

## Macro Roundup Article

**Headline:** [As Texas Burns, Property Insurance Costs Soar](#)

**Article Link:** <https://www.home-economics.us/p/as-texas-burns-property-insurance>

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**Tweet:** The property insurance industry claims that the cost of rebuilding and replacing homes has surged 55% between 2019 and 2022 contributing to higher insurance premiums. @AzizSunderji

**Summary:** Climate change is only the first of three reasons insurance premiums are rising. The second reason is that the repair of homes after damage has also become more costly. This is a function of higher raw materials prices, steeper wages for labor, and enduring supply-chain bottlenecks. Higher replacement costs have also been driven by the rising proportion of larger, more expensive homes. The insurance industry says that rebuilding and replacement costs surged 55% between 2019 and 2022. The final driver has less to do with climate and housing than financial markets. The premiums insurance companies are paying for [catastrophic loss] protection have risen by about a third over the past few years. Insurers are passing on these higher costs to homeowners. So far, higher insurance costs haven't hampered the flow of Americans moving to disaster-prone areas like Texas. But as insurance becomes more costly—or outright unavailable—we should probably expect this to change. Related: The Uninsurable World: What Climate Change Is Costing Homeowners and The Insurance Market Is Healing and Parts of America are Becoming Uninsurable

**Primary Topic:** Financial Markets

**Topics:** Financial Markets, GDP, Global Warming, Housing, Op-Ed/Blog Post, Science

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