



Texas Homeowners' Insurance Rates Drop to Number Two

Written On December 31, 2009 By [Bob Kraft](#)

That headline is misleading, because homeowner insurance rates for Texans have actually risen, again, as always. The tiny sliver of good news for us is that Florida homeowner rates have risen even further than Texas, so we have temporarily lost our long-held position as the state with the highest insurance rates in the nation. I have written about this several times before, as it is one of my pet peeves. Yes, we do have unpredictable weather and occasional natural disasters in Texas. But so do most of the other 49 states.

What Texas has that the other states don't have is a completely ineffectual insurance oversight system. The insurance regulators in Texas are owned by the insurance companies, and consumers simply have no defense against rate increases here. The [Dallas Morning News](#) published an article about the change in our standing, based on a new study done by the National Association of Insurance Commissioners on 2007 rates. Here are excerpts:

It found that the average annual premium in Texas for the most common homeowner policy was \$1,448 a year, 76 percent higher than the national average of \$822.

In Florida, the average premium was \$1,534. That reflected a one-year average increase of \$148, while in Texas, the bump was \$39.

Industry spokesmen said the study supports their often-repeated argument that Texas' hurricanes, tornadoes, ice and hail storms and wildfires drive the state's high premiums for home insurance.

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A consumer group leader responded that the data confirm what most Texas homeowners have been experiencing the last several years: rising insurance premiums and reduced coverage.

Alex Winslow of Texas Watch, a consumer group active in insurance issues, said weak state regulation and flawed 2003 legislation are also to blame, not just weather.

“The industry for years has been wanting to show that Florida is more expensive than Texas. My response to that is, big deal. So we’re both paying through the nose,” Winslow said. “Being No. 2 is nothing to proud of.”

The states with the highest average homeowners’ insurance premiums in 2007, according to a new national study, and their change from 2006:

State Average premium Change

Florida \$1,534 Up 10.7%

Texas \$1,448 Up 2.8%

Louisiana \$1,400 Up 11.4%

Oklahoma \$1,054 Up 3.5%

Massachusetts \$1,023 Up 10.6%

Mississippi \$1,019 Up 2.1%

Rhode Island \$950 Up 3.4%

New York \$936 Up 7.7%

Connecticut \$929 Up 5.8%

California \$925 Down 1.3%

National average \$822 Up 2.2%

SOURCE: National Association of Insurance Commissioners