



## How States Can Guard Against Insurance Company Retreat

Model Legislation: The “Keep Our Homes Insured” Act

### The Problem

Communities across the U.S. were hit by over 27 billion-dollar climate disasters [in 2024 alone](#), hammered by more frequent and severe wildfires, hurricanes, record rainfall, and more. Instead of withdrawing support for the fossil fuels that are causing this crisis, or helping their customers adapt their homes to withstand growing risk, insurance companies are shifting the costs to consumers by raising premiums, reducing coverage, and paying out less—abandoning many climate-vulnerable communities altogether. Threatening to fully leave a state, or stop providing home insurance in a state, is a common tactic insurance companies pursue to avoid regulation of any kind and taking insurance companies at their word has created a hands-off regulatory approach at the state level that has worsened the crisis we see unfolding now. Insurance companies are taking in record profits by passing along costs to policyholders and offloading risks onto consumers—with communities of color and low-income communities being hit the hardest.

### Why It Matters

States are not powerless to regulate the insurance industry in the face of threats of retreat. Climate-driven insurance retreat is not inevitable if legislators and regulators stand up to the industry. This bill will make it much harder for insurance companies to leave the state abruptly because it requires them to gain approval for a three-year withdrawal plan, requests public input on the plan, and incentivizes the leaving insurance company to find replacement carriers. **These consumer-focused industry guardrails are critical to protect residents and businesses and avoid disruptions to the state’s property insurance markets.**

Legislation like this would avert large-scale, simultaneous nonrenewals that could harm consumers greatly causing a severe disruption of the state’s insurance markets. Under this proposal, if an insurance company doesn’t stick to an approved withdrawal plan, the state can force it to give up licenses for other lucrative lines of insurance in the state. New Jersey and Massachusetts have similar laws in place to prevent large-scale retreat from the auto insurance market.

Communities deserve a sustainable, equitable, and resilient path forward where insurance works for us, not against us. We need policymakers to stand up for communities and adopt policies that put people over profits and hold the insurance industry accountable.

## 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**.

## Contact the Equitable & Just Insurance Initiative

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The model bill can be customized for your state, but the goal is clear: Protect consumers, stop insurance companies from abruptly abandoning entire states, and protect a healthy insurance marketplace. The model bill could be customized to cover partial state withdrawals, for example, if an insurer seeks to lower its market share by 50 percent or more in a short period of time. If you'd like to talk about the model bill and its potential in your state, contact us at [contact@insurancejustice.org](mailto:contact@insurancejustice.org).