

For Immediate Release

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Regulatory Delays and Disparities Challenge the Homeowners Insurance Market, New Insurance Research Council Report Shows

MALVERN, Pa, November 12, 2025— A new report from the Insurance Research Council (IRC), [Rate Regulation in Homeowners Insurance: Comparison of State Systems](#), finds that the time it takes to obtain approval for homeowners insurance rate filings has increased substantially across the United States between 2010 and 2024. The study also reveals widening differences between insurers' requested rate changes and those ultimately approved by state regulators, contributing to weakened underwriting results for homeowners insurance.

The IRC study provides a comprehensive analysis of state-level regulatory systems for homeowners insurance, comparing outcomes across Prior Approval and other systems for regulating rates. It examines how these frameworks affect rate filings, market competitiveness, underwriting profitability, and the balance of residual and excess and surplus (E&S) homeowners markets.

“Our research shows that protracted rate approval processes are preventing insurers from achieving timely, adequate rate levels,” said Pat Schmid, president of the IRC. “When rates don’t keep pace with claims costs and inflation, the result is mounting underwriting losses and increased strain on both insurers and policyholders.”

Key Findings

- The average number of days from filing to rate approval increased by more than 40 percent since 2010.
- California had the longest average approval time in 2024 at 321 days, double its 2018 average.
- The frequency of filings receiving less than the requested rate impacts increased by over 10 percentage points since 2010.
- Homeowners net combined ratios (a measure of underwriting profitability) exceeded 100 in ten of the most recent fifteen years, signaling persistent underwriting losses.
- The residual homeowners market share grew from 2.4 percent in 2019 to 3.9 percent in 2024, while the Excess & Surplus (E&S) homeowners market also expanded, particularly in Prior Approval states.
- The Herfindahl-Hirschman Index (HHI), which measures market concentration, declined by 14.6 percent, showing that the market overall became more competitive.

The report highlights how slower rate approval processes in some regulatory environments, particularly in Prior Approval states, can delay necessary rate adjustments, creating mismatches between premiums and rising claims costs. These challenges have led to deteriorating combined ratios, growth in residual market participation, and expansion of the E&S market as standard carriers retrench.

“Balancing consumer protection with insurer solvency is at the heart of rate regulation,” said Vickie Kilgore, vice president of the IRC. “Our findings suggest that today’s evolving risk environment may require more efficient regulatory processes to sustain a healthy stable market.”

About the Report

Rate Regulation in Homeowners Insurance: Comparison of State Systems analyzes data from the National Association of Insurance Commissioners (NAIC) Property and Casualty Industry Rate Filings, as sourced from S&P Global Market Intelligence. It assesses more than a decade of rate filing activity and market outcomes across all 50 states and the District of Columbia.

The full report is available for download at www.Insurance-Research.org

About Insurance Research Council

The [Insurance Research Council](#) (IRC), affiliated with The Institutes, is an independent, nonprofit research organization supported by leading property and casualty insurance companies and associations. IRC provides timely and reliable research to all parties involved in public policy issues affecting insurance companies and their customers. IRC does not lobby or advocate legislative positions.

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