

Will Filing a Claim Increase My Premiums?

This may be the most asked question I receive, and rightly so! Insurance premiums are never cheap and are almost always increasing. So best practice is to avoid anything that would exasperate these two realities.

To answer the question, we have to distinguish types of claims. Claims that are deemed a moral hazard will increase a homeowner's premium. Moral hazard is a term originated in contractual insurance language to protect against people behaving in riskier ways than they normally would, simply because they're insured.¹ For example, a house fire from leaving the stove on or even theft from not properly securing the home are claims that will be paid, but will negatively impact one's insurance rates.

Opposed to moral hazards, some claims (the ones we're most interested in here) are considered acts of God. Acts of God are events that are unpredictable and unavoidable. Natural causes such as lightning, hail and wind are all acts of God and thus, **cannot increase you home premiums.**²

Now insurance companies are the law of the land and as such, can pull out of markets, increase rates, etc. all at their own discretion. However, no claim filed for hail or wind or anything weather related can increase a homeowners' rates. If you couldn't control the cause, then you can't be expected to be able to control the effect.

¹ <https://www.lemonade.com/homeowners/explained/moral-hazard/>

² <https://www.tdi.texas.gov/tips/will-my-premium-go-up-claim.html>