

Macro Roundup Article

Headline: [Climate Change Is Causing an Insurance Crisis in Louisiana](#)

Article Link: <https://www.bloomberg.com/news/articles/2023-09-11/louisiana-insurance-market-in-crisis-from-climate-fueled-storms?sref=U3dOGIDF>

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Tweet: In Louisiana the mean home insurance premium rose 6.7% in 2021 and 18.5% in 2022 as insurers reprice their risk.

Summary: Twelve insurers that write homeowners coverage in Louisiana were declared insolvent between July 2021 and February 2022, according to the Insurance Information Institute. Those closures sent insurance prices spiraling out of control, in both absolute terms and also in prices relative to local median incomes that are among the lowest in the nation. The average premium rose 6.7% in 2021 and then 18.5% in 2022, according to the Louisiana Department of Insurance. Louisiana Citizens Property Insurance Corp., the state-backed insurer of last resort, went from 45,000 policies in 2020 to 130,000 currently. That's despite the fact that, by law, it charges 10% above market rate and raised rates 65% at the beginning of this year.

Related Articles: Analyzing State Resilience to Weather and Climate Disasters and How a Small Group of Firms Changed the Math for Insuring Against Natural Disasters and Home Insurers Are Charging More and Insuring Less

Primary Topic: Financial Markets

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

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