

UPDATE

# Premiums on Fire

How State Farm's California rate hike  
forces the rising costs of climate disasters  
onto policyholders instead of the Big Oil  
companies fueling the crisis.

JUNE 2025

# Executive Summary

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In the aftermath of the Los Angeles fires, the California FAIR Plan (Fair Access to Insurance Requirements), the state's insurer of last resort, required \$1 billion in additional funds in order to remain solvent.<sup>1</sup> State Farm, the state's largest private insurance carrier, asked the California insurance commissioner for an emergency 22% average rate increase for homeowner insurance policies across the state.<sup>2</sup> A 21.8% increase was approved in March 2025 pending a hearing where State Farm must show data to support the rate hike.<sup>3</sup>

Following that hearing, California Insurance Commissioner Ricardo Lara, approved an average 17% increase for homeowners that is set to take effect in June 2025. Almost immediately after granting that increase, State Farm requested another 11% increase for homeowners that is set to take effect in 2026 if it is approved.<sup>4</sup>

**This brief is an update to Premiums on Fire and calculates the average costs by zip code that State Farm policyholders across California will have to pay in 2025 and 2026 in order to remain insured under those substantially higher rates.** Our analysis of publicly available data from the U.S. Census Bureau and the California Department of Insurance, the latter compiled by the *San Francisco Chronicle* and other sources, shows that:

- Under the already approved 17% rate increase, the average State Farm policyholder in California will pay \$737 more for homeowners insurance in 2025 than they did in 2023 — a 39% increase during that time.<sup>5</sup>
- **If the additional 11% increase is granted, the average State Farm policyholder in California will pay \$1,015 more for homeowners insurance in 2026 than they did in 2023 — a 55% increase during that time.**
- The largest percentage and dollar increases will occur in zip codes along the Sierra Nevadas that have higher wildfire risk and those in Southern California that are at higher risk of wildfires and rising seas. In some of these zip codes, premiums will more than double in two years and be 2.5 times more expensive in just three years.

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1 Ricardo Lara, "Commissioner Lara Takes Action to Ensure FAIR Plan Can Continue Paying Consumer Claims after the Southern California Wildfires" (California Department of Insurance, February 11, 2025), <https://www.insurance.ca.gov/0400-news/0100-press-releases/2025/release015-2025.cfm>.

2 Stephanie Sierra, "State Farm Asks for 'emergency' 22% Homeowners' Insurance Rate Hike in Wake of LA Wildfires," ABC7 Los Angeles, February 3, 2025, sec. disasters-accidents, <https://abc7.com/post/california-wildfires-state-farm-emergency-insurance-rate-increase-la-fires/15861614/>.

3 Ricardo Lara, "Ricardo Lara: Why I'm Approving State Farm's Emergency Rate Increase," San Francisco Chronicle, March 14, 2025, <https://www.sfchronicle.com/opinion/openforum/article/ricardo-lara-state-farm-emergency-rate-approval-20221300.php>.

4 Megan Fan Munce, "'They Want More?' State Farm Increases California Home Insurance Rate Hike Request to 30%," The San Francisco Chronicle, May 20, 2025, <https://www.sfchronicle.com/projects/insurance-course-newsletter-embed/>.

5 See supporting information for methodology used to compute the statewide average increase in Premiums on Fire.



- The zip code with the largest dollar premium increase from 2023-2025 will be 91302 in Calabasas in Los Angeles County, where more than 1,700 policyholders will see premiums increase an average of \$6,832, or 68%. The same zip code has the largest projected dollar increase for 2023-2026, where policy holders will see premiums increase an average of \$8,689, or 86%.
- Almost 19,000 policyholders in 85 zip codes across California will see an average annual increase by more than \$3,000 over the two year period from 2023-2025.
- Over 31,500 policyholders in 44 zip codes across California will see average annual premiums increase by more than \$3,000 over the three year period from 2023-2026.

In total, higher insurance costs — a direct result of climate-fueled disasters — will now fall on hundreds of thousands of policyholders in California and threaten to put affordable insurance out of reach for countless more. This crisis should compel California officials and policymakers to seek out alternative approaches to cover the costs that climate disasters have already imposed and will continue to impose on California residents and their property.

The reality that California's insurance crisis — and the real costs facing insurers and policyholders — are fueled by climate change more than any other factor must not be overlooked. Major oil and gas companies are responsible for the vast majority of fossil fuel pollution that has heated and altered the climate in California.<sup>6</sup> According to lawsuits from the California attorney general and eight California municipalities, these same companies have engaged in a decades-long campaign to deceive the public about the dangers of fossil fuels in order to impede the transition to other forms of energy.<sup>7</sup> Across those decades, and still today, those major oil and gas companies have reaped billions in profits.<sup>89</sup>

**Is it fair for skyrocketing insurance costs from climate disasters to fall on California policyholders while the corporations fueling those same disasters pay nothing? This analysis of real costs facing Californians seeks to inform that debate.**

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6 Tess Riley, "Just 100 Companies Responsible for 71% of Global Emissions, Study Says," The Guardian, July 10, 2017, sec. Guardian Sustainable Business, <https://www.theguardian.com/sustainable-business/2017/jul/10/100-fossil-fuel-companies-investors-responsible-71-global-emissions-cdp-study-climate-change>.

7 Rob Bonta, "Attorney General Bonta Announces Lawsuit Against Oil and Gas Companies for Misleading Public About Climate Change" (State of California Department of Justice, September 16, 2023), <https://oag.ca.gov/news/press-releases/attorney-general-bonta-announces-lawsuit-against-oil-and-gas-companies>.

8 Damian Carrington, "Revealed: Oil Sector's 'Staggering' \$3bn-a-Day Profits for Last 50 Years," The Guardian, July 21, 2022, sec. Environment, <https://www.theguardian.com/environment/2022/jul/21/revealed-oil-sectors-staggering-profits-last-50-years>.

9 Stanley Reed, "Oil Giants Pump Their Way to Bumper Profits," The New York Times, February 2, 2024, sec. Business, <https://www.nytimes.com/2024/02/02/business/oil-gas-companies-profits.html>.

## Supporting Data Tables and Figures

**Table 1**

The 21 zip codes with average premium increases of over \$4,000 from 2023-2025, with State Farm's approved 2025 rate increase of 17%.

Rank	County	Zip Code	Number of Homeowner Policies Impacted in Zip Code	Total Average Increase in Premium from 2023 to 2025
1	Los Angeles	91302	1,720	\$6,832.42
2	San Bernardino	92385	18	\$5,533.20
3	San Bernardino	92391	116	\$5,436.53
4	San Diego	91980	3	\$5,230.78
5	Ventura	90265	1,016	\$4,990.81
6	San Bernardino	92339	88	\$4,952.32
7	El Dorado	95633	107	\$4,951.22
8	San Diego	91901	804	\$4,872.62
9	San Bernardino	92317	41	\$4,806.86
10	Monterey	93920	75	\$4,789.59
11	Mariposa	95321	457	\$4,689.92
12	San Bernardino	92322	44	\$4,450.56
13	Calaveras	95246	126	\$4,442.09
14	Mariposa	95318	26	\$4,374.38
15	Orange	92657	987	\$4,353.00
16	Calaveras	95247	407	\$4,329.60
17	San Bernardino	92352	953	\$4,317.19
18	San Diego	91935	468	\$4,306.68
19	San Diego	92091	229	\$4,247.53
20	San Diego	91916	82	\$4,214.83
21	Sonoma	95442	387	\$4,081.33

**Table 2**

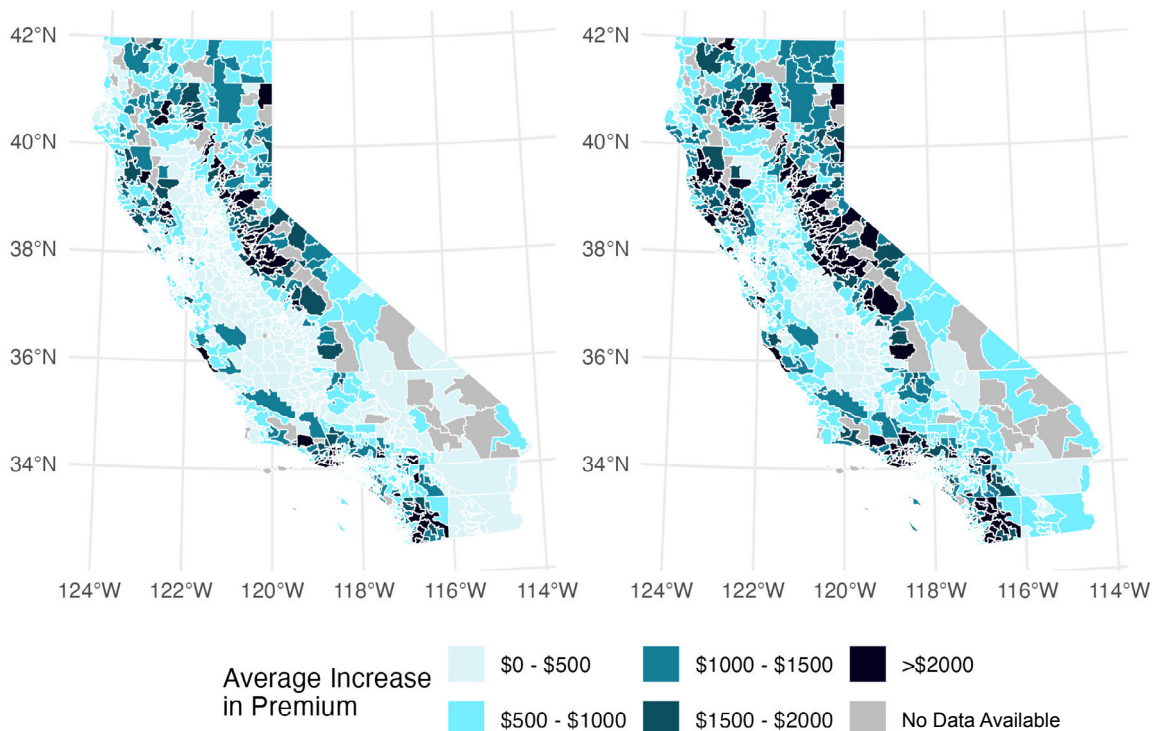
The 40 zip codes with average premium increases of over \$4,000 from 2023-2026, with State Farm's requested additional rate increase of 11%.

Rank	County	Zip Code	Number of Homeowner Policies Impacted in Zip Code	Total Average Increase in Premium from 2023 to 2025
1	Los Angeles	91302	1,720	\$8,689.05
2	San Bernardino	92385	18	\$6,840.79
3	San Bernardino	92391	116	\$6,673.21
4	Ventura	90265	1,016	\$6,431.35
5	San Diego	91980	3	\$6,290.50
6	Monterey	93920	75	\$6,028.58
7	San Diego	91901	804	\$5,990.51
8	San Bernardino	92339	88	\$5,981.41
9	El Dorado	95633	107	\$5,937.83
10	San Bernardino	92317	41	\$5,882.53
11	Orange	92657	987	\$5,678.61
12	Mariposa	95321	457	\$5,664.95
13	San Diego	92091	229	\$5,651.52
14	San Bernardino	92322	44	\$5,514.65
15	San Bernardino	92352	953	\$5,450.65
16	Calaveras	95246	126	\$5,430.12
17	San Diego	91935	468	\$5,349.66
18	Calaveras	95247	407	\$5,330.89
19	Mariposa	95318	26	\$5,264.21
20	San Diego	91916	82	\$5,244.30
21	San Diego	92067	1,077	\$5,211.30
22	Sonoma	95442	387	\$5,142.98
23	San Bernardino	91759	87	\$4,955.31
24	San Bernardino	92378	23	\$4,860.93
25	Los Angeles	91356	1,093	\$4,679.28
26	San Bernardino	92325	441	\$4,602.42
27	Yuba	95972	7	\$4,571.29
28	Los Angeles	90290	178	\$4,567.86
29	Tuolumne	95379	206	\$4,538.94

30	Riverside	92590	213	\$4,534.02
31	Los Angeles	91301	1,461	\$4,445.34
32	Los Angeles	91361	1,558	\$4,375.06
33	Sierra	95922	29	\$4,311.72
34	Ventura	93023	882	\$4,286.42
35	Los Angeles	90210	1,413	\$4,267.61
36	Los Angeles	90077	921	\$4,220.91
37	Los Angeles	90272	2,254	\$4,145.82
38	Calaveras	95251	40	\$4,117.48
39	San Bernardino	92358	40	\$4,025.94
40	San Diego	91917	13	\$4,011.55

**Figure 1**

The average premium increase for State Farm homeowner policyholders from 2023-2025 (left) and 2023-2026 (right) by zip code, with State Farm's approved rate increase of 17% (left) and additional requested increase of 11% (right).

**Increase in Premium by Zip Code (2023 to 2025)****Increase in Premium by Zip Code (2023 to 2026)**

**Table 3**

The 34 zip codes with average percent increases in premium over 80% from 2023-2025, with State Farm's approved 2025 rate increase of 17%.

Rank	County	Zip Code	Number of Homeowner Policies Impacted in Zip Code	Average Percent Increase in Premium from 2023 to 2025
1	El Dorado	95633	107	123.23%
2	San Diego	91980	3	118.80%
3	Mariposa	95318	26	117.75%
4	San Bernardino	92339	88	112.48%
5	Mariposa	95321	457	112.36%
6	Tuolumne	95379	206	109.90%
7	Calaveras	95246	126	97.84%
8	Yuba	95972	7	97.62%
9	Mendocino	95429	3	96.78%
10	San Bernardino	92317	41	96.68%
11	Mendocino	95469	100	93.64%
12	San Bernardino	92391	116	93.64%
13	Ventura	93023	882	92.11%
14	San Diego	91901	804	92.11%
15	Calaveras	95247	407	90.71%
16	San Diego	91917	13	89.65%
17	San Bernardino	92378	23	87.32%
18	San Bernardino	92385	18	87.08%
19	Lake	95458	146	86.03%
20	Tehama	96075	12	85.90%
21	San Bernardino	92322	44	85.21%
22	Mariposa	95311	114	84.40%
23	Ventura	93015	650	84.14%
24	Colusa	95979	49	83.23%
25	San Diego	91935	468	83.22%
26	Ventura	91320	2,579	83.00%
27	Los Angeles	93063	2,104	82.98%
28	Yuba	95935	26	82.52%
29	San Diego	91916	82	81.94%

30	Butte	95916	47	81.93%
31	Ventura	93040	68	81.71%
32	Shasta	96008	57	80.89%
33	Ventura	93022	351	80.18%
34	San Bernardino	92358	40	80.18%

**Table 4**

The 34 zip codes with average percent increases in premium over 100% from 2023-2026, with State Farm's requested additional rate increase of 11%.

Rank	County	Zip Code	Number of Homeowner Policies Impacted in Zip Code	Average Percent Increase in Premium from 2023 to 2025
1	El Dorado	95633	107	147.78%
2	San Diego	91980	3	142.87%
3	Mariposa	95318	26	141.70%
4	San Bernardino	92339	88	135.85%
5	Mariposa	95321	457	135.72%
6	Tuolumne	95379	206	132.99%
7	Calaveras	95246	126	119.61%
8	Yuba	95972	7	119.35%
9	Mendocino	95429	3	118.43%
10	San Bernardino	92317	41	118.31%
11	Mendocino	95469	100	114.94%
12	San Bernardino	92391	116	114.94%
13	Ventura	93023	882	113.25%
14	San Diego	91901	804	113.24%
15	Calaveras	95247	407	111.69%
16	San Diego	91917	13	110.51%
17	San Bernardino	92378	23	107.92%
18	San Bernardino	92385	18	107.66%
19	Lake	95458	146	106.49%
20	Tehama	96075	12	106.35%
21	San Bernardino	92322	44	105.58%
22	Mariposa	95311	114	104.68%
23	Ventura	93015	650	104.40%



24	Colusa	95979	49	103.38%
25	San Diego	91935	468	103.38%
26	Ventura	91320	2,579	103.12%
27	Los Angeles	93063	2,104	103.10%
28	Yuba	95935	26	102.59%
29	San Diego	91916	82	101.95%
30	Butte	95916	47	101.94%
31	Ventura	93040	68	101.70%
32	Shasta	96008	57	100.78%
33	Ventura	93022	351	100.00%
34	San Bernardino	92358	40	100.00%

**Figure 2**

The average percent increase in premium for State Farm homeowner policyholders from 2023-2025 (left) and 2023-2026 (right) by zip code, with State Farm's approved rate increase of 17% (left) and additional requested increase of 11% (right).

