

Draft date: 3/11/25

*2025 Spring National Meeting
Indianapolis, Indiana*

NAIC/CONSUMER LIAISON COMMITTEE

Sunday, March 23, 2025

12:45 – 2:15 p.m. ET

JW Marriott Indianapolis—JW Grand 5–10—Level 3

ROLL CALL

NAIC Member

Grace Arnold, Chair
D.J. Bettencourt, Vice Chair
Mark Fowler
Lori K. Wing-Heier
Peter M. Fuimaono
Alan McClain
Ricardo Lara
Michael Conway
Andrew N. Mais
Trinidad Navarro
Karima M. Woods
Michael Yaworsky
Jerry Bump
Dean L. Cameron
Ann Gillespie
Timothy J. Temple
Marie Grant
Anita G. Fox
Mike Chaney
Angela L. Nelson
Scott Kipper
Justin Zimmerman
Alice T. Kane
Adrienne A. Harris
Mike Causey
Jon Godfread
Judith L. French
Glen Mulready
Andrew R. Stolfi
Michael Humphreys
Alexander S. Adams Vega
Cassie Brown
Tregenza A. Roach

Representative

Grace Arnold, Chair
D.J. Bettencourt, Vice Chair
Larry Chapman
Heather Carpenter
Peter M. Fuimaono
Alan McClain
Ricardo Lara
Michael Conway
Kurt Swan
Susan Jennette
Sharon Shipp
Sheryl Parker
Sam Thomsen
Randy Pipal
Corbin McGhee
Ron Henderson
Marie Grant
Renee Campbell
Ryan Blakeney
Jeana Thomas
Scott Kipper
Justin Zimmerman
Margaret Pena
Bhavna Agnihotri
Angela Hatchell
John Arnold
Jana Jarrett
Donna Dorr
Andrew R. Stolfi
Michael Humphreys
Alexander S. Adams Vega
Cindy Wright
Tregenza A. Roach

State/Territory

Minnesota
New Hampshire
Alabama
Alaska
American Samoa
Arkansas
California
Colorado
Connecticut
Delaware
District of Columbia
Florida
Hawaii
Idaho
Illinois
Louisiana
Maryland
Michigan
Mississippi
Missouri
Nevada
New Jersey
New Mexico
New York
North Carolina
North Dakota
Ohio
Oklahoma
Oregon
Pennsylvania
Puerto Rico
Texas
U.S. Virgin Islands

Jon Pike
Scott A. White
Patty Kuderer
Allan L. McVey
Nathan Houdek
Jeff Rude

Tanji J. Northrup
Zuhairah Tillinghast
Patty Kuderer
Allan L. McVey
Sarah Smith
Jeff Rude

Utah
Virginia
Washington
West Virginia
Wisconsin
Wyoming

NAIC Support Staff: Lois E. Alexander

2025 NAIC Consumer Representatives

Theresa Alban—*Cystic Fibrosis Foundation (CFF)*
Amy Bach—*United Policyholders (UP)*
Kellan Baker—*Whitman-Walker Institute*
Charles Bell—*Consumer Reports (CR)*
Ashley Blackburn—*Health Care For All (HCFA)*
Brendan M. Bridgeland—*Center for Insurance Research (CIR)*
Jaclyn de Medicci Bruneau—*Ceres*
Bonnie Burns—*California Health Advocates (CHA)*
Jalisa Clark—*Georgetown University Center on Health Insurance Reforms*
Laura Colbert—*Georgians for a Healthy Future (GFHF)*
Brenda J. Cude—*University of Georgia*
Lucy Culp—*The Leukemia & Lymphoma Society (LLS)*
Deborah Darcy—*American Kidney Fund (AKF)*
Michael DeLong—*Consumer Federation of America (CFA)*
Shamus Durac—*Rhode Island Parent Information Network (RIPIN)*
Eric Ellsworth—*Consumers' Checkbook, Center for the Study of Services*
Erica Eversman—*Automotive Education and Policy Institute (AEPI)*
Carly Fabian—*Public Citizen*
Joseph Feldman—*Cover My Mental Health NFP*
Lauren Finke—*The Kennedy Forum (TKF)*
Adam Fox—*Colorado Consumer Health Initiative (CCHI)*

Stephanie E. Hengst—*The AIDS Institute*
Marguerite Herman—*Healthy Wyoming*
Brenda Claire Heyison—*Center for Budget and Policy Priorities (CBPP)*
Anna Schwamlein Howard—*American Cancer Society Center Action Network (ACS CAN)*
Anna Hyde—*Arthritis Foundation*
Janay Johnson—*American Heart Association*
Amy Killelea—*Individual Consumer Advocate*
Kenneth S. Klein—*Individual Consumer Advocate*
Peter R. Kochenburger—*Individual Consumer Advocate*
Erin Miller—*Community Catalyst*
Carl E. Schmid, II—*HIV+Hepatitis Policy Institute*
Jennifer Snow—*National Alliance on Mental Illness (NAMI)*
Deborah Steinberg—*Legal Action Center (LAC)*
Harry Ting—*Individual Health Care Consumer Advocate*
Wayne Turner—*National Health Law Program (NHeLP)*
Milo Vieland—*Legal Council for Health Justice*
Brent Walker—*Coalition Against Insurance Fraud (CAIF)*
Richard M. Weber—*Life Insurance Consumer Advocacy Center (LICAC)*
Caitlin Westerson—*United States of Care (USofCare)*
Jackson Williams—*Dialysis Patient Citizens (DPC)*
Sylvia Yee—*Disability Rights Education and Defense Fund (DREDF)*

AGENDA

1. Hear a Summary of the NAIC/Consumer Participation Board of Trustees Meeting—*Commissioner Grace Arnold (MN)*
2. Hear a Presentation on How Recent and Upcoming Federal Actions Will Impact State Regulation of the Health Insurance Market—*Stephanie Hengst (The AIDS Institute), Anna Hyde (Arthritis Foundation), and Wayne Turner (NHeLP)—18 minutes*
3. Hear a Presentation on the Impact of Health System Consolidation on Affordability and Access for Consumers—*Caitlin Westerson (USofCare), Lucy Culp (LLS), and Ashley Blackburn (HCFA)—18 minutes*
4. Hear a Presentation entitled, Overburdened: The Dramatic Increase in Homeowners Insurance Premiums and its Impact on American Homeowners—*Michael DeLong (CFA)—18 minutes*
5. Hear a Presentation on the Insurance Problems in Los Angeles and What We Should Learn from Them—*Kenneth S. Klein (Individual Consumer Advocate) and Amy Bach (UP)—18 minutes*
6. Hear a Presentation on Consumers Needing Help Finding Insurance Advisors—*Richard M. Weber (LICAC) and Harry Ting (Individual Health Care Consumer Advocate)—18 minutes*
7. Discuss Any Other Matters Brought Before the Liaison Committee—*Commissioner Grace Arnold (MN)*
8. Adjournment

FEDERAL UPDATE FOR CONSUMER LIAISON MARCH 23, 2025

Stephanie Hengst, The AIDS
Institute

Anna Hyde, Arthritis Foundation

Wayne Turner, National Health
Law Program

FEDERAL UPDATE OVERVIEW

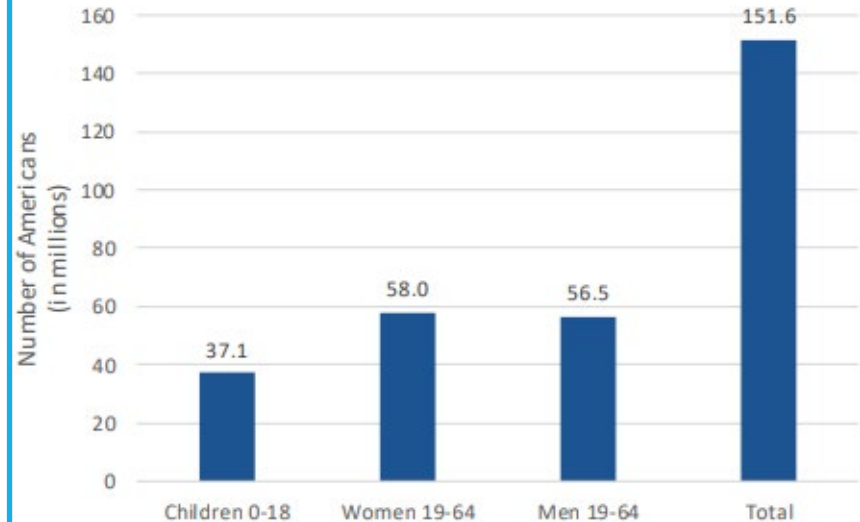
- Preventive Services
- Enhanced Premium Tax Credits (ePTCs)
- Medicaid Cuts

Preventive services

ISSUE

- The Supreme Court will hear the case challenging the ACA provision that requires most private insurance to cover USPSTF-recommended preventive services without cost-sharing.
- Potential implications include state employees lose preventive services no-cost coverage; long-term rise in premiums; increased out-of-pocket costs; deferred care; surges in preventable diseases and subsequent health costs.
- Over 150 million non-elderly Americans could be impacted if no-cost preventative services are struck down.

Figure 1. Estimated Number of Individuals with Private Health Coverage, by Age and Gender, with Preventive Services Coverage without Cost-Sharing, 2020 (in millions)



Preventive services

CURRENT STATUS

- No-cost preventive services remain “law of the land” and must be enforced.
- Braidwood vs. Kennedy will be heard April 21, with a ruling likely in the summer.
- Hundreds of patient and provider groups have filed amici.

IMPACT

- Out-of-pocket costs will deter consumers from seeking services including screenings: Cancer, mental health, pregnancy-related, sexual health screenings, and weight and tobacco.
- Deferred/delayed care = worse long-term health outcomes.
- Increases in preventable disease and health disparities.

KFF Health Tracking Poll Finds Eight in Ten (82%) Adults Have Favorable Opinion of ACA No Cost Preventive Services Provision



Preventive services

CONSUMER REPRESENTATIVE REPORT

- Gaps and inconsistencies in how preventive services and coverage were described in plan materials.
- Inconsistencies in how formularies list preventive medications as covered without cost sharing, difficult to navigate formularies with notations.
- Inconsistently available and incomplete guidance to providers on coding services as preventive vs. diagnostic.

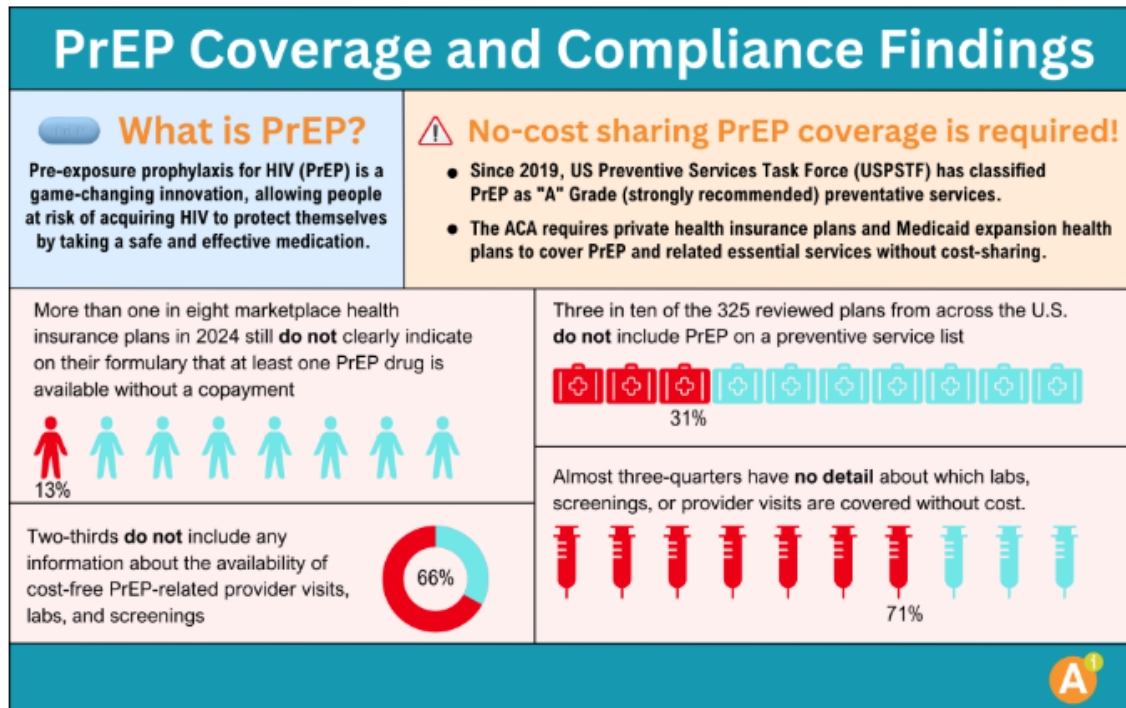


**Preventive Services Coverage and
Cost-Sharing Protections
Are Inconsistently and Inequitably Implemented**

CONSIDERATIONS FOR REGULATORS

Preventive Services

PrEP COVERAGE and COMPLIANCE



- Enrollees are still being charged for PrEP-related preventive services.
- Information is not easily available or clearly conveyed to enrollees and prospective-enrollees about PrEP and related services.
- There is no consistency or standardization in PrEP and preventive services information.
- Some state regulators have issued guidance or bulletins – but even those states do not have 100% compliance.

Preventive services

COMMISSIONER ROLE

- Enforce no-cost preventive services requirements.
- Ensure consumers have clear information upfront about their coverage, preventive services list easily available online during open enrollment shopping period.
 - Update state insurance and marketplace websites to include information about no-cost preventive services.
- Confirm preventive services coverage through data calls, rate review and QHP certification process.
- Work with state legislature to enshrine protections in state law.
 - CA, CO, CT, DC, DE, MA, ME, MN, NJ, NM, NY, OR, VA, VT, WA
- Monitor data and publish reports detailing health plans that weaken coverage of preventive services, including consumer-facing reports and information.

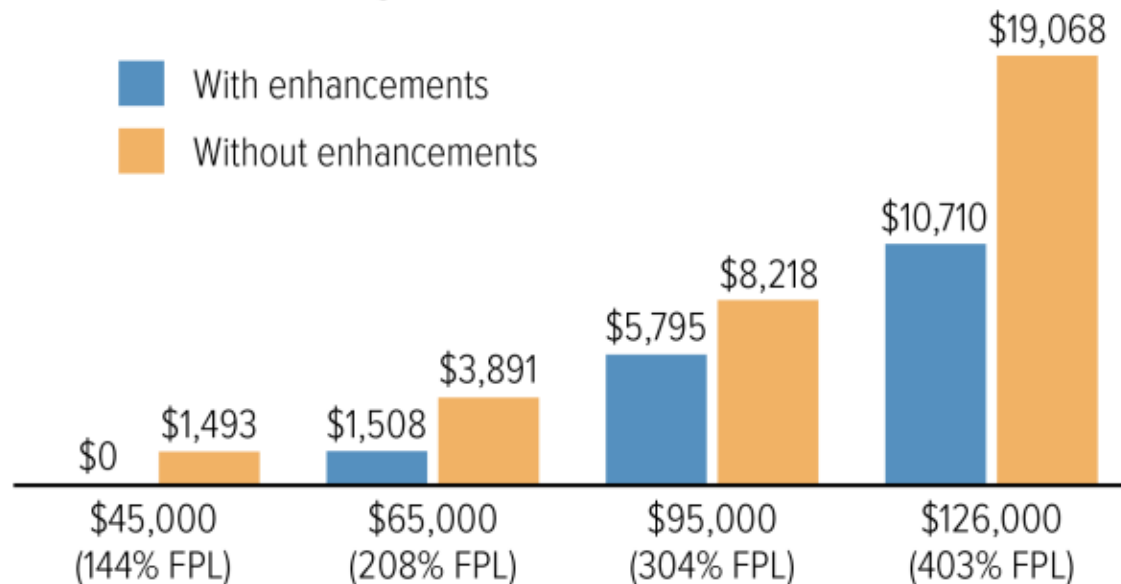
Enhanced Premium Tax Credits

ISSUE

- ePTCs are set to expire in 2025 unless Congress acts.
- Between 2020-2024 subsidized Exchange enrollment doubled, increasing 109% to 19.3 million people in 2024, particularly among low-income populations.
- If they expire, CBO estimates \$21 billion in reduced federal expenditures
- Commonwealth Fund estimates \$26.1 billion lost in federal tax credits across individuals and entities in 2026 alone; \$34.1 billion reduction in GDP across states; \$57 billion in reduced economic output; 286,000 job losses nation-wide; \$2.1 billion in lost state and local tax revenues.
- CBO estimates 5.6 million people will lose access to subsidized coverage in the year following the expiration, contributing to a rise in the uninsured rate.
- Nearly every marketplace will be impacted with higher costs; premiums are expected to double in at least 12 states using healthcare.gov.

Families Would Face High Premium Increases if Tax Credit Enhancements Expire

Annual premium for benchmark marketplace coverage for a family of four, based on national average premium

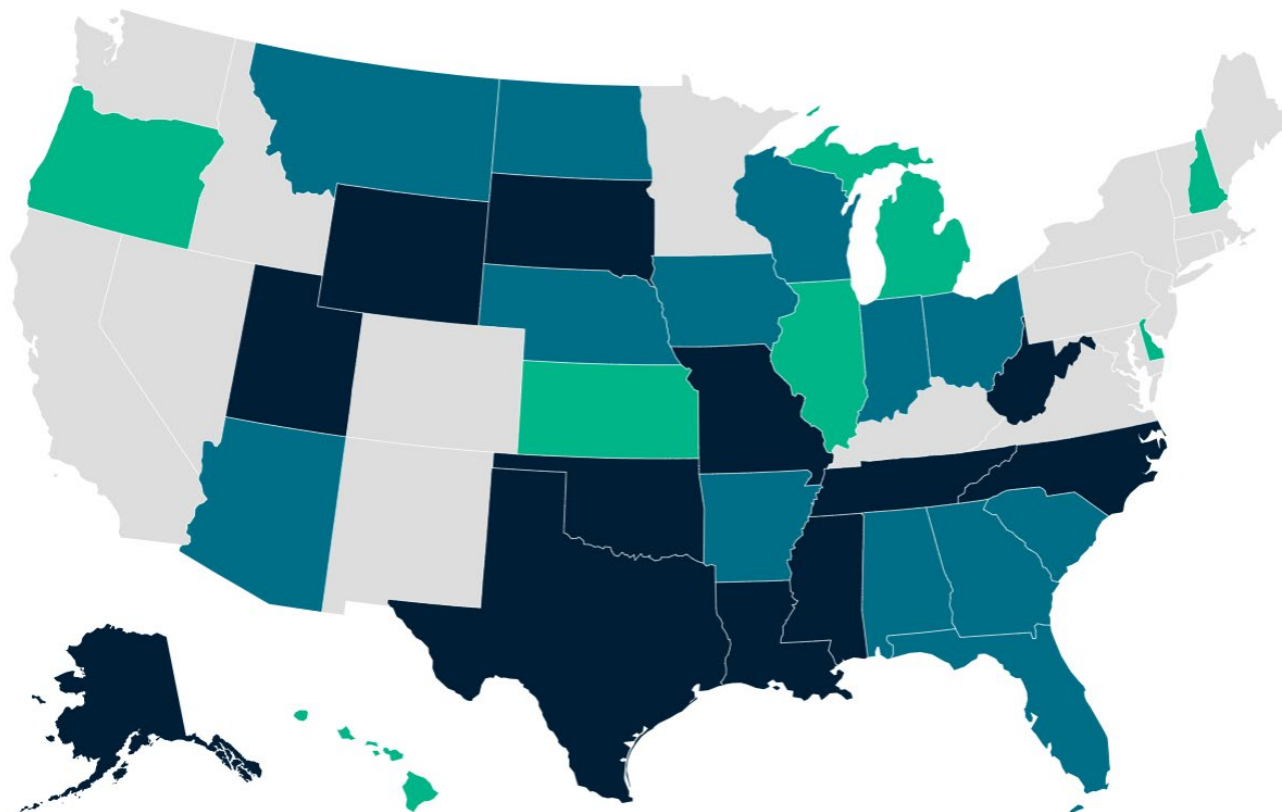


Annual income for a family of four, \$ and % of federal poverty level (FPL)

Percent Change

Dollar Change

Less than 80% 80% - 99% 100% or more



Percent Change in
Premium Payments
Without Inflation
Reduction Act Subsidies
Among HealthCare.gov
Consumers Receiving
APTC, 2024

Source: Kaiser Family
Foundation

CURRENT STATUS

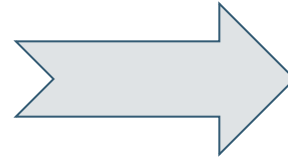
- The current ePTC extension was passed in the IRA in 2022, expires at the end of 2025.
- NAIC sent a [letter](#) to Congress in the winter urging an extension.
- Dozens of patient groups and other stakeholders have publicly urged Congress to include extension in funding bills.
- 2026 rate review underway (or close to) across many states.

COMMISSIONER ROLE

- Raise the urgency with your Congressional delegations.
- Share data about your current Exchange markets and projected impact (you have the most granular data!).
- Develop fact sheets with actuarially-based projections.
- Prepare consumer information strategies about transitioning to other forms of insurance if ePTCs are not extended.

Stop Medicaid Cuts!

- Block Grants
- Per Capita Caps
- Cutting the Federal Medical Assistance Percentage (FMAP)
- Work Requirements
- State financing restrictions



\$880 billion cut in federal funding for state Medicaid programs

State impact of federal Medicaid cuts

- Shifting billions of dollars of health care costs onto states.
- Millions expected to lose health care coverage:
 - Children with complex medical conditions, persons with disabilities and chronic conditions, family caregivers.
- Huge influx of uninsured destabilizes state insurance markets:
 - Premium increases to account for instability/uncertainty.
 - Damage to state credit rating.
 - Cuts in local revenue for school districts, sheriffs' departments.
- Increase in uncompensated care, medical debt.
- Rural hospital closures, reductions in health care workforce.

CURRENT STATUS

- Reconciliation bill(s) pending in House and Senate.
- Over 30 patient groups sent letter to Congress urging protection of Medicaid in reconciliation (follow-on letters in progress).

COMMISSIONER ROLE

- Reach out to your congressional delegations.
- Meet with governors, state legislators.
- Provide consumer assistance to people who lose coverage.

...[T]his policy change will result in the single largest transfer of risk ever from the federal government to the states.”

Governor Ducey, Republican, Arizona
(in response to 2017 proposals for Medicaid block grants/per capita caps)

Resources

Preventive Services

- The AIDS Institute - Pre-Exposure Prophylaxis: Coverage, Compliance, and Ending the HIV Epidemic, <https://aidsinstitute.net/documents/2024-PrEP-Research-Report-Final.pdf>
- NAIC Consumer Representative Report - Preventive Services Coverage and Cost-Sharing Protections are Inconsistently and Inequitable Implemented, <https://healthyfuturega.org/wp-content/uploads/2023/08/NAIC-Letter.pdf>
- Chronic Illness and Disability Partnership Amicus Brief, https://www.supremecourt.gov/DocketPDF/24/24-316/348582/20250225135823296_No.%2024-316%20Amicus%20Brief.pdf

Enhanced Premium Tax Credits

- Commonwealth Fund – [The Cost of Eliminating Enhanced Premium Tax Credit](#): Economic, Employment, and Tax Consequences
- Kaiser Family Foundation – [Inflation Reduction Act Health Insurance Subsidies: What Is Their Impact and What Would Happen If They Expire?](#)
- Center on Budget and Policy Priorities - [In Their Own Words: Marketplace Enrollees Would Struggle to Afford Premium Hikes if Congress Refuses to Extend Improved Tax Credits](#)
- Center on Budget and Policy Priorities - [Premium Tax Credit Improvements Must Be Extended to Prevent Steep Rise in Health Care Costs](#)

Stop Medicaid Cuts

- National Health Law Program - [Medicaid is Even Leaner as Accountability Improves](#)
- Commonwealth Fund - [How Medicaid Helps Your State](#) (state fact sheets)
- Medicaid in Schools, [Letter to Congress, Re: Reconciliation efforts impacting School Based Medicaid programs](#)

Questions?

Contact:

Stephanie Hengst - SHengst@taimail.org

Anna Hyde – ahyde@arthritis.org

Wayne Turner - turner@healthlaw.org



Impact of Health System Consolidation on Affordability and Access for Consumers

Ashley Blackburn, Health Care for All Massachusetts
Lucy Culp, The Leukemia & Lymphoma Society
Caitlin Westerson, United States of Care

Health system consolidation is contributing to affordability and access issues for consumers.



Health care affordability is a top concern for people.



of voters identified **affordability** as their **top priority** for the health care system.

Source: USofCare Poll



of Americans reported they or a family member **delayed** medical treatment **due to cost**.

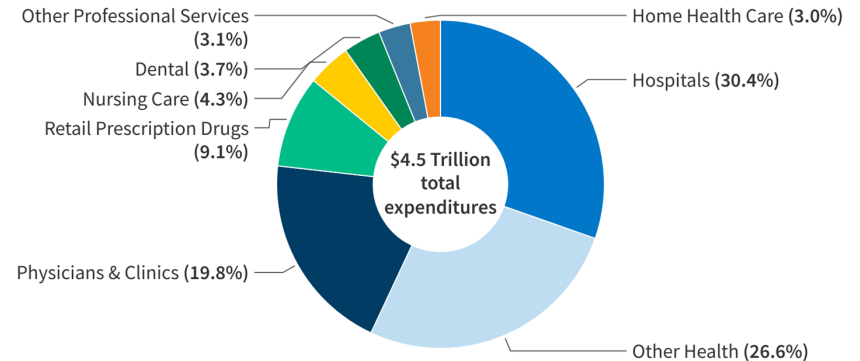
Source: Gallup

Hospital and physician services represent half of total health spending.

- The major drivers of health costs reveal where cost containment efforts can be most effective.
- In the U.S., **hospital spending represented nearly a third (30.4%)** of overall health spending in 2022, and **physicians/clinics represented 19.8%** of total spending.

Figure 3

Relative Contributions to Total National Health Expenditures, by Service Type, 2022



Note: 'Other Health' includes spending on durable equipment and non-durable products; other health, residential, and personal care; government public health activities; administration and net cost of health insurance; and investments. 'Other Professional Services' includes services provided by chiropractors, optometrists, physical, occupational, and speech therapists, podiatrists, and private-duty nurses. Nursing care includes nursing care facilities and continuing care retirement communities.

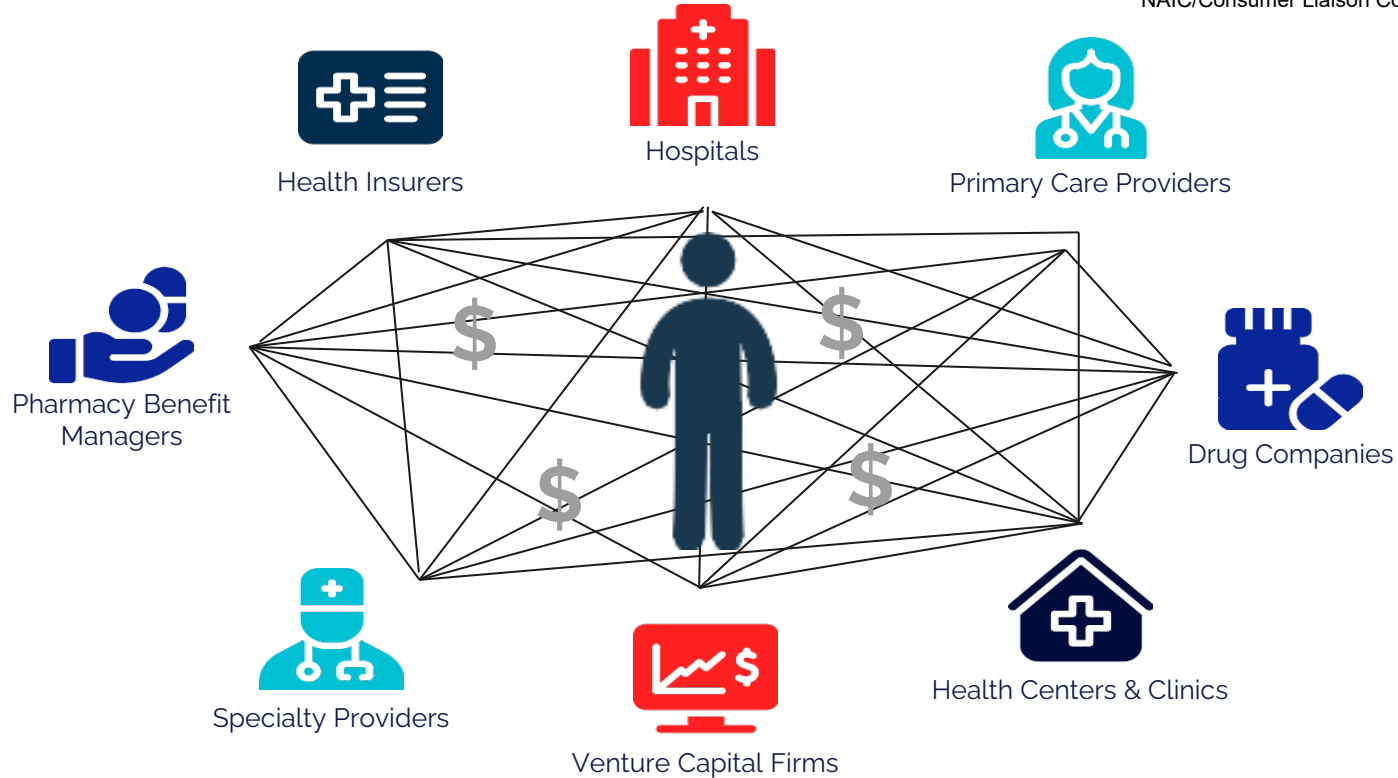
Source: KFF analysis of National Health Expenditure (NHE) data

Market power is the main driver of high and variable health care prices.

- Market power is amassed through **consolidation** happening across the health care system
- The vast majority of markets are highly concentrated



Source: Slide adapted from 2023 NASHP Presentation "Tools to Improve Affordability in a Consolidated Market" by Erin Fuse Brown.

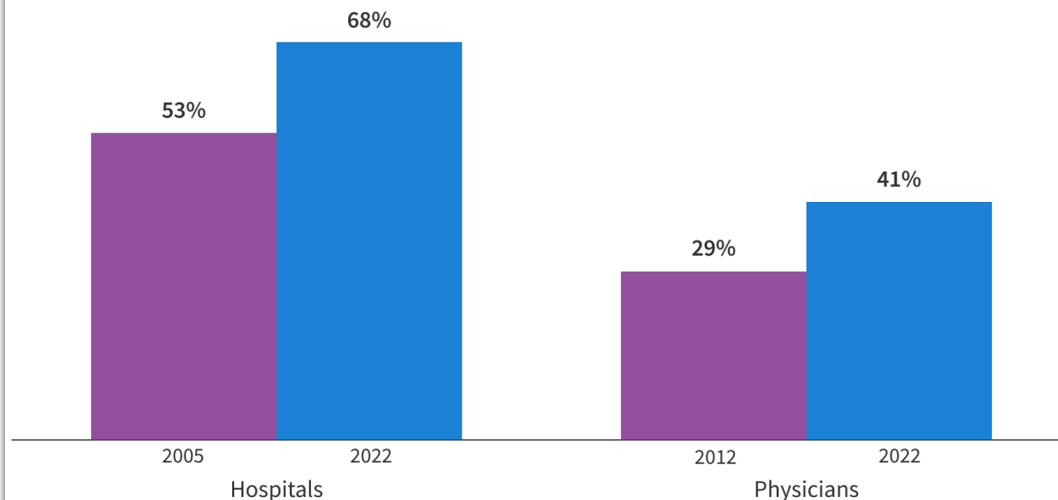


Lines between health sector stakeholders are blurring.

**Provider markets
have become
increasingly
consolidated over
the past 30 years.**

Figure 1

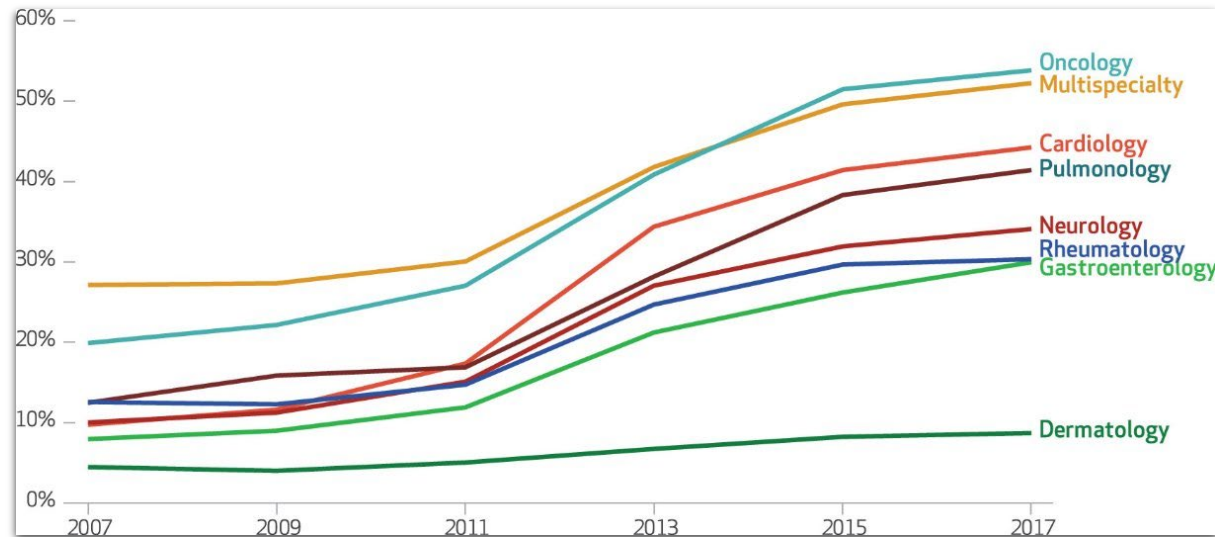
An Increasing Share of Hospitals Are Affiliated With Health Systems and an Increasing Share of Physicians Are Affiliated With Hospitals or Health Systems



Note: Hospital numbers reflect the share of community hospitals that are part of a larger health system, as defined by the American Hospital Association (AHA). Physician figures reflect the share of surveyed physicians that reported working for a hospital or in a practice owned at least partially by a hospital or health system.

Source: KFF analysis of AHA hospital data from the AHA Annual Survey Database and the AHA Trendwatch Chartbook, 2021 and of American Medical Association (AMA) physician data from the AMA report "Recent Changes in Physician Practice Arrangements: Shifts Away from Private Practice and Towards Larger Practice Size Continue Through 2022."

Share of physician practices owned or controlled by hospital systems (2007-2017)



**Consolidation leads to rising prices
and less choice for consumers.**



The Impact on Patients and Consumers

Reduces access to care

- Hospitals typically eliminate services and see fewer low-income patients after being acquired.

Increases prices and costs

- Consolidation reduces marketplace competition and increase spending.
- Drives up out-of-pocket costs for consumers and increasing premiums.

Quality is unlikely to improve

- Evidence shows no clear improvement in quality and some studies indicate lower quality outcomes, despite claims to the contrary.

**SAME SERVICE +
DIFFERENT SITE =
HIGHER COSTS**



+\$175
ULTRASOUND FACILITY FEE



+\$645
BIOPSY FACILITY FEE



+\$68
OFFICE VISIT FACILITY FEE

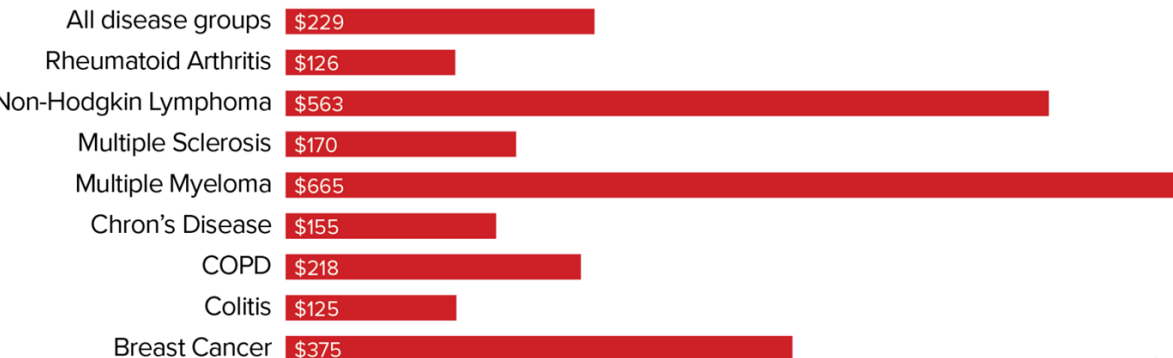
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Source: [HCCI](#)

Consolidation Drives Up Costs for Consumers



YEARLY SAVINGS FROM SITE-NEUTRAL REFORMS COMMERCIAL INSURANCE



Source: [LLS + Wakely](#)

Case Study: The Massachusetts Experience

Case Study: Steward Health Care Collapse in MA

**The
Boston
Globe**

After Steward hospital closure, ambulances rush patients out of town: ‘There’s nobody here to fill the gaps’

Ayer’s ambulance crew is adapting to the closing of Nashoba Valley Medical Center

By [Robert Weisman](#) Globe Staff, Updated February 23, 2025, 6:00 a.m.



AP

Patients will suffer with bankrupt health care firm’s closure of Massachusetts hospitals, staff say

PBS NEWS HOUR

Investigation reveals how investors made millions as Steward Health Care system collapsed

Sep 12, 2024 6:25 PM EST

Case Study: How We Got Here

- **1985** → Caritas Christi Health Care is established with six catholic hospitals in Massachusetts becoming the second largest healthcare system in New England.
- **2010** → Cerberus Capital Management buys Caritas Christi hospital chain from the Archdiocese of Boston and rebrands as Steward Health Care. The state imposes a three-year ban on selling or closing any of the hospitals in the sale.
- **2016** → Facing financial difficulties, Steward sells its Massachusetts properties to Medical Properties Trust (MPT) for \$1.25 billion entering into a lease arrangement..
- **2024** → Steward files for bankruptcy.

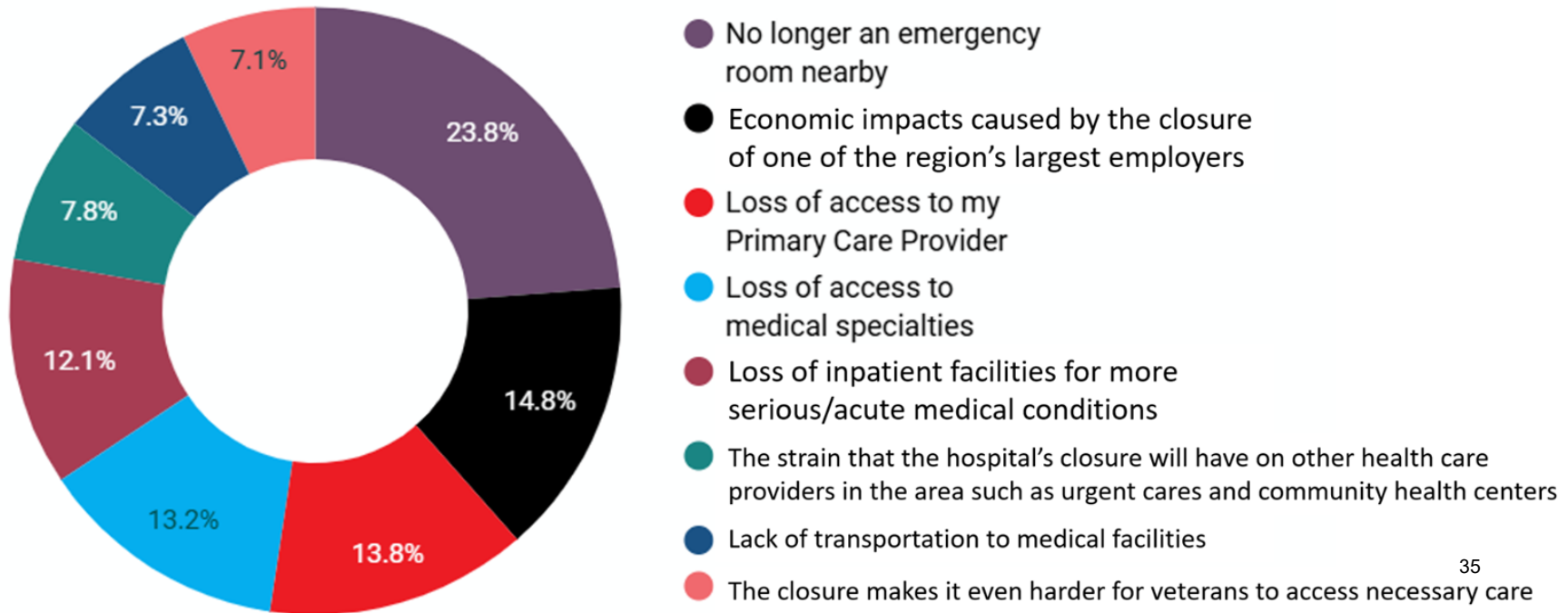


Steward Hospital Transitions & Closures

Presentation Two
NAIC/Consumer Liaison Committee
3/23/25

Steward Hospitals	Location	Result
Carney Hospital	Dorchester	Closed
Nashoba Valley Medical Center	Ayer	Closed
Norwood Hospital	Norwood	Closed in 2020
Good Samaritan Medical Center	Brockton	Boston Medical Center
St. Elizabeth's Medical Center	Brighton	Boston Medical Center
Morton Hospital	Taunton	Brown University Health
Saint Anne's Hospital	Fall River	Brown University Health
Holy Family Hospital	Methuen	Lawrence General Hospital
Holy Family Hospital	Haverhill	Lawrence General Hospital ³⁴

Case Study: Patient Impact



**State policymakers have tools to
address consolidation and rising
prices.**



Policy Tools for States



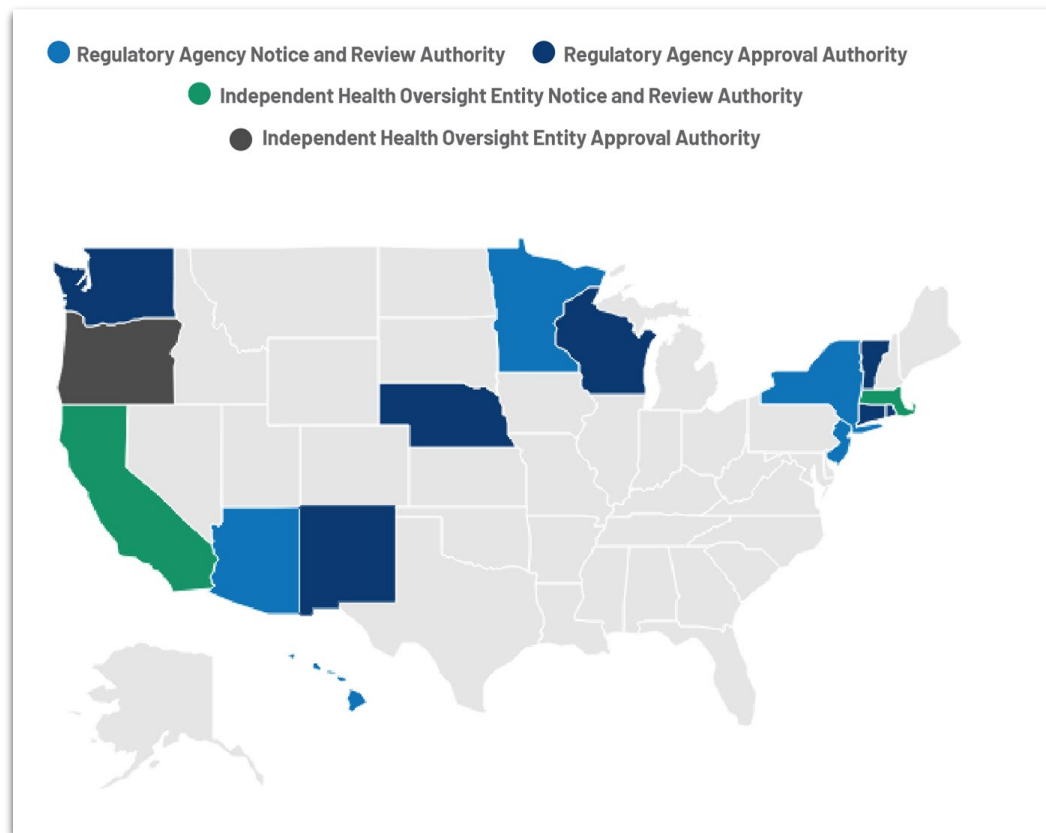
**Prevent Harmful
Consolidation**

**Promote
Competition**

Limit Prices

State agency authority in health care transaction oversight

28 states also give their Attorneys General authority to either review or approve health care transactions that meet certain criteria.



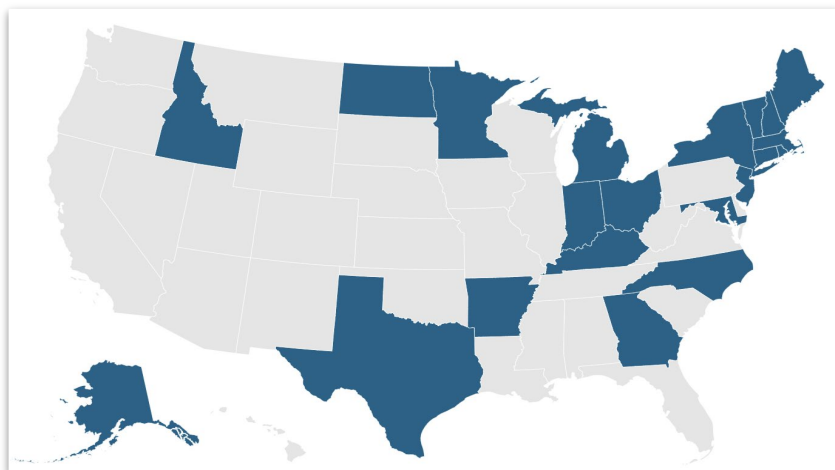
Source: Fuse Brown and Gudiksen, *Models for Enhanced Health Care Market Oversight*³⁸ State Attorneys General, Health Departments, and Independent Oversight Entities, Milbank Memorial Fund, Jan 25, 2024.

Market Changes in Ownership of Healthcare Related Entities

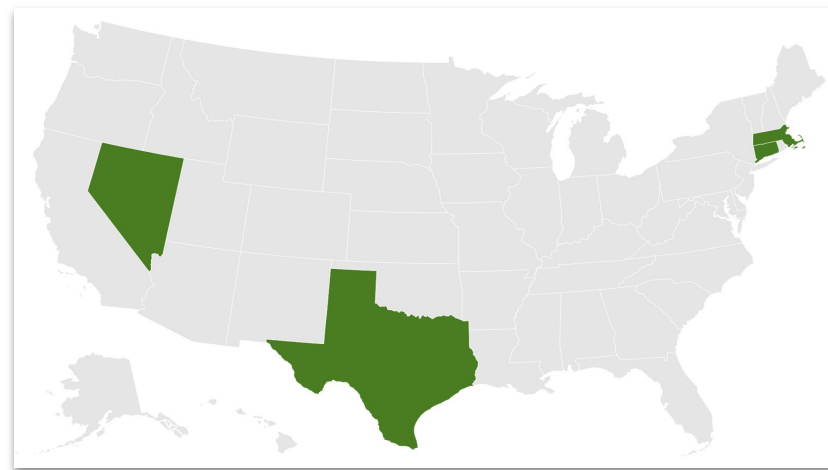
Activity	Provider:		Insurance Carrier (Payer)	All Other Healthcare Related Entities
	A) Nonprofit	B) For profit		
Notice of Transaction	CA, CO, CT, HI, IL, IN, MA, MN, NV, NH, NM, NY, OR, PA, RI, VT, WA	CA, CO, CT, HI, IL, IN, MA, MN, NV, NH, NM, NY, OR, RI, VT, WA	CA, NV, NH, NY, OR, WA	CA, CO, CT, HI, IL, IN, MA, MN, NV, NH, NY, OR, PA, RI, VT, WA
State Review / Referral of Transaction	CA, CO, CT, HI, IL, IN, MA, MN, NH, NM, NY, OR, PA, RI, VT, WA	CA, CT, HI, IL, IN, MA, MN, NH, NM, NY, OR, RI	CA, NH, OR	CA, CO, CT, HI, IL, IN, MA, MN, NH, NY, OR, PA, RI, VT, WA
Authority to Approve, Approve Conditionally, Deny Transaction	CA, CO, CT, HI, IL, MA, NH, NM, NY, OR, PA, RI, VT, WA	CT, HI, IL, MA, NH, NM, NY, OR, RI	NH, OR	CO, CT, HI, IL, IN, MA, NH, NY, OR, PA, RI, VT
Monitoring and Compliance of Transaction	CA, CO, CT, HI, IL, NM, OR, PA, RI, WA	CT, HI, IL, IN, NM, OR, RI	OR	CO, CT, HI, IL, IN, OR, PA, WA, RI

States addressing anti-competitive contracting terms

Most-favored Nation Restrictions



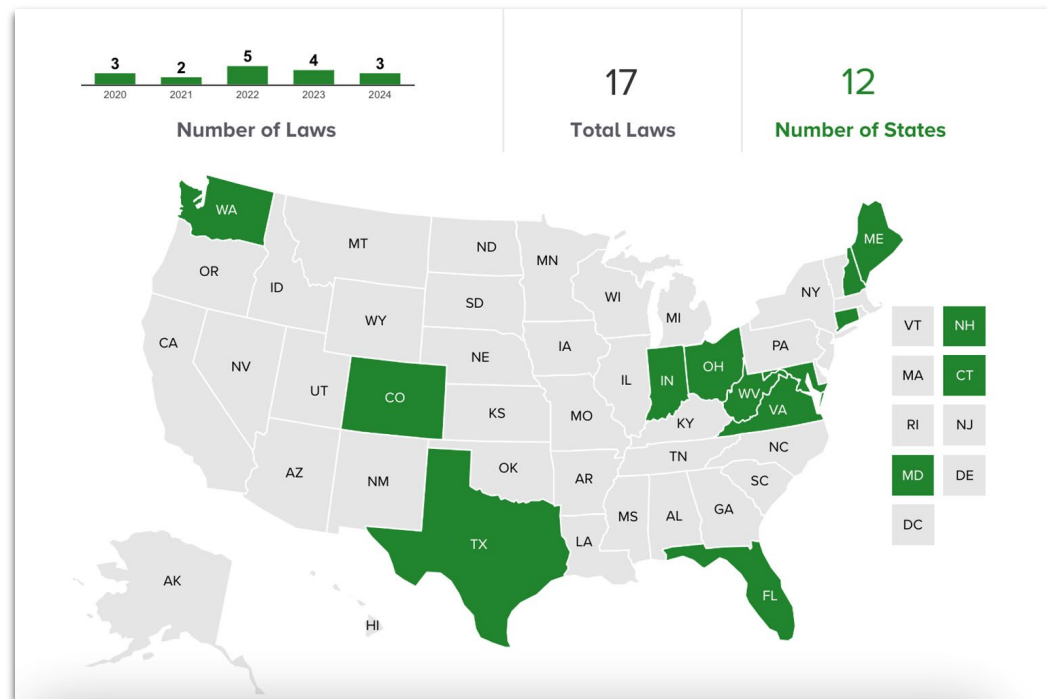
Anti-tiering Restrictions



Source: Slide adapted from 2024 Presentation "State-based Approaches to Address Health Care Consolidation and Prices" by Katie Gudiksen.

States are taking action to limit facility fees.

Between 2020 and 2024, 12 states have passed legislation to protect consumers from facility fees.



Source: [NASHP State Laws Passed to Address Health System Costs: 2020-2024](#)



Recommendations for Insurance Regulators

- **Insurance regulators have a role to play in health care merger oversight**
 - ◆ Ensure insurance regulators are part of any review that involves regulated entities or will impact state insurance markets
 - ◆ Examine anti-competitive behaviors between insurance companies and providers
- **Increase transparency**
 - ◆ Support enforcement of transparency requirements, including prohibitions on collecting medical debt for those not in compliance
 - ◆ Support creation of all-payer claims databases
 - ◆ Support enactment of new transparency requirements, including ownership
- **Advocate for measures that keep costs affordable for consumers**
 - ◆ Support efforts to reign in facility fees
 - ◆ Support extending the enhanced marketplace tax credits
 - ◆ Oppose cuts to Medicaid



Thank you!

Ashley Blackburn, Health Care for All Massachusetts
ablackburn@HCFAMA.org

Lucy Culp, The Leukemia & Lymphoma Society
lucy.culp@lls.org

Caitlin Westerson, United States of Care
cwesterson@usofcare.org

Overburdened: The Dramatic Increase in Homeowners Insurance Premiums and Its Impacts on American Homeowners

By Sharon Cornelissen, PhD, Douglas Heller, Ethan
Weiland, and Michael DeLong

Forthcoming report, March 2025, Consumer
Federation of America

Homeowners Insurance: Questions

- How much more are homeowners paying for their homeowners insurance premiums in 2024 compared to 2021?
- How do insurance premium increases vary across the United States?
- In what regions, states, and cities have homeowners faced the most severe hikes?

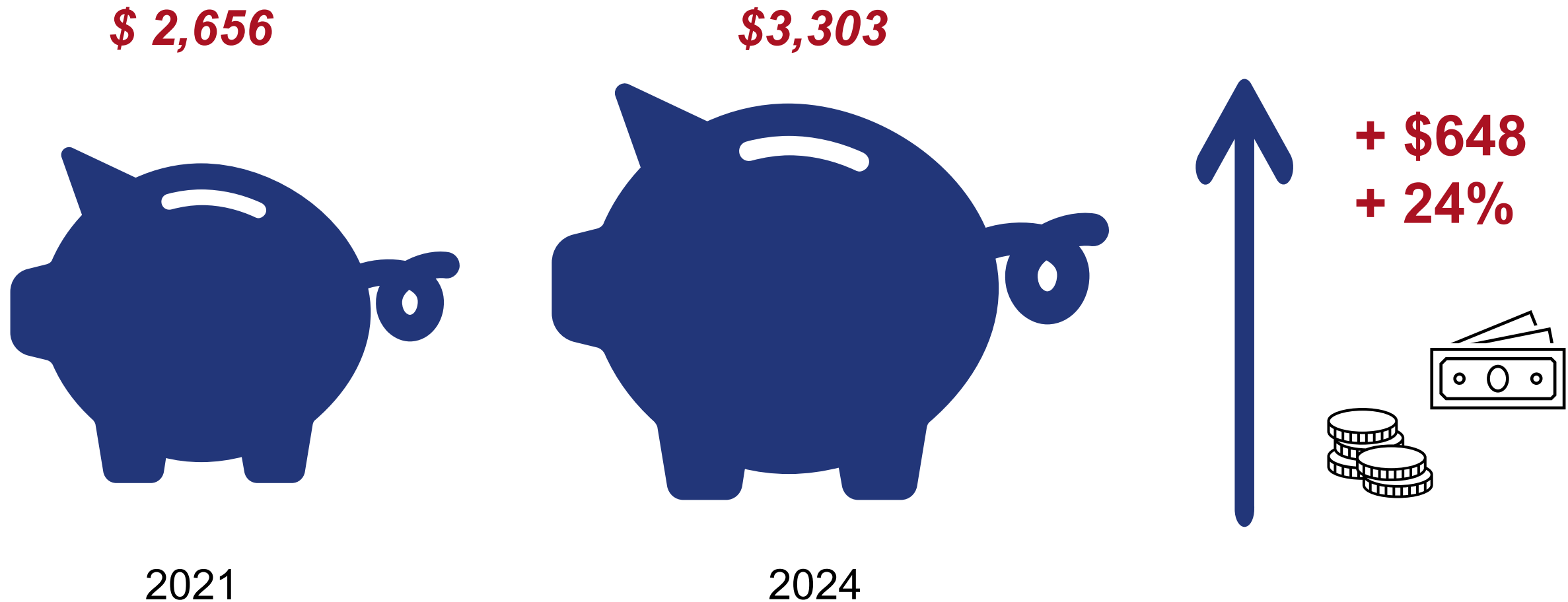
Data and Research Methods

- Data obtained from Quadrant Information Services
- Test quotes for homeowners insurance premiums **for every ZIP code** (except Wyoming) from six of the largest insurance companies in each state
- Quotes in both December 2021 and August 2024
- Quotes based on mid-tier consumer credit score and \$350,000 replacement value
- Averages weighted by market share and number of homeowners in each ZIP Code

Key Findings

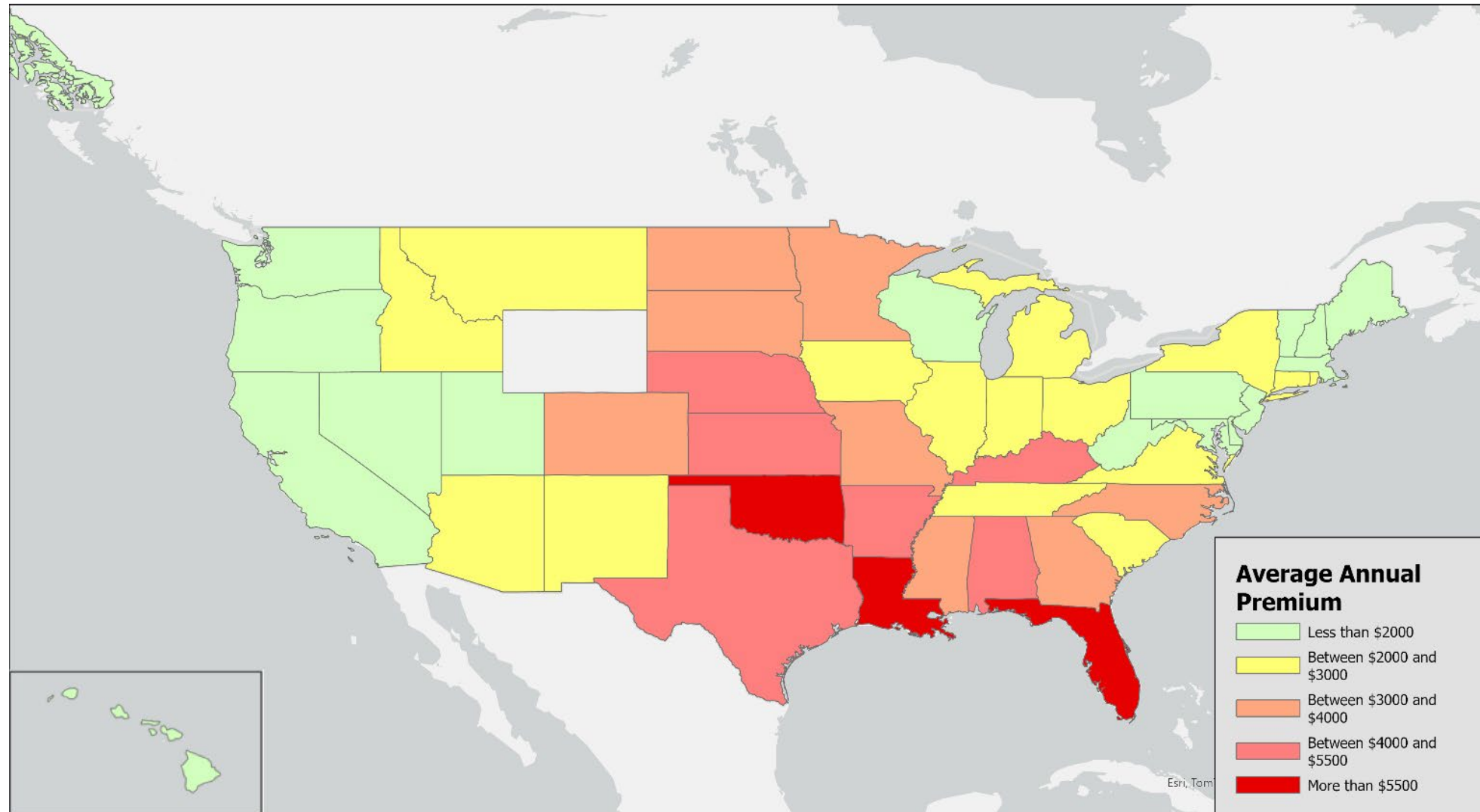
- Average homeowners insurance premium increase of \$648 over past three years—24% increase, compared to 13% cumulative inflation
- Premiums increased in 95% of ZIP codes
- States with largest increases:
 - Utah—59%
 - Illinois—50%
 - Arizona—48%
 - Pennsylvania—44%
- Florida is the most expensive state: average premium of \$9,462 per year for typical homeowner
- Consumers paid estimated \$21 billion more for standard homeowners insurance coverage in 2024 compared with 2021

Figure 1: Average Annual Premiums Nationwide, 2021 to 2024



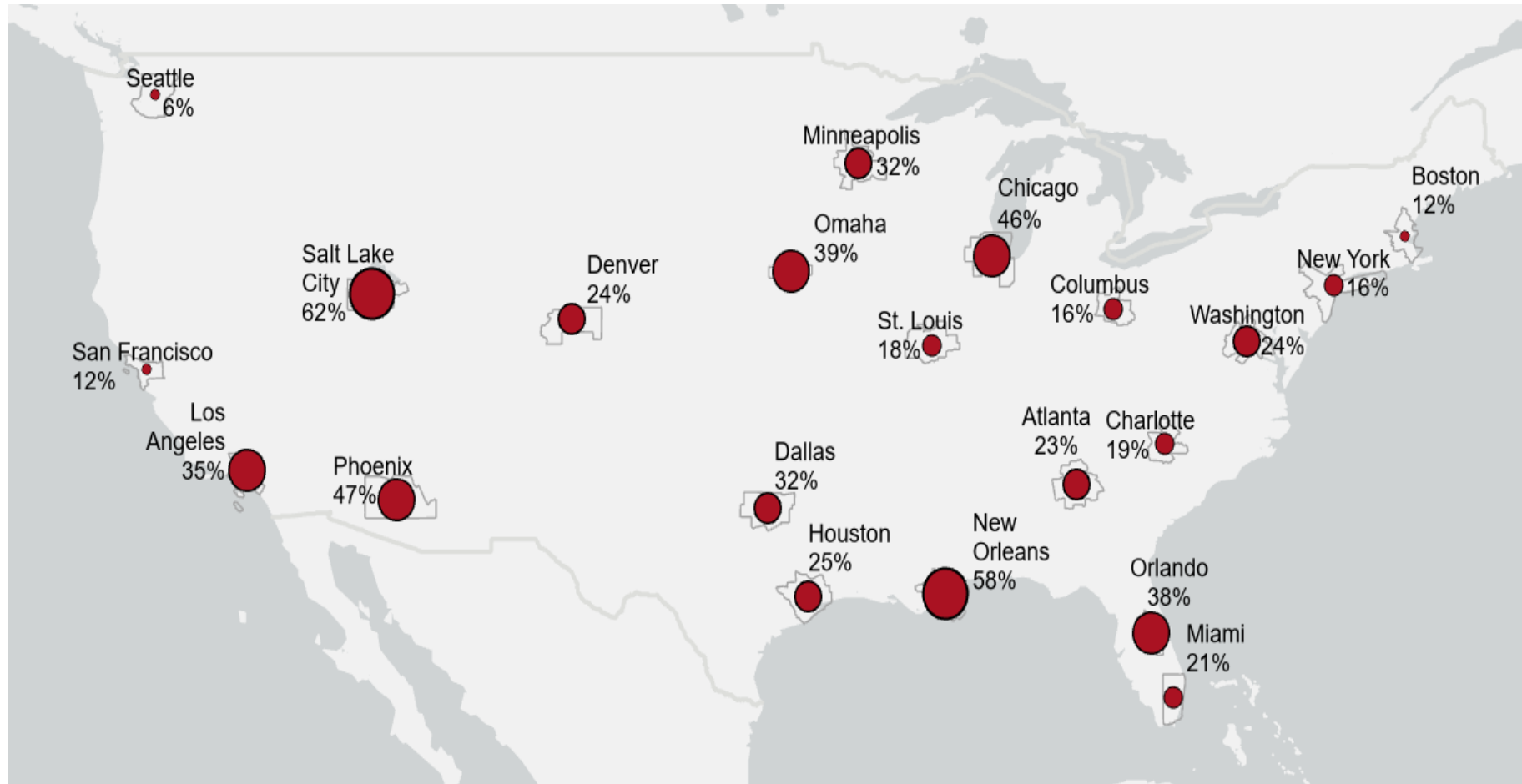
Premium Percentage Increases by State, 2021 to 2024

Typical Average Premium in Each State in 2024



States With Largest Premium Increases Adjusted for Replacement Value

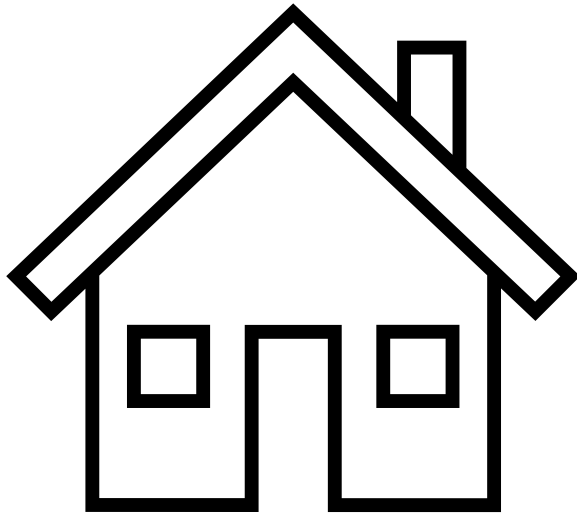
Percentage Premium Increases from 2021 to 2024 in Select U.S. Cities



Homeowners Insurance Represents a Growing Collective Financial Burden

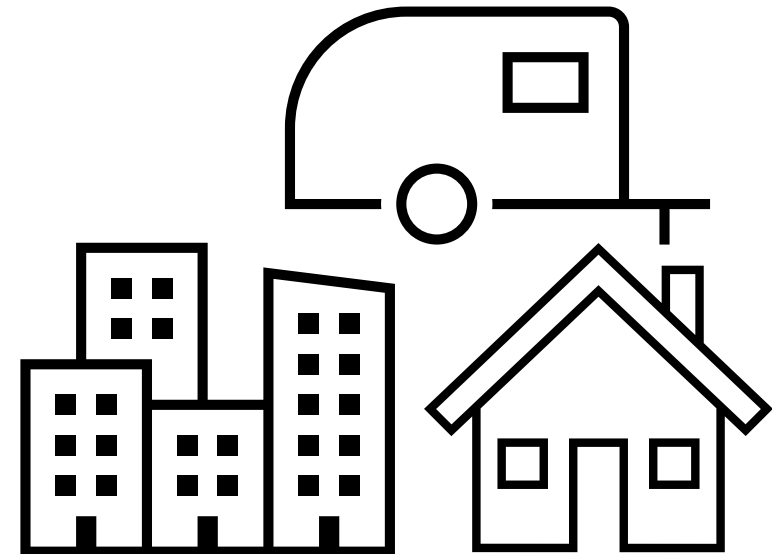
Estimated National Increase in Homeowners Insurance Costs (US Dollars)

+ \$21 Billion (from 2021 to 2024)



Single-Family Homes only (HO-3)

+ \$27 Billion (from 2021 to 2024)



All Personal Property Policies

Additional Findings: Rising Homeowners Insurance Premiums

- Homeowners in rural areas equally hard hit by rising costs
 - 25% increase from 2021 to 2024
- 68% of ZIP codes saw premium increase over 15%
- 32% of ZIP codes saw premium increase over 30%
- Rising costs placing additional burdens on would-be homebuyers
- Homeowners insurance premiums significantly outpaced inflation

Policy Recommendations

- Improve data collection by doing annual data calls
 - Make public 2024 data call
 - Adopt HMDA-style approach to data collection
- Increase public funding and enshrine premium discounts for risk mitigation efforts
- Strengthen regulatory oversight of rates and underwriting practices
- Create a national public reinsurance facility

Policy Recommendations (continued)

- Fund the creation of public catastrophe models
- Improve coverage offerings and pricing of state level public insurance alternatives
- Hold stakeholder conversations about land use policy, building safety, and climate resilience
- Hold insurers accountable for investing in and underwriting fossil fuel projects



Questions? Email us at
mdelong@consumerfed.org

+ ○ • The Insurance Problems in LA and What We Should Learn From Them

NAIC Consumer Reps.,
Ken Klein and Amy Bach



Who are we?

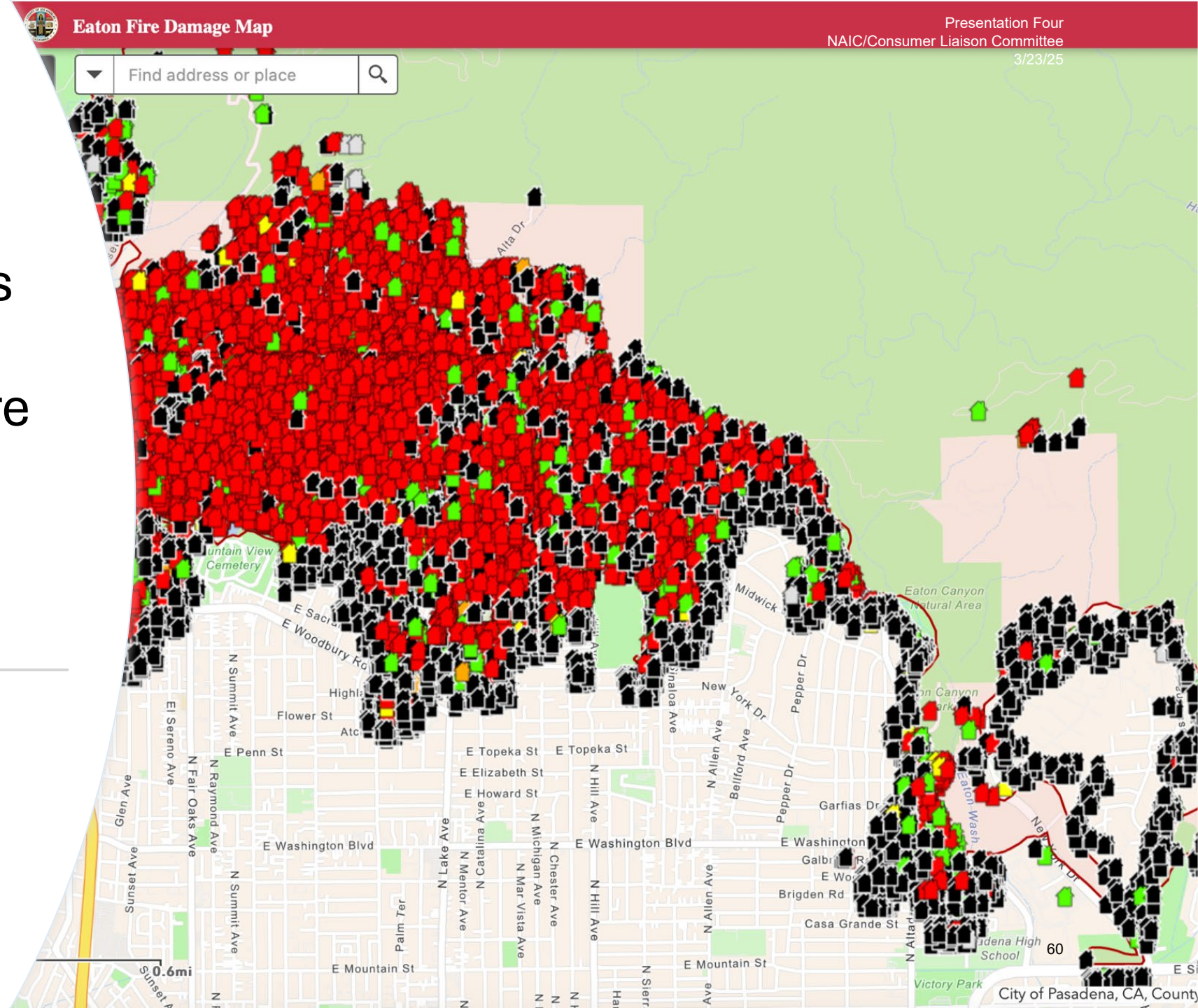


- NAIC Consumer Representative focusing on affordability, adequacy, and availability of P&C insurance (kklein@cwsu.edu)
- Researches underinsurance



- Founder and President of United Policyholders (uphelp.org)
- NAIC Consumer Representative

Map of portion of Alta Dena after the Eaton Fire; Destroyed homes are RED and Undamaged homes are BLACK (orange and yellow are minor to major damage)





➤ We are going to describe the problems that LA is facing and what that predicts for your States:

-Amy will discuss the insurance challenges other than underinsurance.

-I will discuss underinsurance.

www.uphelp.org

www.uphelp.org/recovery/disaster-recovery-help/2025cawildfires

- Step-by-Step guidance that follows the typical recovery timeline
- Links to sign up for events and updates
- Sample letters & claim documents
www.uphelp.org/samples
- Survivors Speak Tips
www.uphelp.org/survivorsspeak
- Upcoming Workshops and Resources
www.uphelp.org/events
- Links to specialized professionals
www.uphelp.org/findhelp

DISASTER RECOVERY HELP

Home » Disasters » 2025 California Wildfires - Insurance Claim and Recovery Help

2025 California Wildfires – Insurance Claim and Recovery Help

This Insurance Claim and Recovery Help page includes resources for the January 2025 Palisades Fire and Eaton Fire in Los Angeles County.

Through our **Roadmap to Recovery®** program, you can access free, trustworthy help navigating the process of returning to a wildfire damaged area, repairing and replacing damaged and destroyed property, and collecting all available insurance funds. If your property is damaged or was destroyed, our guidance is here to help you get started on the road to recovery, make good decisions and keep moving forward.

Sign up on this page to receive information and alerts from United Policyholders. We respect and protect the privacy of all who communicate with our organization. We do not share or sell our mailing lists.

DOWNLOAD OUR INSURANCE AND RECOVERY GUIDE

About UP: United Policyholders (UP) is a non-profit organization that has three-plus decades of expertise in wildfire recovery and insurance claims. Our staff, our disaster veteran and professional volunteers, and our public officials, agency, non-profit and professional expert partners can help lighten your load and give you reliable strategies, information and pearls of wisdom and support. We're rooting for you and here to help. No strings attached. We don't sell our services or provide one-on-one professional claim or legal help, but we offer honest, free and experienced guidance and links to reliable professional and government resources.

VISIT UNITED POLICYHOLDERS (UP) TABLE AT THE TWO OFFICIAL DISASTER RECOVERY CENTERS:
UP staff and previous disaster survivors are at the Disaster Recovery Centers. Stop by for information, claim guidance and a free copy of our "little yellow" Disaster Recovery Handbook. There are two DRC locations, both open daily from 9:00 am to 8:00 pm
UCLA Research Park West
10850 Pico Blvd., Los Angeles, CA 90064

Pasadena City College
3035 E. Foothill Blvd., Pasadena, CA 91107

UPCOMING EVENTS >

2025 California Wildfire Recovery and Insurance Orientation

Wednesday, January 22, 2025
5:00 pm PT

Zoom - registration required

all 2025 California wildfire survivors

VIEW +

How to Read and Understand Your Policy

Wednesday, January 29, 2025
5:00 pm PT

Zoom - registration required

2024 and 2025 California Wildfire survivors

VIEW +

2025 CALIFORNIA WILDFIRES

TAKING IT IN AND GETTING STARTED	+
ARRANGING TEMPORARY HOUSING	+
GETTING ORGANIZED, INFORMED AND EMPOWERED	+
GETTING DEBRIS REMOVED	+
BEING PROACTIVE IN DOCUMENTING AND VALUING YOUR LOSSES	+
CREATING YOUR HOME INVENTORY AND NAVIGATING YOUR CONTENTS CLAIM	+
MAKING HOUSING AND FINANCIAL DECISIONS	+
CHOOSING A CONTRACTOR	+
WORKING WITH YOUR MORTGAGE COMPANY	+
GETTING HELP IF/WHEN YOU NEED IT	+

Common “hot spots”

- Insured/Adjuster communications (delays, adversarial, valuation disputes, inconsistent claim handling, limited adjuster authority)
- Misinformation on policy benefits owed, state regs/laws
- The pain of itemized contents inventory requirements
- Lowball valuations of dwellings, contents, etc.
- Improper depreciation by adjusters
- Underinsurance (dwelling, ALE, code upgrades)
- Disputes over damage to standing homes and smoke remediation
- Biased contractors/vendors over or understating damage
- Zoning/Permitting issues (setbacks, building codes)
- Scams, hard sell solicitations, fees that eat up insurance benefits

I just completed analysis of over 62,000 fire claims in California, 2018-2021. It describes that over **two-thirds** of destroyed homes have less reconstruction coverage than incurred loss.



This is not because of price sensitivity. Of the 62,000+ policies I analyzed, nine out of ten had reconstruction value (RCV) coverage and an endorsement extending that coverage (ERC).



This is not because of demand surge pricing, post-catastrophe.

- Across wildfire years 2018-2021, demand surge steadily ran about 20%.
- This also is what demand surge has been in Colorado after the 2021 Marshall Fire.
- The underinsured homeowners almost all had demand surge baked into their RCV coverage limit *and* had an ERC extension of that limit by at least 20%.
- If coverage is accurately written, demand surge should not cause underinsurance after a catastrophe.



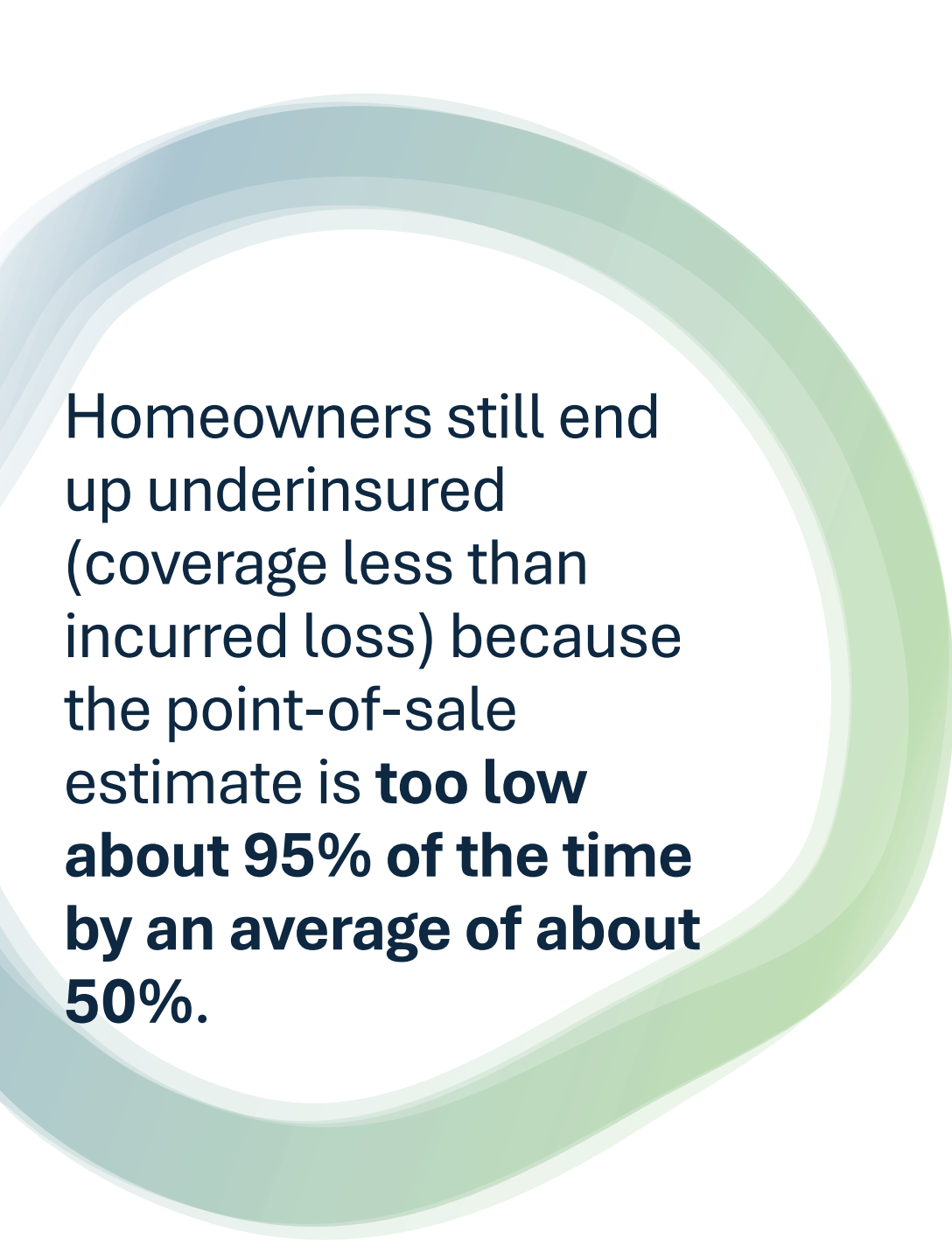
Underinsurance is happening because of the way insurance is bought and sold (which matters to every State). The following describes most of us:

- We first bought homeowner insurance because we were required to do so to close escrow and move into a new home.
- We renewed the policy annually without reflection unless our coverage was cancelled or the premium dramatically spiked.
- If we ever shopped our insurance, then we shopped on premium, not coverage.
- And if we ever asked about the adequacy of coverage, our insurance company assured us that it likely was adequate but offered to sell us a percentage extension endorsement if we wanted to be sure.



90% of Californians, 2018-2021, bought...

- Coverage A in the amount that the insurance company estimated would be the reconstruction cost if the home burned down.
- *And ERC.*



Homeowners still end up underinsured (coverage less than incurred loss) because the point-of-sale estimate is **too low about 95% of the time by an average of about 50%.**

- No one is trying to underinsure.
- But the estimates are a short cut application of claims adjustment estimating tools.
- And point-of-sale is a very different setting from claims adjusting.
- In claims negotiations, an adjuster's estimate is designed to be “an opening bid” grounded in expertise and detail.
- And it leaves room to negotiate with a contractor who wants more money to work with...



...but at point of sale...

- ...there is no contractor,
- ...there is no expertise,
- ...there is no detail,
- ...there often is no negotiation,
- ...and there is no one on fighting for the premium to be higher.

What happens post-loss?

Economists of the Federal Reserve Bank find that in claims adjusting of destroyed homes, 40% of the time the homeowner **is underpaid**, meaning the homeowner settles for less than the insurer's reserve. Underpayments mask the true frequency of underinsurance.

If the claim goes to litigation, then the lawsuit may turn on language in the policy something like this:

The coverage amount listed on your attached declaration page is only an estimate of the replacement cost value of your insured property. It may not be sufficient to replace your property in the event of a total loss. If you have concerns about the estimated replacement cost amount used to derive your coverage, you should take an opportunity to discuss this with us to ensure your property has enough coverage in the event of a total loss.

Based on that
language, the insurer
often wins...

...because the homeowner is
presumed to have read and
understood their policy...

...despite research by among
others, our own Consumer Rep,
Brenda Cude, that this is a
fiction.



Conclusions

- 80% of homeowners nationwide have grossly too little Coverage A even for a one-off house fire.
- A catastrophe makes it worse.
- Most total losses happen in a catastrophe.
- And in a catastrophe, having ERC doesn't fix the problem (in fact, having ERC only fixes the problem about half the time even for a one-off house fire).



We can't change the underinsurance issues that Los Angeles is going to encounter, but we can make things better in the future.



More coverage = Higher premiums

So, as regulators, you may feel you have no choice but to leave your homeowners holding the bag even for unintentional underinsurance because otherwise everyone's premiums go up.

If you find that endpoint unsatisfactory, then the following slide introduce some ideas about what you could do...

You could start by confirming if California data describes what is happening in your State.



If you are inclined to a market-based solution...

...then gather data insurer-by-insurer in your state, make it public facing, and watch the market do its magic.



If you are inclined to a regulatory solution...

...then consider the approach Colorado is taking:

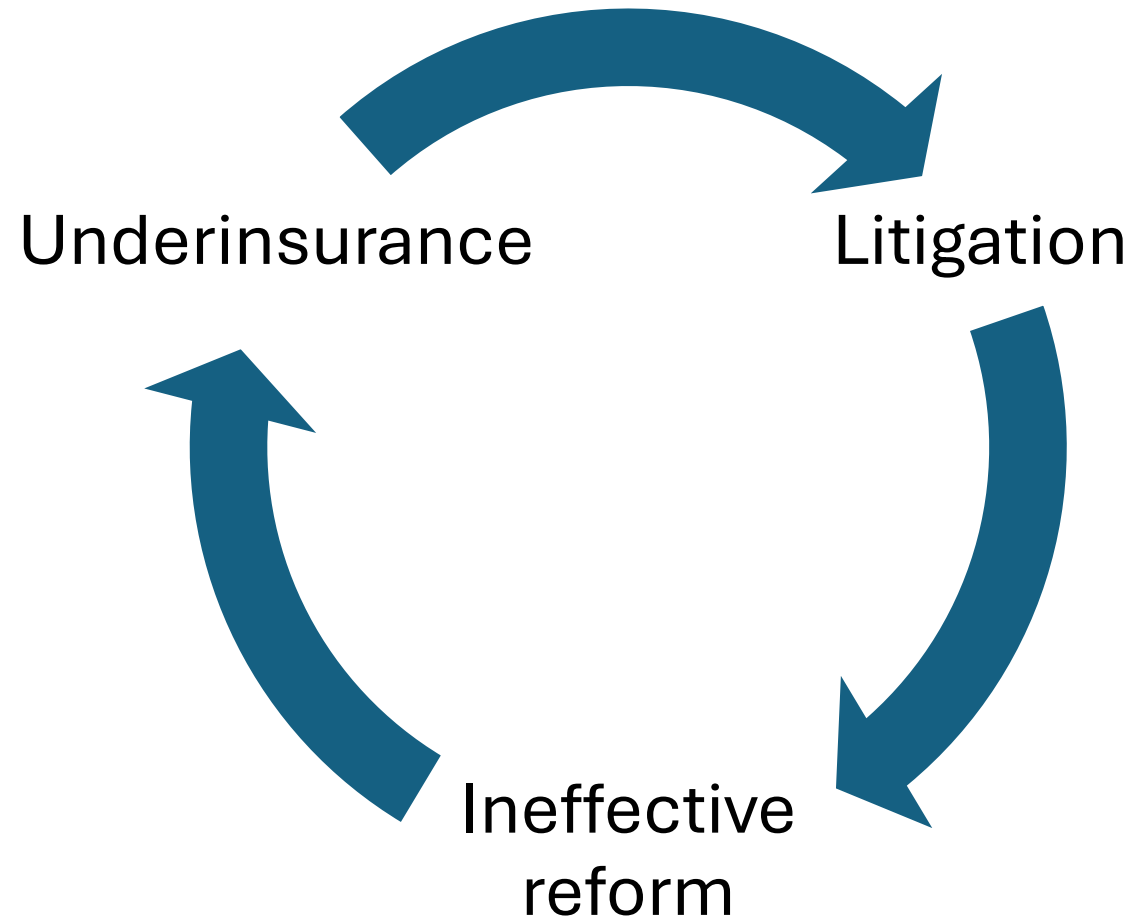
- **Requiring** an insurer offer 50% ERC.
- **Requiring** prominent disclosure of the option.
- **Requiring** a clear explanation of why a homeowner should consider the option.



Or you could
consider a
combined
market-based
and regulatory
solution...

- Requiring an insurer to write Reconstruction Cost Value (RCV) coverage.
- Permitting the insurer to estimate the adequacy of the dwelling coverage however the insurer wishes.
- But picking a percentage (5%?, 10%?) at which if a home is destroyed and the dwelling coverage is too low by more than that, then the policy is deemed reformed to be Guaranteed Replacement Coverage (GRC).

We could discuss other ideas, but I think we all agree that we do need to get out of this cycle:



Questions?



Consumers Need Help Finding Insurance Advisors

Harry Ting, PhD
Richard Weber, MBA, CLU

NAIC 2025 Spring National Meeting
March 23, 2024

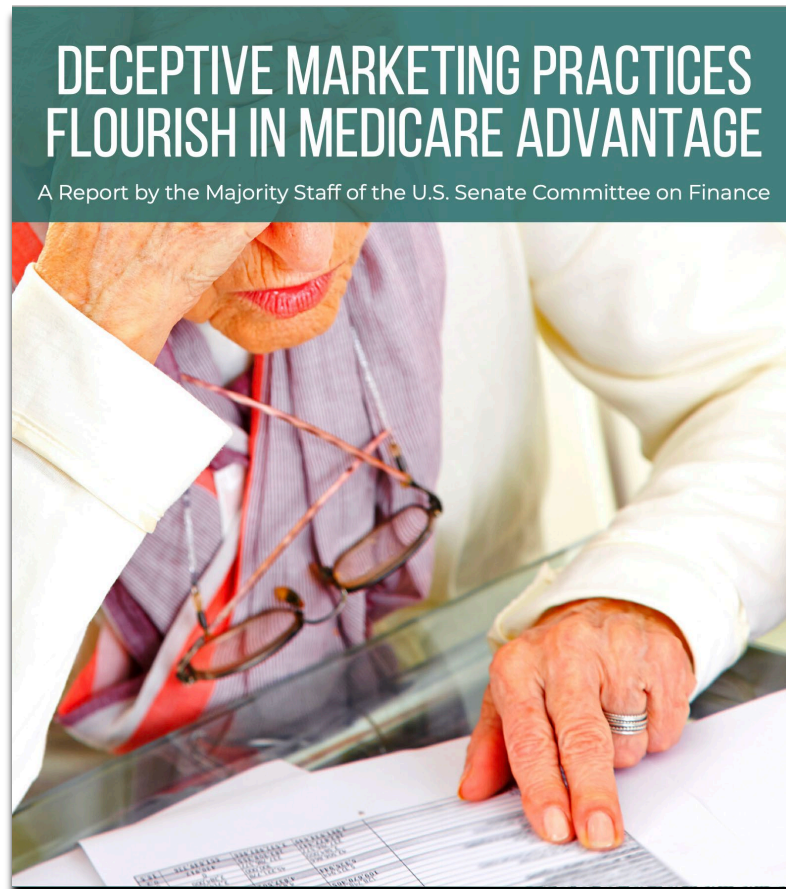
Consumers Face Casualty Problems



Consumers Face Casualty Problems



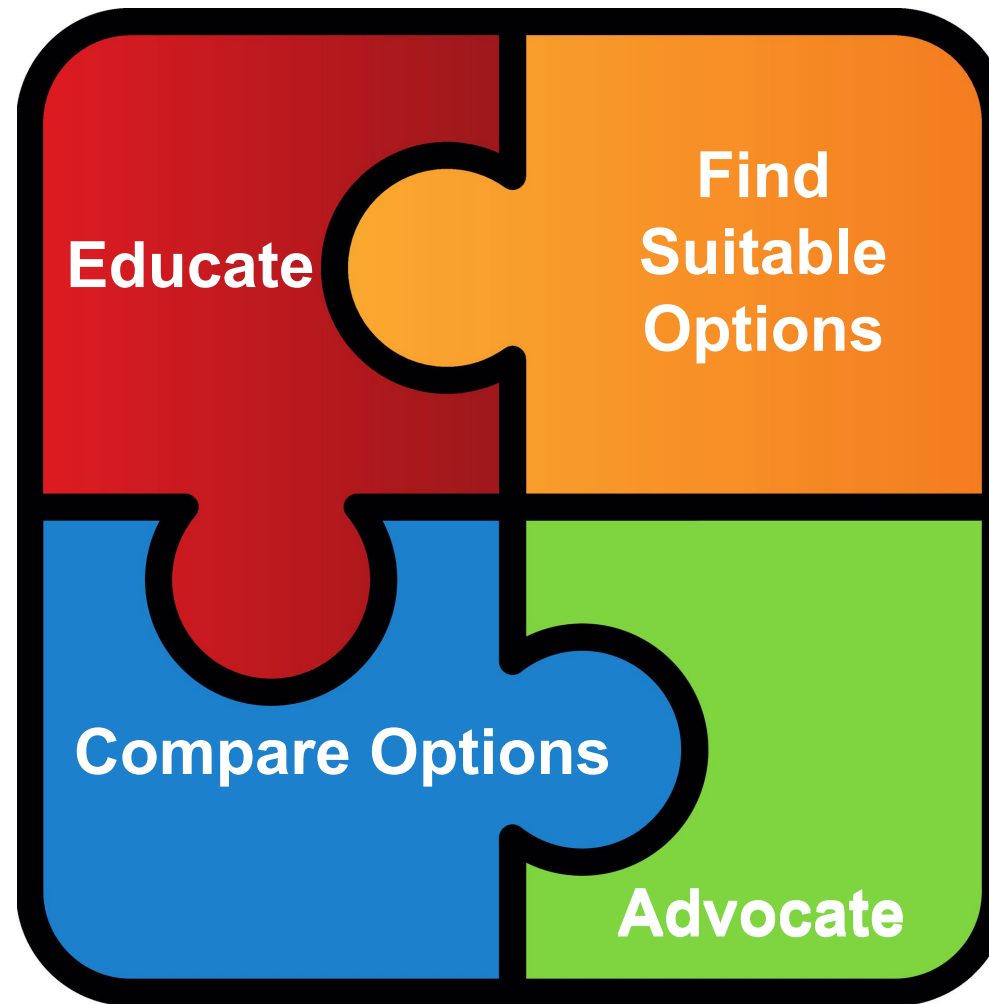
Consumers Face Health Insurance Problems



Consumers Face LTC Insurance Problems



Ethical, Knowledgeable Advisors Can Help



Consumers need help finding those advisors



Ethical, Knowledgeable Insurance Advisors are Important to Good Outcomes

- Educate about policy options
- Help find the best fit
- Assist with applications & underwriting
- Help with claims
- Advocate in disputes

Yet More Consumers Are Buying Auto and Medical Policies Online



Insurance customers' behavior is shifting in favor of tech insurance providers as customers feel empowered to forego agents and brokers.

Capgemini and Efma's *World Insurance Report 2020*

Consumers Need Help Finding Ethical & Knowledgeable Human Advisors

- Agents/Brokers (Producers)
- Navigators & Assistors for Marketplace Plans
- SHIP Counselors for Medicare Plans

BrokerCheck Is An Excellent Model

- FINRA website and app helps consumers find securities representatives and financial advisors

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- **Information provided**
 - License categories
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 - Employment history
 - Industry/product exams passed
 - Professional designations
 - Regulatory actions
- Search by name or location

BrokerCheck

www.finra.org/brokercheck



ROBERT

CRD#

Currently employed by and registered with the following Firm(s):

B INVESTORS SERVICES, LLC

CRD#

Registered with this firm since:

IA INVESTORS SERVICES, LLC

CRD#

Registered with this firm since:

BrokerCheck

www.finra.org/brokercheck

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CRD#
Registered with this firm since:

IA INVESTORS SERVICES, LLC

CRD#
Registered with this firm since:

Report Summary for this Broker

Broker Qualifications

This broker is registered with:

- 1 Self-Regulatory Organization
- 9 U.S. states and territories

This broker has passed:

- 0 Principal/Supervisory Exams
- 3 General Industry/Product Exams
- 1 State Securities Law Exam

Registration History

This broker was previously registered with the following securities firm(s):

No information reported.



BrokerCheck

www.finra.org/brokercheck

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CRD#
Registered with this firm since:

IA INVESTORS SERVICES, LLC

CRD#
Registered with this firm since:

Report Summary for this Broker

This report summary provides an overview of the broker's professional background and conduct. Additional information can be found in the detailed report.

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Registration History

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No information reported.



Disclosure Events

All individuals registered to sell securities or provide investment advice are required to disclose customer complaints and arbitrations, regulatory actions, employment terminations, bankruptcy filings, and criminal or civil judicial proceedings.

Are there events disclosed about this broker? **Yes**

The following types of disclosures have been reported:

Type	Count
Customer Dispute	1
Financial	2

Reasons for a National Website

- Ability to search by location as well as name

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- Inclusion of consistent information on appointments, qualifications, and experience

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- Use of terminology that is familiar to consumers
- Information about government-certified counseling options
- **Inclusion of cross-state information, including serious disciplinary actions**

NAIC Is Uniquely Qualified to Help

- Most comprehensive source of national information on insurance producers

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- Data includes RIRS codes

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- **Actively involved in fighting insurance fraud**

NAIC Is Uniquely Qualified to Help

- Most comprehensive source of national information on insurance producers
- Data includes RIRS codes
- Actively involved in fighting insurance fraud
- **Already provides guidance on selecting producers**

OUR ASK

- Provide a portal to help consumers find advisors for buying individual insurance policies

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- Include information on navigators, assisters & SHIP counselors

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- **Include information on recent serious disciplinary actions.**

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We Welcome Your Comments & Questions