



# 2025 Homeowners Insurance Market Outlook: At a Glance

Provided by Virtus LLC

In the dynamic and unpredictable current state of the world, homeowners insurance may be more important than ever. These policies can play a critical role in helping individuals and families retain financial security; however, market conditions in 2025 may continue to complicate matters. Part of being an informed insurance consumer is understanding what's happening in the market and how it can affect you.

## Factors That Affected the Industry in 2024

Last year was turbulent for the homeowners insurance market, as well as the industry. The following are some of the top challenges that impacted the homeowners insurance market:



**Natural disasters and weather-related losses**—When hurricanes, wildfires and other natural disasters wreak havoc on homeowners and their insured property, insurance carriers must provide more money for claims. This necessitates insurers to recoup their costs by increasing premiums.



**Building prices and labor costs**—When building materials are scarce, their costs naturally increase. Subsequently, homes become more expensive to build or repair, leading to more significant claims costs, which are passed along to the consumers.



**High reinsurance rates**—According to industry experts, many reinsurance companies were more restrictive when underwriting coverage in 2024 and may be less likely to take on certain risks in 2025. Furthermore, reinsurance companies have started to charge their own customers, such as home insurance carriers, higher premiums to the insurers they serve. Consequently, home insurers have increased premiums to compensate.

## Trends to Watch in 2025

While there are encouraging signs of market stabilization, premiums could still increase for many homeowners in 2025 as carriers regain their footing. Consider the following trends and patterns that are expected to continue influencing home insurance premiums and coverage availability:

1. Climate change
2. Legislative changes
3. Housing market prices
4. Carrier market re-entries

## Contact Us

Reach out to our agency today to learn more about the market's struggles, how they can affect your insurance and what cost mitigation strategies may be right for you.