

Opening Statement
Hearing on “Examining Insurance Markets and the Role of Mitigation Policies”
Ranking Member Elizabeth Warren
May 1, 2025

Thank you, Mr. Chairman and the witnesses for being here today.

I appreciate your holding today’s hearing.

The rising cost of home insurance is a serious and growing problem – and one that we must work on together in a bipartisan way.

Housing is too expensive for too many Americans – and even if families can manage to buy a house, they get stuck with whopping insurance costs.

Mr. Chairman, I know you have seen this in South Carolina. I have seen it in my home state of Massachusetts as well. Our home insurance rates went up 16% last year alone.

Insurance costs are rising all over the country. In California, after the devastating wildfires in Los Angeles. In Florida, and all over the southeast following hurricanes, floods and other natural disasters.

But even in areas not hit by natural disasters, rates are climbing fast. In each of the last two years, average home insurance rates across the nation have increased by double digits – 23% overall. This is a devastating burden that can cost thousands of dollars on top of all the other costs of home ownership.

High prices are not the only problem. In many communities, property insurance is simply impossible to get, at any price. Just two months ago, Federal Reserve Board Chair Powell told this Committee that soon there will be entire regions in this country where homeowners will not be able to get a mortgage because insurance companies won’t provide coverage and lenders won’t lend without the security of insurance.

Even families with insurance are struggling. We’ve all heard the horror stories of families that have coverage, but even after they have faithfully paid premiums for years, when disaster strikes, they must battle with insurance companies that delay or deny claims, rip them off and leave them on the hook for expensive repairs.

The insurance system is breaking all across this country. The implications are huge for family budgets, for real estate markets, and for insurers, banks, and the entire financial system and economy.

I know that members of this Committee on both sides of the aisle have begun to share ideas and talk about solutions, and I'm happy to be part of those discussions.

But unfortunately, Mr. Chairman, President Trump is making the property insurance crisis worse and driving up costs for families across the country.

Let's start with his chaotic and damaging tariffs. These tariffs will make just about everything needed to rebuild and repair houses more expensive: aluminum, HVAC systems, appliances, gypsum, and on and on.

The National Association of Home Builders estimates that Trump's tariffs will raise the cost of building a new midsized home by \$10,900. And according to the insurance industry, the Trump tariffs will cost the average homeowner over \$100 per year just in extra insurance costs.

A second problem is that President Trump wants to completely eliminate the Federal Emergency Management Agency, FEMA. He's getting a head start by denying disaster aid all over the country, leaving families with little or no federal help following disasters in Arkansas, West Virginia, Washington, and North Carolina.

Recently, HUD Secretary Turner recently changed the eligibility requirements for Community Block Development Grant Disaster Relief funds, essentially delaying aid for disaster-stricken communities across the country. Yesterday, Senator Murray and I called on the HUD Inspector General to investigate this.

Additionally, the Administration also recently announced it is ending FEMA's Building Resilient Infrastructure and Communities, or BRIC, program. This program provides hazard mitigation funding to communities and families across the country to help cover the costs of making their roads, bridges, and homes more resilient against natural disasters.

My state of Massachusetts was relying on \$90 million from the BRIC program to make our communities safer. If President Trump has his way, more of this assistance will disappear.

FEMA also administers the National Flood Insurance Program. Indeed, the whole job of FEMA is to help Americans prepare for and respond to disasters. If President Trump succeeds in killing the agency, Americans will be left with an even bigger flood and property insurance burden, with no relief in sight.

And there's more. President Trump wants to ignore the impact of climate change, which causes more hurricanes, more floods, and more wildfires – all of which drive up the price of insurance. He is gutting programs across the federal government that identify and prevent climate risks, and he is putting climate deniers in charge of policy decisions. This isn't just bad science – it's bad economics. Natural disasters can wreck real estate and mortgage markets, drive insurers into bankruptcy, and cause chaos for banks and other lenders.

Whether it's teaming up with his co-President Elon Musk to cut government services or putting oil executives in charge of climate decisions, President Trump is leaving more Americans at risk from natural disasters, and he is raising costs for homeowners nationwide.

I've heard nearly every member of this committee, Democrat and Republican, say that we need to make housing more affordable for American families. One important part of that goal is to keep property insurance costs down so people can afford to buy homes and so they can rebuild after disasters.

If we're going to make good on our promise to make housing more affordable, Banking Committee members on the other side of the aisle need to push back forcefully against the costly and dangerous policies peddled by President Trump. I'm ready to work with you to do that, and to address the bigger changes we need to make to keep property insurance costs down and make housing more affordable.

Thank you, Mr. Chairman.

