for nonpayment increased. Many insurers continued to write homeowners coverage, but more than half reduced the number of policies they carried. These trends became most pronounced between 2021 and 2024, especially in 2023 and 2024. These trends support consumer sentiment that coverage is becoming more expensive and harder to find or keep in some places.

At the same time, the data highlights that there is no single national homeowners insurance market and, therefore, no single national solution to easing pressure. Conditions vary as significantly as the weather across the U.S., with differing rebuilding costs, claims patterns, insurance participation, mitigation efforts, and weather factors all impacting the consumer experience. Looking only at the national average can obscure important differences in local market conditions, insurer performance, and consumer experience. Understanding these differences is critical to identifying where challenges are emerging, where markets remain healthy, and where additional resilience and mitigation efforts may be needed.

Finally, this analysis demonstrates the value of regulator-collected market data in providing an objective, data-driven view of the homeowners insurance market. As availability and affordability challenges continue to affect a growing number of communities, regulators need reliable information to monitor market conditions, identify emerging risks, assess competition, and better understand how consumers are being affected. This analysis, along with the forthcoming homeowner property insurance market data call analysis, provides critical insights to policymakers and regulators that support potential actions or decisions in their communities.

Appendix A – Measurement of Homeowner Property Insurance Market Competitiveness

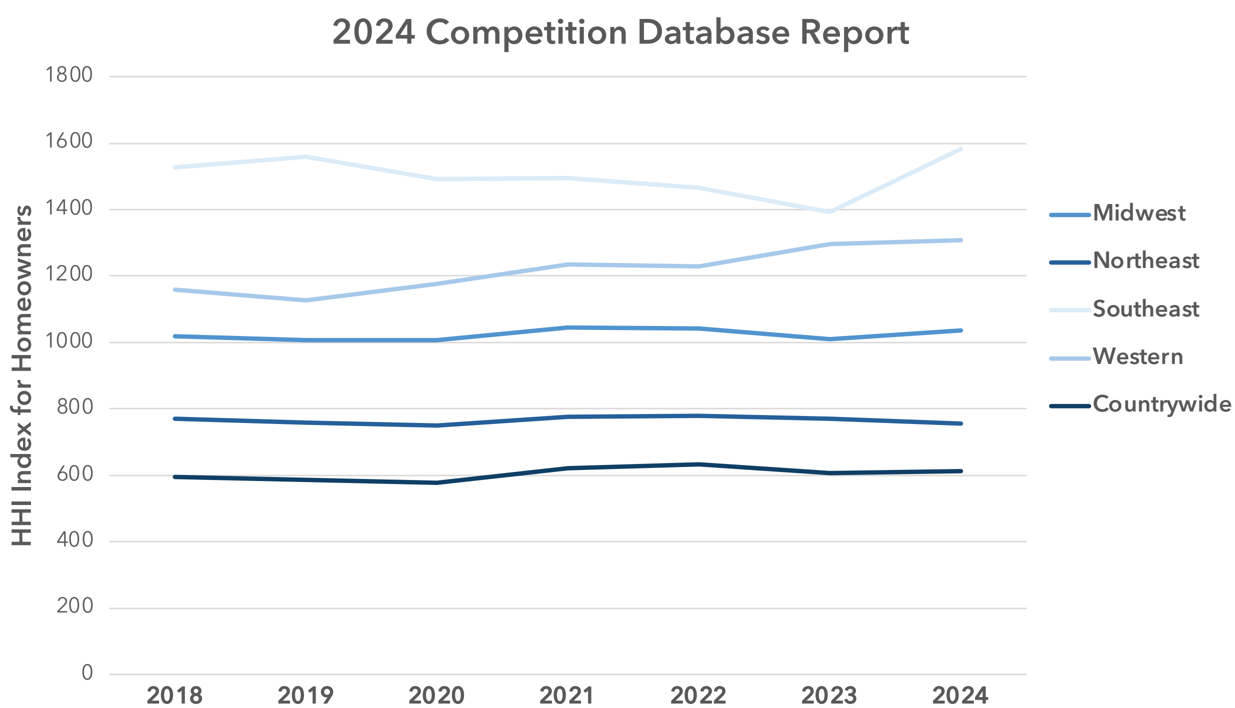
We can also use total direct premium written data to understand the overall competitiveness of the homeowner property insurance market. Understanding this is important because, all else being equal, more competitive markets generally have lower prices, while less competitive markets generally have higher prices. The Herfindahl-Hirschman Index (HHI) is a measure of how evenly market share is distributed across insurers in the market. The HHI is calculated by squaring the market share of each firm competing in the market and then summing the resulting numbers with HHI values ranging from 0 to 10,000. An HHI index below 1,000 generally indicates a highly competitive market; an HHI between 1,000 and 1,500 indicates an unconcentrated market; a score between 1,500 and 2,500 indicates moderate concentration; and a value above 2,500 indicates a highly concentrated (uncompetitive) market.[26]

We leverage already calculated HHI data for the homeowner property insurance markets from the 2018 through 2024 annual editions of the NAIC *Competition Database Report*.[27] The HHI in the NAIC competition reports is calculated by summing the squares of the market shares (as percentages) of all sellers in the market, with the number of sellers being the number of insurance groups that have affiliate insurers and individual insurers not part of a group writing premium in the market. Thus, the NAIC HHI data is for all homeowners insurance companies reporting financial data to the NAIC—not only those with premium greater than $50,000 as with the Market Conduct Annual Statement (MCAS)—and also is determined at the group level. Finally, for each zone, we simply take the average of the individual state HHIs reported by the NAIC, as well as the countrywide HHI reported.

[26] justice.gov/atr/horizontal-merger-guidelines-08192010
[27] content.naic.org/sites/default/files/publication-cdr-im-competition-database-report.pdf

For each zone and year observation, we see that nearly all zone HHI values over time are below the 1,500 HHI threshold, indicating an unconcentrated market in most zones. The Northeast Zone and the countrywide HHI values are below the 1,000 HHI threshold, indicating a highly competitive market. The Midwest Zone HHI values are also very close to the 1,000 HHI threshold for 2018, 2019, and 2020, and 2023, with slightly elevated levels in 2021, 2022, and 2024. The Southeast Zone has moved from a mildly concentrated market to increasing competition until 2024, which shows a return to a mildly concentrated market. Even though the Western Zone is maintaining an unconcentrated market environment, the HHI is showing continued upward pressure, reaching 1,308 for 2024 from a starting point of 1,160 in 2018. Lastly, for 2024, we calculated the HHI values for each zone using the individual company-level data supplied in the MCAS, without rolling up to the group level where applicable. From this calculation, all individual zone HHI values were 604 or less in 2024. Overall, the HHI values for the homeowner property insurance market indicate a market operating in a highly competitive to unconcentrated environment.

Average of HHI	Midwest	Northeast	Southeast	Western	Countrywide
2018	1019	770	1528	1160	596
2019	1006	760	1559	1127	585
2020	1006	750	1493	1175	578
2021	1046	775	1495	1234	621
2022	1042	778	1467	1229	632
2023	1009	769	1394	1296	608
2024	1036	756	1581	1308	612

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