

Macro Roundup Article

Headline: [Climate Shocks Are Making Parts of America Uninsurable. It Just Got Worse](#)

Article Link: <https://www.nytimes.com/2023/05/31/climate/climate-change-insurance-wildfires-california.html>

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Tweet: [California's largest homeowner insurance company, State Farm, will no longer sell coverage in the state citing "rapidly growing catastrophe exposure" due to wildfires.](#)

Summary: The largest homeowner insurance company in California, State Farm, announced that it would stop selling coverage to homeowners. That's not just in wildfire zones, but everywhere in the state. State Farm, which insures more homeowners in California than any other company, said it would stop accepting applications for most types of new insurance policies in the state because of "rapidly growing catastrophe exposure." California's woes resemble a slow-motion version of what Florida experienced after Hurricane Andrew devastated Miami in 1992. The losses bankrupted some insurers and caused most national carriers to pull out of the state. In response, Florida established a complicated system: a market based on small insurance companies, backed up by Citizens Property Insurance Corporation, a state-mandated company that would provide windstorm coverage for homeowners who couldn't find private insurance.

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