

How to Break the Climate Insurance Doom Loop

The Problem

Homeowners are paying more and more for less insurance coverage. **Between 2021 and 2024, property insurance premiums rose 24 percent nationwide**—twice as fast as inflation—while insurers increasingly cancelled policies and denied claims. **In 2024, about 48 percent of claims filed with the 14 largest property insurers were closed without payment.** (Zoom in on [this map](#) to see how the crisis affects your community.)

Insurers deflect blame as climate-related disasters like fires and hurricanes drive losses. Yet the same companies are fueling the crisis by investing billions of policyholder dollars into fossil fuel projects that worsen extreme weather. Meanwhile, **property insurers posted \$169 billion in profits in 2024 across their entire businesses—a 90 percent increase from 2023 and a 333 percent jump from 2022.**

The Solution: The Fossil-Free Insurers Act

The Fossil-Free Insurers Act is a [model](#) bill that state legislators can introduce that calls on insurers to stop profiting off pollution while leaving communities unprotected. The Act would:

- Require major insurers to **phase out investments in and insurance for fossil fuel projects** by 2035, with interim targets.
- Mandate **annual reporting and certification of compliance** to maintain the insurance company's state license.
- Impose **penalties and licensing restrictions** for companies that fail to comply.
- **Direct penalties and fees** towards clean energy and climate resilience funds for disadvantaged communities.

Why It Matters

Insurers claim climate-driven extreme weather is forcing them to drive up premiums or exit communities, but they are still profiting from fossil fuel investments that make extreme weather worse and drive up costs for everyone.

This reform requires insurers to align their business practices with [climate science](#)—protecting consumers, not polluters.

How to Take Action

You can help introduce this bill in your state.

1. **Share the model bill** with your state representative.
2. **Request a meeting** with their staff to explain why it matters to homeowners or renters like you.
3. Ask them to **introduce it in the next legislative session.**

The model bill can be customized for your state, but the goal is clear: Protect consumers, stop insurer-funded pollution, and break the cycle. If you'd like to talk about the model bill and its potential in your state, contact us at contact@insurancejustice.org.

Sample Advocacy Materials

We invite your organization to join us in publicly calling on state leaders to support this legislation: <https://actionnetwork.org/letters/pass-the-fossil-free-insurers-act/>

Sample Messages:

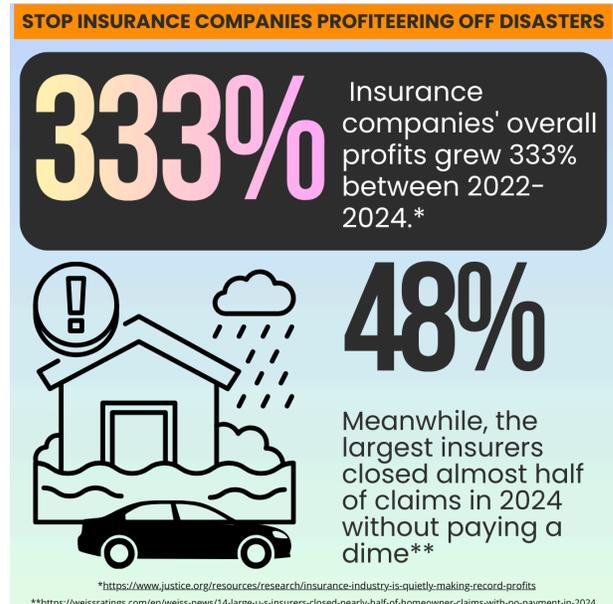
- Insurers know climate-driven extreme weather is making insurance unaffordable, and they're part of the problem. By investing in fossil fuels, insurers profit from both sides of the crisis. Legislation can help break this toxic cycle of investment and end the climate-insurance doom loop.
Tell your state leaders to introduce the Fossil-Free Insurers Act and stop insurers from profiting off climate destruction. <https://actionnetwork.org/letters/pass-the-fossil-free-insurers-act/>
- Insurance premiums are skyrocketing, and households in many areas are finding it harder to get any quality coverage at all. Insurers blame the rise on climate disasters, but those same companies are investing billions in fossil fuels.
- Policyholders should not be forced to fund the very forces that destroy their homes. Insurers have proven they will not change on their own. We need the Fossil-Free Insurers Act to break the climate-insurance doom loop.
- Homeowners are paying more and more for less insurance coverage. Despite the property insurance industry making \$169 billion in overall profits in 2024, the 14 largest insurers closed out almost half of homeowners claims made that year without paying policyholders a dime—all while premiums are skyrocketing. Tell your state leaders to introduce the Fossil-Free Insurers Act and hold insurance companies accountable to the communities they serve. *[Link to petition]*
- Insurers are pulling out of wildfire zones, floodplains, and coastal regions, leaving low-income families and communities of color stranded without affordable coverage. They know climate change is making homes more costly to insure, and yet they are bankrolling the very projects that make it worse. It's time to make them do better.



**WHY DO WE NEED THE
FOSSIL-FREE
INSURERS
ACT?**

Despite knowing climate change is making communities more costly to insure, insurers are bankrolling fossil fuel projects that threaten to burn and flood those same communities out of existence.

[Click here for more graphics](#)



STOP INSURANCE COMPANIES PROFITEERING OFF DISASTERS

333% Insurance companies' overall profits grew 333% between 2022-2024.*

48% Meanwhile, the largest insurers closed almost half of claims in 2024 without paying a dime**

*<https://www.justice.org/resources/research/insurance-industry-is-quietly-making-record-profits>
**<https://weissratings.com/en/weiss-news/14-large-u-s-insurers-closed-nearly-half-of-homeowner-claims-with-no-payment-in-2024>

[Click here for more graphics](#)