

Why Are Home Insurance Rates Rising?

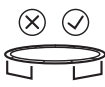


Homeowners insurance is one of the most essential types of coverage acquired and maintained by Americans. Moreover, it may now be more critical than ever as claims costs continue to rise.

Although the cost of insurance may fluctuate for various reasons each year, the following are some factors currently influencing home insurance policies across the country:

- **Trade labor shortages**—There is a shortage of tradespeople, and the industry has struggled to attract new workers, which means there haven't been enough people to meet construction demands. This can make the cost of rebuilding or repairing homes more expensive.
- **Increased weather-related losses**—The rise in frequent and expensive damages due to weather-related incidents has put more pressure on available resources. As the number of claims and associated costs rise, so may insurance rates.
- **Low home inventory and high demand**—The housing market is driving up the cost and value of homes, making them more expensive to insure.
- **Building material costs**—The cost of building materials can be volatile, often influenced by international conflicts and legislative actions. When construction supplies are at a premium, it also increases building and repair costs and, subsequently, insurance rates. Market conditions can be unpredictable and policyholders should be prepared for anything.
- **Market re-entries**—Although home insurance costs are expected to continue to rise in 2026, such increases may come at more modest rates due in part to some carriers returning to markets they had previously exited. As more quotes become available to consumers, it's generally easier for them to find more affordable coverage.

In response to rising home insurance premiums, policyholders should consider the following ways to save on their rates:

-  **Bundle policies.** Homeowners may receive premium discounts by combining multiple components of their insurance portfolio under the same insurer, such as home, auto and life.
-  **Make home improvements.** Upgrading a property in specific ways may help secure lower homeowners insurance prices. For instance, installing new plumbing or storm shutters, upgrading roofs and adding security or fire protection systems may make your home safer and less prone to risk, which may help lower insurance rates.
-  **Reconsider high-risk features.** Certain additions to a property, such as swimming pools and trampolines, may generate additional risks and exposures, leading to higher premiums.
-  **Discuss discounts with an agent.** Homeowners who have not filed a claim against their policies for an extended period (generally at least three to five years) may receive a discount. Some insurance companies may also offer discounts for certain professions.

Home insurance is essential for protecting against devastating financial losses, and reducing coverage could result in paying for costly incidents out of pocket. Contact your agent to learn more about potential discounts and other ways to save on your home insurance premium costs.