

## **Homeowners suffer as sneaky insurance companies exploit fine print: 'It pays to read your policy'**

Grace Howarth, yahoo!Life, November 1, 2025

Deductibles are on the rise, but your home insurance provider might not have made that clear.

What's happening?

People want to be able to rely on their insurance provider in emergencies, especially as the risk of property damage from extreme weather events is rising. Yet the practice of increasing deductibles with limited transparency is also on the rise, as Live Insurance News reported. According to LiveScience, the first half of 2025 was the most costly first six months on record for insurance companies' losses from natural disasters in the U.S., with cost estimates exceeding \$93 billion. The previous six months with the most payouts cost a mere \$57 billion, adjusted for inflation, in 2023, according to the source. In efforts to keep profits rolling in, insurance companies are upping their premiums. What makes it worse is that this is often done rather sneakily, with many customers not finding out until they try to make a claim. Matic found a 24.5% increase in the average deductible from 2024 to 2025. Meanwhile, the American Association for Justice discovered that profits are only going up for property casualty insurance companies. In 2024, they made a staggering \$169 billion in profits, up 333% since 2022.

Why are rising home insurance costs concerning?

Along with rising insurance costs, there have been examples of insurance companies completely refusing to renew policies due to extreme weather risks. A recent study by NASA found that "extreme events such as floods and droughts are becoming more frequent, longer-lasting and more severe." As the planet faces more intense weather due to our changing climate, homeowners face unprecedented risks to their homes. "It pays to read your policy!" is the phrase echoed in Live Insurance News, yet it also notes that insurers aren't making this information transparent and easily accessible, so that people going through an emergency aren't saddled with an unexpected financial burden.

What's being done about rising home insurance costs?

Insurers are facing greater pressure to be upfront about their changing policies and higher deductibles, with critics calling out industry practices. Some states offer homeowners protection beyond insurance. Florida, which is geographically at greater risk of sea-level rise, hurricanes, and extreme rainfall, has government protections in place. These include grants for infrastructure building and increased regulatory oversight on insurers, as well as offering free inspections to find out how homeowners can reduce the risk of wind damage. If you're in the market for a new home insurance policy, make sure to be hyper-vigilant about analyzing the risk policies, and make sure you get the best coverage you can.

## **\$4M Allstate Insurance class action settlement for California homeowners**

Top class Actions | November 3, 2025

Allstate Insurance Co. has agreed to a \$4 million class action settlement to resolve claims that it charged excessive homeowners insurance premiums to certain California policyholders by double-counting garage square footage. The Allstate Insurance settlement benefits California homeowners with built-in garages whose policies were included in Allstate's corrective action process known as Project UIN 203019. This project reportedly increased the recorded square footage of some homes, potentially resulting in the garage space being counted twice. According to the class action lawsuit, Allstate's alleged miscalculation led to inflated premiums for affected policyholders. Allstate is a national insurance company that sells auto, home, renters, motorcycle, life, business and other types of insurance.

The company has not admitted any wrongdoing but agreed to pay \$4 million to resolve the class action lawsuit. Under the terms of the Allstate Insurance settlement, class members are eligible to receive a cash payment based on a formula agreed upon by the parties. Using Allstate's data, class action settlement awards will be based on several factors, including the number of built-in garage bays, the policy years affected, the location of the insured property, and the collected premium. Class members will receive their payments via mail after the court grants final approval to the settlement and any appeals are resolved. No claim form is required to benefit from the Allstate homeowners insurance class action settlement. Class members who do not exclude themselves will automatically receive a settlement payment. The deadline for exclusion and objection is Nov. 10, 2025. The final approval hearing for the Allstate class action settlement is scheduled for Dec. 2, 2025.

## **Progressive reveals how it plans to distribute nearly \$1 billion in refunds to auto policyholders**

By Ron Hurtibise | South Florida Sun Sentinel, November 2, 2025

Progressive's auto insurance division recently announced that it will begin paying back about \$950 million in excess profits taken in over the past three years from its policyholders in Florida. The average credit would be about \$300, Gov. Ron DeSantis said during a news conference on Oct. 22. "It might be a check. It might be a credit on your bill," DeSantis said. But the company left customers confused over how that payback would take place. In a written statement later that day, a Progressive spokesman said policyholders would receive "a credit" in 2026. Progressive's spokesman Jeff Sibel on Friday, Oct. 31, clarified how the company plans to issue the credits. First, although state law requires that insurance companies determine whether excess profit was collected over three policy years, Progressive said the law also stipulates that only customers with active policies on Dec. 31, 2025, will qualify for the credit. That means that anyone who was with Progressive in 2023 and 2024 but switched to a different company in 2025 won't qualify. The company insures about 2.7 million Florida drivers.

The amount of the credit will depend on what drivers paid for their policies — and how much excess profit in Florida is identified by the company at the end of the year, Sibel said. "The actual credit amount for each policyholder will vary in proportion to each auto policy's earned premium during calendar year 2025 and will depend on final year-end financial results for 2025," he said. And whether policyholders receive the credit in the form of a check or a renewal discount will depend on how they paid — or are paying — their premiums, Sibel said. "Active Florida policyholders as of 12/31/25 will not need to take any action to receive a credit in 2026," he said. "If an eligible policyholder has an outstanding balance or renewal payment due, they will receive a credit on their statement. If the eligible policyholder has no balance due, or their credit is greater than their next payment, the remaining credit will be returned via their recent regular payment method."

Presumably that means that policyholders paying in installments will not receive a check unless the refund amount exceeds the remaining balance due on their accounts. If their policy is set to renew, the amount they owe will be offset by the amount of the credit. Only policyholders who paid their premiums in full will get money back from the company and will get it in the way they paid — credit card, direct deposit or check. DeSantis on Oct. 22 said that excess profits and reduced rates for policyholders going forward were made possible by insurance reforms enacted on 2022 and 2023 by Florida lawmakers. Those reforms, also intended to reduce costs for home insurance companies, struck down a longtime Florida law that enabled plaintiffs attorneys to collect legal fees from insurers if litigation prompted insurers to reduce their original settlement offers by any amount.

They also overhauled the state's "bad faith" laws and prohibited contractors from requiring policyholders to sign over benefits of their insurance policies as a condition of commencing repairs. The reforms have sharply reduced the number of lawsuits filed against insurers in Florida by disincentivizing litigation over smaller claims. Plaintiffs attorneys have argued it has emboldened insurers to underpay and deny more claims, knowing that chances of being sued over the decisions have dropped. State Farm last week said it has reduced its rates by more than 20% over the past year, delivering an average \$400 in savings to its policyholders. It did not announce whether it has generated excess profit or will be required to return any portion of premiums paid over the past three years.