

## Macro Roundup Article

**Headline:** [A Hidden Crisis In US Housing](#)

**Article Link:** <https://www.bloomberg.com/features/2024-home-insurance-real-estate-crisis/?sref=U3dOGIDF>

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**Tweet:** State-run “last resort” insurance programs have over \$1T in potentially unfunded liabilities. Florida's state insurer is bearing \$525B of risk, double the 2022 level. In California, the state insurer's potential liability is \$290B, 6x the 2018 level.

**Summary:** Homeowners in the most risky places are now more likely to be covered by state-created, “last resort” insurance programs that provide protection where the private market won’t. Those plans have more than doubled their market share since 2018, and their liabilities crossed the \$1 trillion threshold for the first time in 2022, according to Property Insurance Plans Service Office Inc., a research firm that tracks the programs. The most climate-vulnerable states are the most exposed: As of now, Florida’s plan could suffer \$525 billion in losses; In California, it’s at least \$290 billion, up sixfold from 2018. As states have assumed more and more risk, they’ve largely dodged a fundamental question: How will they cover claims in the wake of a truly major catastrophe? Out of 36 residual insurance plans that offer coverage for natural catastrophes, 21 don’t explicitly detail how they’d pay deficits, according to new research from consulting group Milliman.

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**Primary Topic:** Housing

**Topics:** GDP, Global Warming, Housing, News article, Politics, Science

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