

Macro Roundup Article

Headline: [How a Small Group of Firms Changed the Math for Insuring Against Natural Disasters](#)

Article Link: <https://www.nytimes.com/2023/08/16/business/reinsurance-global-crises.html>

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Tweet: In January reinsurance prices in the United States rose as much as 40% year-over-year as the industry repriced risk.

Summary: Prices for reinsurance rose as much as 40% on Jan. 1 from a year earlier, according to a report by Gallagher Re, a brokerage firm that puts together reinsurance coverage deals. The price increases jolted insurers, who then made changes to where and for what they offered coverage. When State Farm announced in May that it would stop accepting new applications for certain policies in California, it cited “a challenging reinsurance market.” Allstate also cited reinsurance costs when it paused some of its activities in California. Last month, reinsurers specializing in agriculture insurance announced that they were pulling out of Iowa, where, three years ago, a severe windstorm caused nearly \$4 billion in damage.

Related Articles: Why California and Florida Have Become Almost Uninsurable and Home Insurers Are Charging More and Insuring Less and Climate Shocks Are Making Parts of America Uninsurable. It Just Got Worse and Farmers Insurance Limits Sales in Florida, California Amid Storm, Wildfire Risks

Primary Topic: Financial Markets

Topics: Financial Markets, GDP, News article, Weekly

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