

1 HOUSE JOINT RESOLUTION NO. 61

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7 A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF
8 MONTANA REQUESTING AN INTERIM STUDY ON THE PROPERTY INSURANCE MARKET IN MONTANA;
9 AND REQUIRING THAT THE FINAL RESULTS OF THE STUDY BE REPORTED TO THE 70TH
10 LEGISLATURE.

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12 WHEREAS, the increasing costs of insurance are further exacerbating major housing affordability
13 challenges in Montana for homeowners, landlords, and tenants; and

14 WHEREAS, high property insurance premiums hurt Montana businesses; and

15 WHEREAS, property insurance rates have been increasing significantly for all Montanans, regardless
16 of where they live; and

17 WHEREAS, Montana had the fifth-fastest increase in rates in the nation in 2024, and Montana's
18 cumulative increases in insurance rates from 2019 to 2024 were 44.3%; and

19 WHEREAS, from 2012 to 2022, the percentage increase in Montana's insurance premiums, as tracked
20 by the National Association of Insurance Commissioners, has outpaced a national increase in rates, increasing
21 twice as fast as the national average in 5 of those 10 years; and

22 WHEREAS, the coverage provided by insurers is simultaneously shrinking for homeowners and
23 businesses despite the rapidly rising rates of property insurance; and

24 WHEREAS, Montana home values are rising unrelentingly, with the Montana Department of Revenue
25 reporting that the median residential property value increased by 32% in 2023 alone and with the Montana
26 Department of Labor reporting increases in home values of 5% to 25% each year compared to the preceding
27 decade from 2012 to 2022; and

28 WHEREAS, the rising cost of insurance may lead to difficulties in obtaining mortgages as financial

1 institutions become increasingly hesitant to approve loans in regions facing high insurance risks; and

2 WHEREAS, Montana has the second-highest risk in the nation for catastrophic wildfire impacts on
3 property, and some insurers are withdrawing from high-risk areas, leaving homeowners to take on more risk or
4 face higher premiums; and

5 WHEREAS, 7% of U.S. homeowners lack insurance, with higher rates in Montana than in many other
6 states; and

7 WHEREAS, Montana's Indian and other minority populations, face disproportionately high risks from
8 wildfires and may struggle to afford rising insurance premiums or recover from losses; and

9 WHEREAS, Montana experienced 2,388 wildfires in 2024, which burned 387,966 acres, and of the
10 11.7 million recorded acres burned in the past 138 years, 70% have burned since 2000 and roughly half of the
11 acres burned prior to 2000 were in a single year, 1910, which demonstrates the increasing frequency and
12 financial burden of wildfires in the state; and

13 WHEREAS, the number of homes in high wildfire risk areas in Montana has doubled since 1990, with
14 development continuing at a rate of 450 homes a year, increasing the risk and cost of fire suppression; and

15 WHEREAS, the National Association of Insurance Commissioners reports that insurers have
16 experienced losses in 4 of the past 5 years, with insurers in Montana reporting losses in 3 of the past 5 years,
17 leading to higher premiums and reduced coverage; and

18 WHEREAS, according to the U.S. International Trade Commission, reinsurance costs had increased by
19 as much as 50% at the January 2024 renewals, and it is challenging for some carriers to even find reinsurance.

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21 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF
22 THE STATE OF MONTANA:

23 That the Legislative Council be requested to designate an appropriate interim committee, pursuant to
24 section 5-5-217, MCA, to:

25 (1) evaluate the causes of Montana's increasing property insurance;

26 (2) determine the impact of these causes on rates; and

27 (3) analyze policy strategies that could stabilize the property insurance market and develop

28 property insurance approaches for more accessible and affordable property insurance in the state.

