

Study: Extreme Weather Raising Home Insurance Rates By As Much As 60%

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EINPresswire.com/ -- According to NOAA data, destructive severe weather events are happening more often. U.S. consumers not only endure more inconvenient power outages but increasingly must pay more for damaged electric lines on their utility rates. But what's more dire is that folks must pay more to protect their homes. In fact, between 2021 and 2024, most states saw annual premiums for home insurance jump by more than \$600 due to the rising number of billion-dollar weather events.

The U.S. now experiences more billion dollar storm weather events from more frequently than ever before. In 2025, the US saw 13 separate billion-dollar weather disaster events in just the first 6 months.

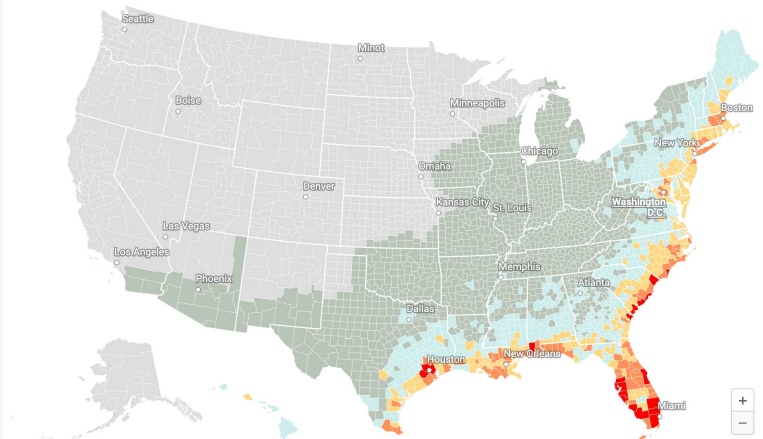
To better inform consumers about the weather damage risks they face and how they relate to home insurance costs, researchers at [UtilityRates.com](https://www.UtilityRates.com) conducted a study to examine the three main climate-related weather hazards affecting homeowners insurance risk: hurricanes, wildfires, and severe convective storms.

They then used FEMA Nation Risk Index (NRI) data to create interactive maps to show consumers

Hurricane Damage Risk Map

Showing the risk for hurricane-related damage for each U.S. county and expected annual losses.

Very Low Relatively Low Relatively Moderate Relatively High Very High



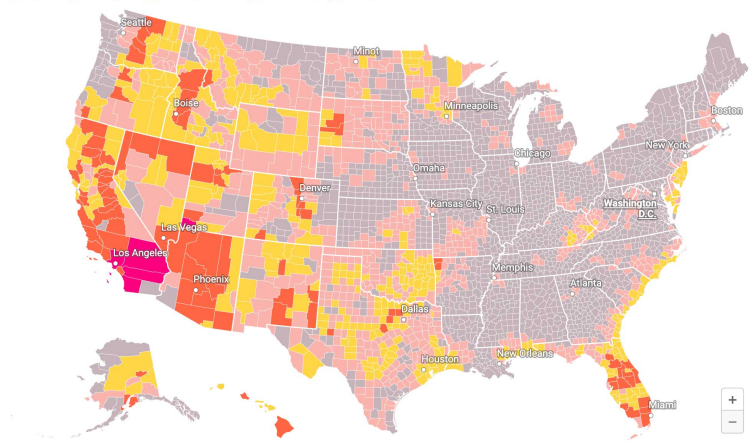
Get the data - Created with Datawrapper

Hurricane Damage Map

Wild Fire Damage Risk

Showing the risk for wild fire damage for each U.S. county and expected annual losses.

Very Low Relatively Low Relatively Moderate Relatively High Very High



Drought and heat waves make conditions ripe to spark wild fires.

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Wildfire Damage Risk Map 2025

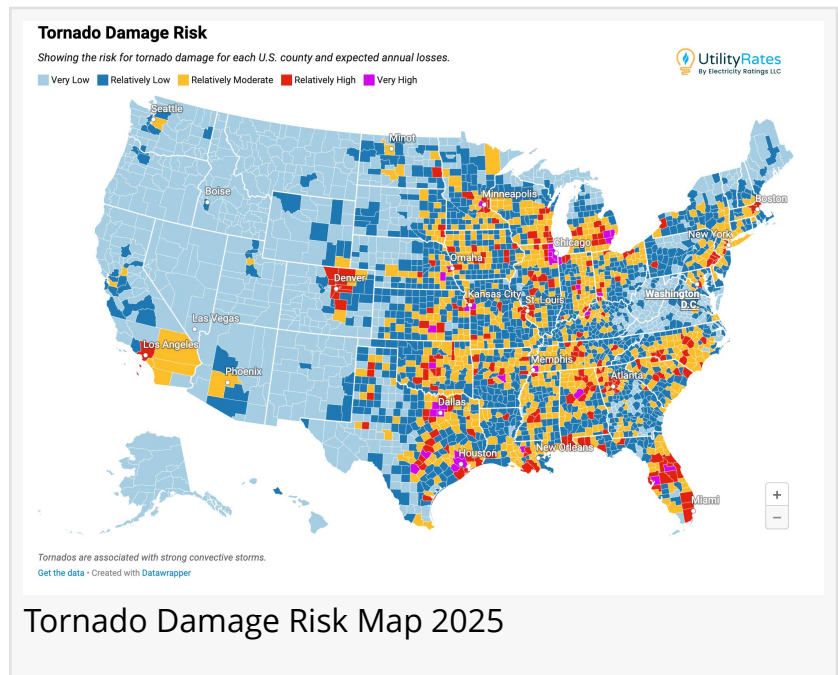
where these severe weather hazards most often occur as well as their risk and expected annual losses. They then tracked rates for all 50 states from seven on-line insurance shopping services from May, 2025 to September, 2025. The average for each state was then compared to annual rates for 2024.

Key Findings:

1. While all states face the same three major weather hazard risks to some degree, these hazards tend to concentrate in certain regions. However, only Florida faces all three major weather hazards at the "high" and "very high" risk rating.
2. Strong convective storms include hail, strong winds, and tornadoes. These affect more states and at greater frequency than hurricanes. Recurring storm outbreaks may wreak nearly as much damage over a summer as a single hurricane. In 2023, the U.S. insurance industry reported \$60 billion in losses from such storms.
3. The area known as "Tornado Alley", where strong convective storms are most common, has shifted eastwards. As a result, more densely populated states now face a greater risk from hail, strong winds, and tornadoes.
4. During summer 2025, the average cost for home insurance rose by 7.7% over 2024. While 11 states saw rates fall due to reduced weather risks, 39 states saw rates rise. Of these, 6 saw rates jump by more than 30% likely due to extreme weather such as recurring tornadoes, hail, flooding, and wildfires. West Virginia saw its rates leap by 58% due to multiple hail storms.

Weather Hazard Areas and Homeowner Insurance

The insurance industry has been facing a cost crisis for several years. Hurricanes can rapidly devastate regions in just a few days. This means that big insurers in high-growth coastal areas face big challenges to cover huge possible losses where insurance demand and property values face the highest risks. Similarly, severe convective storms can batter the same inland regions over and over again. Small, regional insurance companies seeing storm after storm spread over multiple states during the course of a summer face huge losses as well. It is a death by a thousand cuts. Because weather is exerting such a significant impact on losses and their cost to operate, the insurance industry is paying much closer attention to weather forecasts.



To see how this translated into premium rates for each state, researchers tracked average annual rates from 7 online insurance quote services from May to August, 2025. They found the average annual cost for home owners insurance by late August rose above 2024's average by 7.72% to \$ 2,494.00. But, not all states fared the same.

Against the odds, 11 states had rates go down. Hawaii saw it's rate fall by 33%. Both Louisiana and Florida had rates fall by 18.71% and 5% respectively, which was likely due to a much less active hurricane season.

Unfortunately, 39 states saw their average insurance premiums rise over their 2024 price.

- Texas saw rates rise by only 2.21%, likely due to an absence of hurricanes but an uptick in tornados.
- Rates rose by over 30% in Alaska, Indiana, Pennsylvania, Vermont, & Wyoming. These states saw cumulative seasonal damage from strong convective storms containing hail, tornadoes, and intense rain resulting in flash flooding.
- West Virginia fared the worst with rates leaping up by 58.37% due to flash flooding, strong storms, multiple hail storms during summer, 2025.

Beyond insurance premiums, extreme weather forces utility companies to invest heavily in infrastructure repairs. This translates to higher costs for consumers, whether they're tracking [Ohio energy bills](#) or monitoring [Georgia gas rates](#).

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