

Macro Roundup Article

Headline: [Parts of America are Becoming Uninsurable](#)

Article Link: <https://www.economist.com/united-states/2023/09/21/parts-of-america-are-becoming-uninsurable#>

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Tweet: In Florida, the state-backed insurer of last resort is now the largest home insurer. California's state-backed insurer almost doubled its policy count between 2018 and 2021.

Summary: In Florida the average home insurance premium in 2023 is around \$6,000, more than three times the national average and up 42% year-on-year. Yet rather than drooling over juicy profits, insurers are fleeing. With 1.3m policies, the state-backed insurer of last resort now has the highest market share in Florida and is insuring assets worth \$608bn. The Golden State is following the Sunshine State into market failure, but for different reasons. Though California is a pricey place to live, property insurance is relatively cheap thanks to strict consumer-protection laws. Regulations prevent insurers from raising premiums high enough to cover inflation, increasing wildfire risk and rising reinsurance rates. Related: Analyzing State Resilience to Weather and Climate Disasters and How a Small Group of Firms Changed the Math for Insuring Against Natural Disasters and Rising Insurance Costs Start to Hit Home Sales

Primary Topic: Financial Markets

Topics: Financial Markets, GDP, Global Warming, News article, Politics, Science

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