



Know Your Insurance

Home

Courtesy of HGI Solutions

Tips for Home Insurance Buyers in 2025

Home insurance is among the most purchased and essential types of coverage. Given the significant investment of a home and the many risks and perils that could cause damage or other financial losses, securing sufficient coverage should be a top priority.

However, the home insurance market can be complex and volatile, often imposing increasing prices and fluctuating coverage availability. Fortunately, by understanding what happened in 2024 and what to expect in the year to come, homeowners can position themselves to acquire and maintain ideal policies while maximizing the cost-efficiency of their premiums.

Understanding Market Expectations

The 2024 home insurance market presented dynamic and transformative conditions throughout its 12 months. Many factors that impacted the marketplace in recent years, such as natural disasters and rising reinsurance rates, continued to play a role in carriers' offerings and rates. For example, the National Centers for Environmental Information reported that 2024 was on track to have the second-most catastrophic weather events in history. In total, as of Dec. 9, 2024, there had been 24 such incidents resulting in over \$500 billion in total losses throughout the United States.

However, despite market volatility in 2024, there were signs of potential financial relief for policyholders heading into 2025. For instance, according to a report by Matic, premium increases slowed in the latter half of the year. Whereas there was an average increase of 10.7% in premiums for new home insurance policies during the first six months of 2024, the latter half of the year observed increases falling to an average of 6.6%. Additionally, several carriers that had left certain high-risk regions have returned, leading to a 60% increase in available quotes. Such findings suggest the overall homeowners insurance market may be stabilizing.

7 Tips for Finding the Right Home Insurance in 2025

In the year to come, existing policyholders looking to renew coverage and new homeowners securing their first policies may benefit from the following tips:

1. **Shop around.** Perusing the offerings of multiple insurance carriers is always an advisable step and may be even more valuable for those in areas where insurers are re-entering the marketplace. By comparing more quotes from different providers, homeowners can identify the best available coverage for their needs and budgets.

2. **Upgrade homes.** Investing in your home's security and safety can play a significant role in helping with insurance premiums. For example, nonflammable materials, steel roofs and storm shutters can help limit damage from natural disasters. Similarly, security systems, deadbolt locks and smart smoke alarms may reduce the risk of crime and accidental damage. These enhancements may make homeowners appear less risky to carriers, potentially leading to lower rates.
3. **Adjust coverage.** Home insurance can often be customized and tailored to suit a homeowner's unique needs, preferences and risk tolerance. In some cases, policyholders may choose to adjust coverage to reduce premiums, such as by increasing their deductibles. While this may help save on regular costs, homeowners should be aware that such adjustments may leave them facing higher out-of-pocket costs when filing a claim.
4. **Bundle coverage.** Purchasing multiple insurance products from the same carrier can be an easily accessible way to save on total costs. For instance, homeowners insurance can often be bundled with a personal auto policy. By doing so, policyholders can often qualify for discounts while also potentially reducing their risk of nonrenewal; carriers may be hesitant to discontinue coverage for a customer who purchases multiple forms of insurance.
5. **Limit liabilities.** Home insurance policies typically include personal liability coverage, which can cover third-party losses caused by homeowners, as well as their spouses, children, pets and other family members who reside on the property. Carriers must assess liability risks and calculate rates accordingly. Attractive nuisances, such as swimming pools, playground equipment and firepits, can lead to higher costs.
6. **Improve personal credit.** Many home insurance companies use a figure called "insurance-based credit scores" to help determine the riskiness of insuring someone. These figures are calculated based on a homeowner's credit score. As such, maintaining a diversified credit portfolio, making payments on time and limiting outstanding debt may help policyholders save on premiums.
7. **Identify discounts.** Many insurance carriers offer discounts to certain policyholders. For example, members of the U.S. military and law enforcement organizations may sometimes qualify for reduced rates. Additionally, homeowners who have remained with the same carrier for an extended period may be eligible for a loyalty discount. Alternatively, those who have not filed a claim against their policies in recent years may also access savings opportunities.

Learn More

Amid a challenging insurance market, homeowners must take a diligent and informed approach toward keeping costs in check. Staying updated on current conditions, relevant trends and recent patterns can help policyholders craft an optimal, affordable policy.

At HGI Solutions, it's our mission to help keep you informed and guide you through all available policy options. Contact us today for more resources and comprehensive guidance when navigating the 2025 homeowners insurance market.
