Rutgers Law School

Are Insurance Companies Denying More Claims? Do Insurance Companies Deny Too Many Claims?

Jay M. Feinman

Distinguished Professor Emeritus, Rutgers Law School
Co-Director, Rutgers Center for Risk and Responsibility
feinman@law.rutgers.edu

Prepared for
“Examining the Data Surrounding Claims Closed Without Payment"
NCOIL Annual Meeting
November 2026

Are insurance companies denying more claims? Do insurance companies deny too many claims?

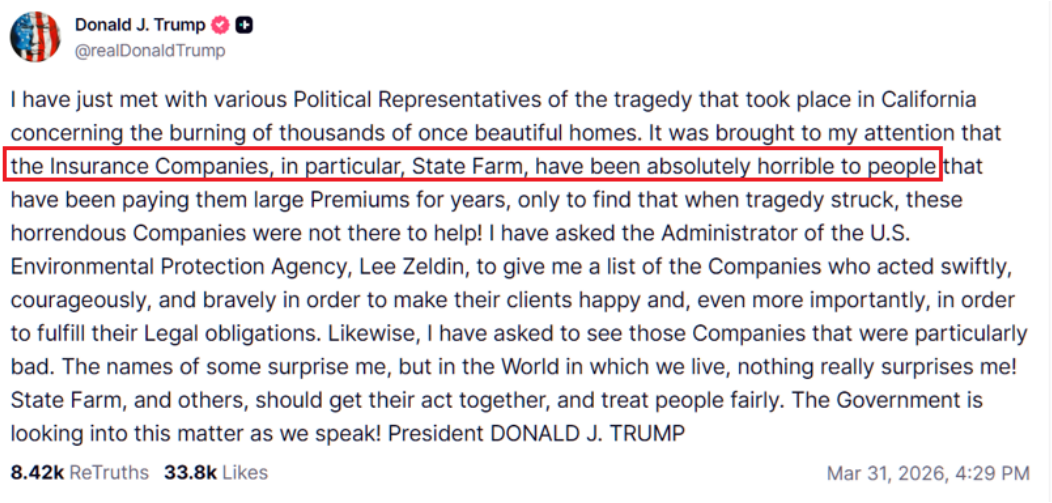
We don't know.

The "we" in that sentence means academics who study insurance, consumers, consumer organizations, think tanks, journalists, insurance insiders (maybe), insurance regulators (also maybe), and other policymakers.

This short paper discusses the current controversy about the National Association of Insurance Commissioners data that addresses those questions. It describes the controversy, the limits of the data, and the value the data has despite those limits. In light of the limits of available data on insurance company claim practices, the paper raises an important question for insurance legislators: What is to be done? The insurance industry response: Do nothing. My response: The remedy for inadequate data is more and better data, which will benefit insurance consumers and the insurance market as a whole.

The Current Controversy

Whether insurance companies deny too many claims is a recurrent issue. Surprisingly, one of the recent public figures to raise the issue was President Trump. In a Truth Social post on March 31, 2026, Trump commented on the insurance company response to California wildfires, particularly singling out State Farm:



Donald J. Trump
@realDonaldTrump

I have just met with various Political Representatives of the tragedy that took place in California concerning the burning of thousands of once beautiful homes. It was brought to my attention that the Insurance Companies, in particular, State Farm, have been absolutely horrible to people that have been paying them large Premiums for years, only to find that when tragedy struck, these horrendous Companies were not there to help! I have asked the Administrator of the U.S. Environmental Protection Agency, Lee Zeldin, to give me a list of the Companies who acted swiftly, courageously, and bravely in order to make their clients happy and, even more importantly, in order to fulfill their Legal obligations. Likewise, I have asked to see those Companies that were particularly bad. The names of some surprise me, but in the World in which we live, nothing really surprises me! State Farm, and others, should get their act together, and treat people fairly. The Government is looking into this matter as we speak! President DONALD J. TRUMP

8.42k ReTruths **33.8k** Likes Mar 31, 2026, 4:29 PM

A more measured contribution to the debate has been a series of reports that use data from the National Association of Insurance Commissioners to examine the rates of claim denials.

The controversy began in June, 2025, when Weiss Ratings released a statement claiming that "14 Large U.S. Property Insurers Closed Nearly Half of Homeowner Claims with No Payment in 2024." [1] ("Weiss Ratings") Weiss followed up with reports about auto claims in subsequent years.[2] Following President Trump's post, Weiss released a report stating that "15 Large Home Insurers Closed More Than Half of Claims in 2025 With No Payout Whatsoever."[3]

More recently, a series of articles in the Wall Street Journal headlined similar findings, "according to a Wall Street Journal analysis of thousands of company filings." The results of the analysis: "If You Get in a Car Crash, the Risk is Growing Your Insurance Won't Pay"[4] ("WSJ Auto") and "The Home-Insurance Coin Flip: Nearly Half of Claims Result in Zero Payout."[5] ("WSJ Home")

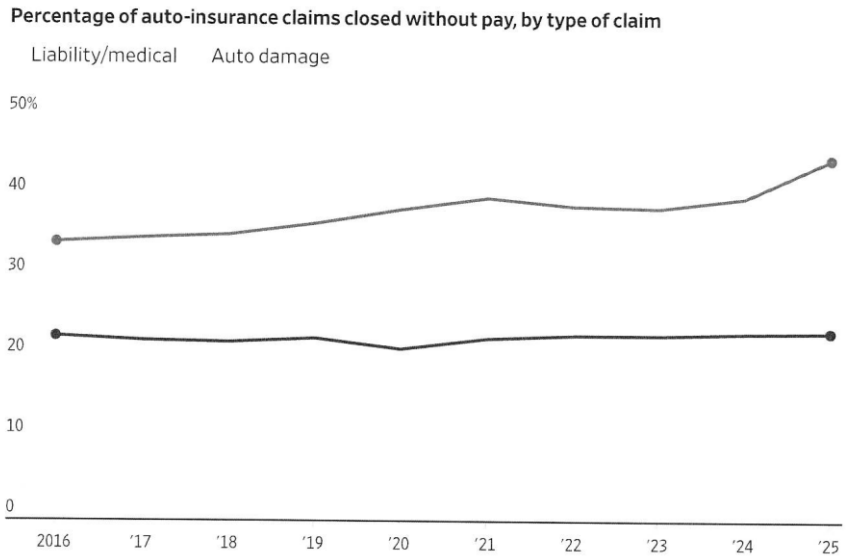
A few of the tables used in the Weiss Ratings and WSJ articles graphically illustrated the problem.

Weiss Ratings:
Large U.S. Insurers That Closed at Least Half of Homeowner Claims with No Payment in 2025

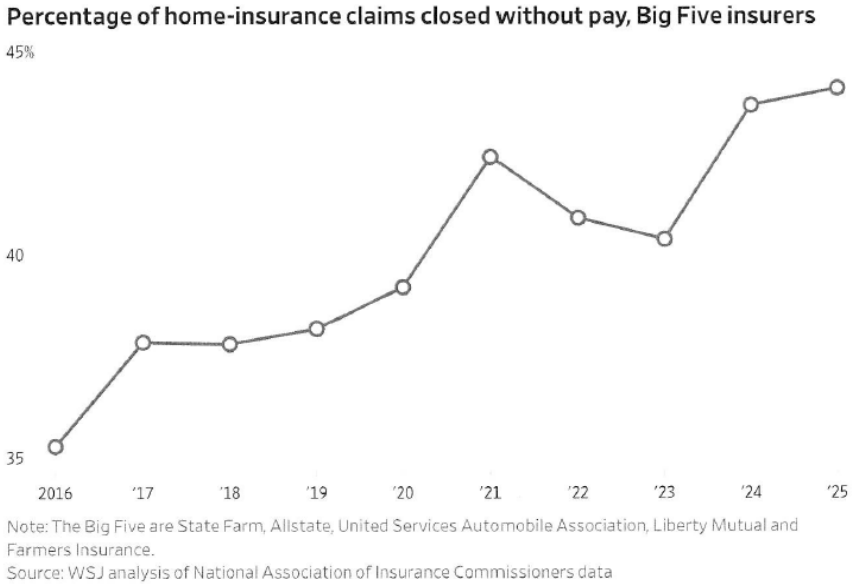
Insurance Company Name	**State of Domicile**	**Claims closed with no Payment** (percent of total claims closed)[2]
Mid-Century Insurance Co. of TX	TX	78%
Lemonade Insurance Co.	NY	64%
Spinnaker Insurance Co.	IL	61%
Citizens Property Ins. Corp.	FL	61%
Fire Insurance Exchange	CA	55%
Farmers Insurance Exchange	CA	55%
Castle Key Indemnity Co.	IL	55%
Homeowners of America Ins. Co.	TX	54%
State Farm Florida Ins. Co.	FL	53%
Castle Key Insurance Co.	IL	51%
USAA Casualty Insurance Co.	TX	51%
USAA General Indemnity Co.	TX	51%
United Services Automobile Assn.	TX	51%
Stillwater Insurance Co.	CA	50%
Slide Insurance Co.	FL	50%

Source: Weiss Ratings. Data: 2025 Company Annual Statements, Schedule P, Part 3A, Homeowners/Farmowners, columns 11 and 12, row 11.

WSJ Auto:



WSJ Home:



Naturally, the insurance industry contested the assertions that a large proportion of claims are denied and that the denial rate is increasing. The well-reported WSJ articles included comments from prominent insurers and from representatives of industry bodies such as the National Association of Mutual Insurance Companies. The NAIC, the Insurance Information Institute, and others also published statements.

The Data

The sources of data for these discussions are company filings with the NAIC. The primary source, as the note to the Weiss table above indicates, was the Company Annual Statement. The WSJ and Weiss also used the Market Conduct Annual Statement dashboard for their state-by-state analysis.

Schedules P-3A and P-3B of the Company Annual Statement are a principal source of information. The schedules report data for a ten-year period on Homeowners/Farmowners and Private Passenger Auto Liability/Medical respectively. Companies report the dollar amounts of Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End; these numbers do not figure into the claims reports. The last two columns of the schedules are (11) Number of Claims Closed With Loss Payment ("CWP") and (12) Number of Claims Closed Without Loss Payment ("CWOP"). The ratio of the column (12) number to the total of columns (11) and (12) is the percentage of claims of claims reported as denied.

The claims data in these schedules are used in support of the financial data to determine if a company has adequate reserves. Changes from year-to-year, including changes in the method of reporting, might indicate financial concerns that would merit further investigation.

The Problem of Inconsistent Data

However, because the content of the categories of CWP and CWOP are not necessarily consistent from company to company or across years for a single company, the NAIC and the industry regard the annual statement data as inappropriate to determine claim denial ratios.

From the NAIC:

> Schedule P is designed to be used as an individual company reserving analysis tool. Claims counts for an individual company are typically useable for a trend analysis. Companies are allowed to change the way they calculate claim counts from one year to the next and they will note if they do that in their Schedule P Interrogatories . . . Claim counts are defined differently by company and can't reliably be combined for industry analyses.[6]

From the III:

> It is also important to recognize claims data is not always directly comparable across insurers. Companies may differ in how they report claims, count exposures, administer policies, and serve different customer segments. A single loss may involve multiple exposures, some of which are paid while others are aggregate statistics may not accurately reflect consumer outcomes or the percentage of policyholders who receive payments following covered losses. Methodology matters, and caution

should be exercised when using data to conclude claims practices, consumer outcomes, or insurer performance.[7]

The III comment that "caution should be exercised" in using these numbers is a useful way of putting it. The numbers are not a complete and accurate basis for comparing companies or for comparing a company's performance over time. They may not justify the exaggerated headlines, but, as discussed below, neither are they worthless in assessing claims performance.

The Problem of an Over-Inclusive Category

The industry points out a second potential problem with the NAIC figures. However defined, CWOP may be over-inclusive, including both legitimate and problematic claim denials.

Underlying this problem is a widespread perception that some claim denials are obviously justified and other denials are potentially problematic. The perception accords with the understanding of industry professionals, and it provides a basis for public ire about denials.

Consumers and insurers agree that denying a $1,000 claim on a policy with a $5,000 deductible or denying a claim for an auto accident filed under a homeowners policy obviously is justified. Although many insurance consumers do not know this, it also is reasonable to believe that damage from a catastrophic flood is not covered by ordinary insurance, because of the problem of correlated loss and because of the well-publicized alternatives of public or private flood insurance.

The potentially problematic claims are those that fall outside obvious classes such as these. Some problematic claims arise because of specific and often less apparent limitations or exclusions in a policy. The water exclusion in homeowners policies is an example of this problem. Typical language excludes "surface water," which often is interpreted to exclude coverage for damage caused by rain well short of hurricane scale.[8] Many homeowners are surprised by this provision and consider it an unjustified claim denial; experts argue that the denial is dictated by the terms of the policy, as interpreted by courts.

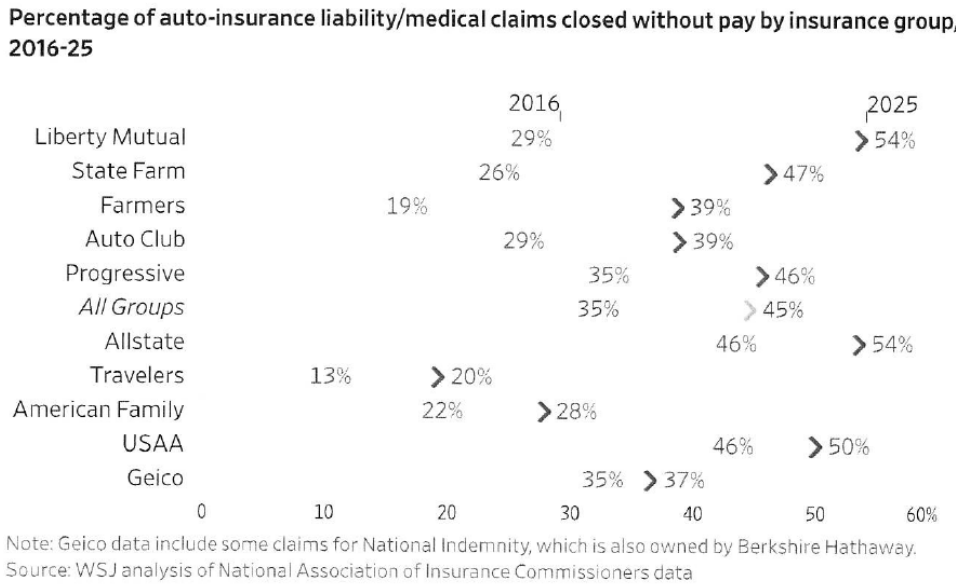
Other claims are problematic because they are just wrong; coverage is clear but the claim is denied in full or the payment offered is far below the actual loss. Industry sources recognize that problems like these can arise but believe they generally are inadvertent and small in number. Consumers and policyholder advocates believe that this happens too often and sometimes by design, to maximize company profits, thereby creating the appeal of headlines proclaiming that half of all claims are denied.

My point here is to explain the industry criticism that the NAIC data are over-inclusive, not to adopt one position or another on insurance company claim practices. The idea that some denials are legitimate and others potentially are problematic reinforces the view that the NAIC data are too crude to support sensational headlines.

Inadequate Data Still Has Value

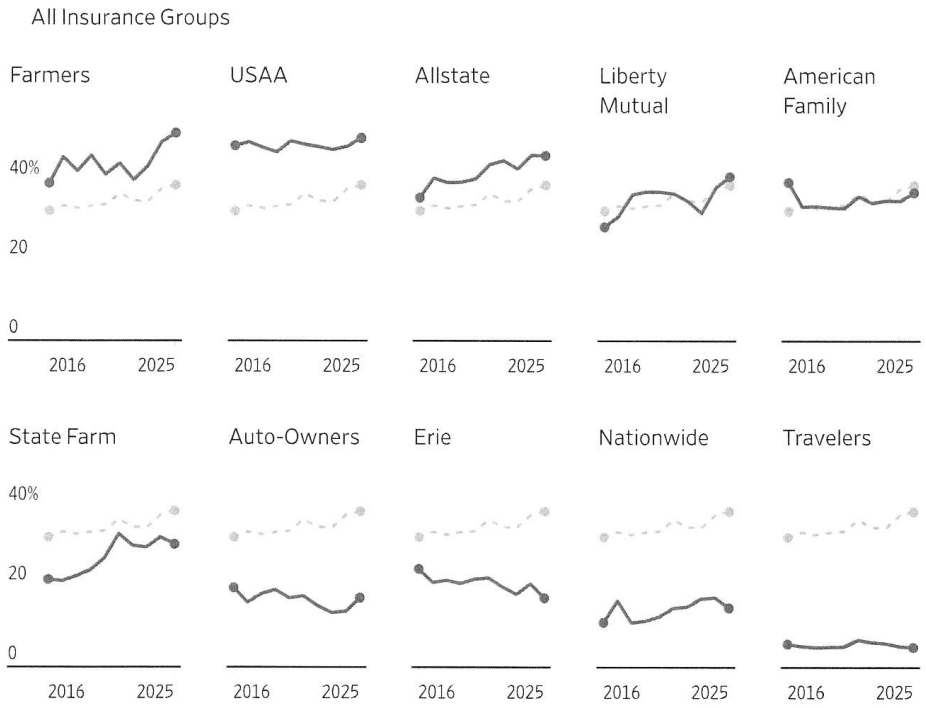
But data that are imprecise or that can be misinterpreted still can be enlightening. Consider several charts from the WSJ series.

WSJ Auto:



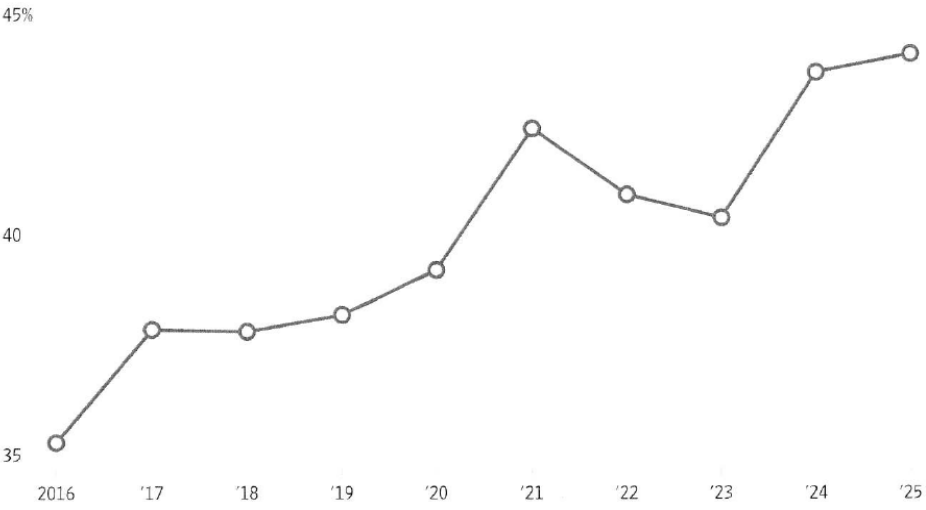
WSJ Home:

Percentage of home-insurance claims closed without pay by insurance group, 2016-25



Source: WSJ analysis of National Association of Insurance Commissioners data

Percentage of home-insurance claims closed without pay, Big Five insurers



Note: The Big Five are State Farm, Allstate, United Services Automobile Association, Liberty Mutual and Farmers Insurance.
Source: WSJ analysis of National Association of Insurance Commissioners data

Variations Among Companies

The charts have two striking features. The first is the wide variation among insurance groups of the percentage of claims as CWOP. Looking at 2025 figures for auto claims, for example, they range from a low of 20% to a high of 54%. Three groups are in the fifties, two are in the forties, three are in the thirties, and two are in the twenties.

As the NAIC stated, companies determine how they report claims CWOP. The question is, how much of this variation is due to different reporting methods, and how much is due to differences in actual claim denial rates? Even without specific guidance from the NAIC, I find it doubtful that the significant differences are mostly due to reporting methods. Companies probably analyze the reports of their competitors, might be concerned about denial rates that are substantially different—better or worse—than their own, and might rethink their own reporting methods, particularly after they have become a subject of public controversy. A likely explanation for much of the variation is that some companies are substantially better at paying claims than other companies, as is commonly believed among lawyers representing accident victims and policyholders. Standardized reporting criteria would help resolve this issue.

Trends in the Data

The second notable feature is that every one of the ten largest insurance groups increased the percentage of auto claims denied between 2016 and 2025. Farmers' percentage more than doubled, from 19% to 39%, and Liberty Mutual, State Farm, and Travelers each nearly doubled. Only Geico showed an increase of less than 10%, from 35% to 37%. The home insurance results are less uniform, but six of the insurance groups increased the percentage denied, and the "Big Five," who combine for about 46% of the market, increased claims CWOP by a substantial amount.

From WSJ Auto:

> Regulators allow insurers to define claims differently, which affects comparisons of no-payment rates between companies. So the Journal looked at how each insurer's rate has changed over time, relative to its own performance and the industry as a whole.

Once again, the lack of precision in NAIC reporting requirements allows for the possibility that some of the changes over time are due to variations in a company's reporting methods. But that is hardly a complete explanation when the changes are so significant and so widespread.

Drivers of Change

The well-reported WSJ articles note several industry explanations for this trend. One explanation is expected but dubious: It's the fault of fraudsters and lawyers.

From WSJ Auto:

> The industry says an uptick in fraud, driven in part by fake claims enhanced with AI tools, is triggering more denials. It also points the finger at attorneys.
>
> A State Farm spokesman said the factors affecting no-payment rates included higher deductibles and claims from third parties, such as public adjusters and "advertising-driven attorneys."*

An insurance industry mantra is, "Never waste a good crisis." Whatever the problem, part of the solution always is to cut back on alleged fraud and to limit consumers' ability to use lawyers to get what they are owed. This is not new. Accident insurers and streetcar companies formed the Alliance Against Accident Fraud in 1905; the Alliance urged bar associations to discipline and prosecute "the ambulance chaser and the shyster lawyer." (Efforts to cleanse the bar of lawyers who, lacking "character," were likely to participate in fraudulent personal injury cases often had an ethnic tinge; while the Philadelphia bar was conducting a study of ambulance chasing, the study's leader, lion of the bar and ethics expert Henry Drinker, castigated the "Russian Jew boys" who practiced law "merely following the methods their fathers had been using in selling shoe-strings and other merchandise.")[9]

Today, estimates of the amount of insurance fraud are knowingly and unjustifiably inflated.[10] The increase in lawyer advertising and AI may have something to do with more recent increases, but the WSJ charts show a high rate of denial in 2016—about 35% for homeowners, for example. Moreover, to the extent the increases in claims CWOP over the ten-year period show anything, the increases themselves provide a partial response to blaming lawyers. John Morgan, founder of national law firm Morgan & Morgan, was quoted in WSJ Auto: "Litigation is increasing because more claims are being denied—not the other way around."

Other reasons for the increase in claim denials deserve more attention, particularly for the homeowners figures, but they still do not provide a complete explanation.

From the NAIC:

> To use the claims closed without loss payment figures from Schedule P Part 3 would be misleading if you are looking for claims rejected by the insurer or denial of coverage. Many of the claims closed without payment are because the amount is below the deductible. With hurricane and other catastrophe deductibles being much higher, there are more claims below the deductible. It's also been reported that more people now file a claim

* State Farm spent $1.139 billion on advertising in 2025.

> even when they know it is below the deductible because it is required to be able to file their flood insurance claims.

From WSJ Auto:

> Insurers said the no-payment tallies reported to regulators include claims that were paid by the other driver's insurer, withdrawn by customers, outside the policy terms, or less than the deductible.
>
> "A claim can close without payment for good reasons," said Eric Collins, senior vice president at industry body the National Association of Mutual Insurance Companies.

From WSJ Home:

> There are other drivers of the risk in claims closed without a payout. More frequent losses from disaster, in part drive by climate change and increased development in danger-prone areas, are also triggering more claims that aren't covered by the policies, such as for flood damage, insurers say.
>
> And then there are smartphones. It is easier to file claims than in the past, thanks to technology, which some insurers say makes it more likely claims will be withdrawn or not meet the bas for payment.

Start with smartphones. The suggestion that this is a major driver of improper claims is interesting. The Weiss homeowner table above puts the tech-enabled Lemonade Insurance in the second-worst place, with a denial rate of 64%. However, two other insurers are only three points behind. The WSJ table on auto claims shows a median increase in denials of 28%, from 35% to 45%, and it is hard to believe that the larger portion of that is driven by the availability of smartphones, or that a very large proportion of claims filed on phones are so deficient that they "will be withdrawn or not meet the bar for payment."

More significant is the suggestion in several of these sources that many claims CWOP are denied because they are disaster losses not covered by policies or they are below policy deductibles. Some of these could be losses excluded under policy terms directed at large, correlated losses, when the terms are applied to something less than a disaster. The surface water exclusion described above would be an example. Climate change causes more severe weather, including convective storms, the damage of which may be excluded, for example.

Probably more impactful is the frequent suggestion that claims are denied because the losses are below the policy deductibles. *Deductible*s, not *deductible*, because many homeowners policies now contain special deductibles for events such as hurricane, wind, and hail damage that are covered by the policy. Similarly, many Replacement Cost homeowners policies now pay only Actual Cash Value for the most expensive component of the home to repair or replace—

the roof; special deductibles or depreciation tables reduce the payment by 50%, 75% or more, depending on the age and composition of the roof.

Claims involving these issues cause protection gaps, or situations in which the coverage and payment provided fail to meet the reasonable expectations of the policyholder. What constitute reasonable expectations and how to enforce them against insurers is another topic,[11] but it feeds back into the basic issue of this paper. The available data are inadequate to describe claims practices, for individual companies or the industry as a whole.

What Is to Be Done?

The current controversy focuses on the limited claims data available, its shortcomings for judging and comparing companies' claim denial rates, and the limited contributions it can make to thinking about problems in insurance markets. For policymakers even more than academics, this is not simply an interesting exercise but a problem that may need to addressed. Solutions vary.

Do Nothing

The industry response is to do nothing. I have not seen any industry comments on this issue that urge more reporting and more transparent reporting of insurance claim denials, or, more generally, industry proposals to provide consumers with better data on claim practices.

That is unfortunate. Markets work best with information. Quality is an important attribute of any product, including insurance. A key measure of quality for insurance is an insurance company's record of paying claims promptly and fairly—of keeping its promises. But consumers have too little information about how well insurance companies pay claims.[12]

More and Better Data on Claims

In my view, the appropriate response to inadequate data is more data and better data.

In fact, some data is available, but not to consumers, advocates, or many policymakers. Insurance companies currently report claims statistics each year to regulators on the NAIC Market Conduct Annual Statement.

The statistics reported include:

- Number of claims opened, closed with payment to policyholders or other claimants, and closed without payment
- Median days to final payment
- Number of claims closed with and without payment within 0-30 days, 31-60 days, and so on
- Number of suits by policyholders opened and closed

The MCAS also uses Scorecard Ratio Formulas, including:

- Number of claims closed without payment compared to the total number of claims closed
- Percentage of claims paid beyond 60 days
- Lawsuits filed against the company during the period compared to claims closed without payment

As we have seen, a repeated criticism of the NAIC CWOP data is that the category includes claims denied because they are below policy deductibles. One possibility is to mandate further detail in the MCAS or elsewhere, to address narrower issues such as that one.

For example, in a letter on October 2, 2026, MAGA Republican Senator Josh Hawley and progressive Democratic Senator Elizabeth Warren jointly wrote to State Farm's CEO, highlighting the CWOP controversy and requesting such data:

> Given our concerns in the surge in homeowners and auto insurance claims that are closed without payment, we request that you provide responses to the following questions no later than October 16, 2026:
>
> 1. Provide your company's yearly percentage and number of claim fulfillments and claims closed without payment for homeowners and personal auto insurance over the last 10 years, including:
>   a. Disaggregated for each type of peril your homeowners and personal auto insurance policies cover;
>   b. Disaggregated by the reason for nonpayment, including claims that fell below the applicable deductible, were subject to a policy exclusion, were formally denied, were withdrawn by the policyholder, or resulted in no payment for any other reason.

The Rutgers Center for Risk and Responsibility has prepared a template for disclosure of claims data, available at https://crr.rutgers.edu/homeowners-insurance-claims-quality-summary/ Here is an example:

	[Company]	Top 10 (or 20) companies	All companies
How frequently does the company deny claims?			
How frequently does the company fail to pay a claim within 60 days of filing?			
What is the median number of days to final payment on claims?			
How frequently does the company get sued for failing to pay a claim?			
How frequently does the company lose lawsuits filed by consumers?			
How frequently do consumers file complaints with the insurance department against the company?			

Is Claims Data Privileged and Confidential?

All states and the District of Columbia already collect claim practices data and report it to the NAIC, which aggregates it and reports it in limited form to insurance companies. Unfortunately, legislation in many states treats the MCAS data as "privileged and confidential."

"Privileged and confidential" (or variants such as "trade secrets" or "proprietary") is a legal characterization, not a fact. When the law determines that information deserves this status, it is striking a balance between interests in protecting information and interests in disclosing it.

The usual justification for protecting claims information is that disclosure would give competing insurance companies an unfair advantage. Maybe. However, if companies know their competitors' claim denial rates, that knowledge should have only modest effects on their ultimate decisions on claims. The central principle of insurance, often repeated by companies, is, "We pay what we owe, no less and no more." Comparisons with competitors' rates may help a company improve its claim processes, but it should not affect the key to that function, which is to pay claims promptly and fairly.

Moreover, some evidence suggests that industry claims information already is shared among competitors, through the work of consultants. For example, discovery in the current high-profile litigation in Oklahoma included the following email among State Farm employees:[13]

From: Kathy Ress
Sent: Tuesday, October 19, 2021 12:17 PM
To: Scott Welsh <scott.welsh.cx30@statefarm.com>; Tom Moss <tom.moss.c4sg@statefarm.com>; Nicole Manduca <nicole.manduca.lok2@statefarm.com>
Cc: Kathy Ress <kathy.ress.he8j@statefarm.com>; Gregory E Jones <gregory.e.jones.gzwh@statefarm.com>
Subject: Q1& 2: SEO Update Wind/Hail and Fire End to End

Thank you!

As I work through adding other items and editing, I'll send you inquiries to help me frame:

First one on the statement below:

- The chart below does not provide at % - Could we provide a statement of what the % range is and the YTD average?

Also, what is our YTD % Total Roofs overall and how does that compare to a year ago, 2 years ago? (Not sure if we have 2 years data) How do we compare today against this statement?

- *Baseline:* Analysis of 3-year data validated Full Roof Replacements were paid at 63% frequency for Severity 3 Wind and 90% frequency for Severity 3 Hail.
- *Industry Best:* Industry Best FRR on light wind and small hail averages a 5-10% frequency, therefore an internal quality improvement opportunity of 53-58% for light wind and 80-85% for small hail (Source: Accenture Consulting Services).

How did Accenture know what is the "industry best" standard for Full Roof Replacements? (Accenture disputes that it provided the information that State Farm employees state that it did.) This is a familiar story; consultants such as Accenture and McKinsey & Co. work for competing companies, sharing their expertise, which in part includes information about competitors and the industry at large.

Competitive advantage from secrecy, if any, is on one side of the balance of interests. On the other side is the need for insurance consumers to have relevant, accessible information. Legislators should give the interest of those consumers great weight and consider legislation to remove that confidentiality and give insurance commissioners the authority to make the data available.

More and Better Data on Coverage

Again, from WSJ Home:

> Insurers are responding to a yearslong run of post pandemic losses in their home-insurance businesses by getting tougher on claims.
>
> One way they have done this is to raise deductibles . . . Some companies applied higher deductibles to specific risks such as hurricanes and hail, and changed certain deductibles from a dollar value to a percentage of the value of the home. They also have set tighter criteria for claims on expensive items like roof replacements.

That excerpt explains the weakness of CWOP as a reporting category, but it also raises a different issue: Coverage under homeowners insurance in particular is declining. Contrary to WSJ's characterization, this is not a problem of "getting tougher on claims," but of limiting coverage, of creating protection gaps between what policyholders reasonably expect and what their insurance covers.

That is a large problem that is mostly beyond the scope of the immediate topic. But consider how the problem and the solution follows from my suggestion of the need for better data to inform consumers.

Insurance consumers need easily understandable information about insurance policies in order to evaluate their current coverage and to shop effectively for insurance. Consumers can shop effectively if they have good information, and their buying choices will spur competition to produce better products at lower prices.

However, insurance companies and their agents typically provide minimal information about coverage. As insurance becomes less available, more expensive, and filled with exclusions and limitations, good information is especially important to consumers.

A first step is to make the text of policies publicly available. SERFF, the NAIC System for Electronic Rate and Form Filing, is available to the public but is so complicated, poorly organized, and lacking in important details that it does not serve this purpose.

Currently, only six states have taken more significant steps toward providing information by mandating that all policies or the policies of the state's largest insurers be posted online.[14]

Frankly, even if consumers had access to policies, most of them wouldn't read or couldn't understand the long, complex, legal documents, or be able to anticipate the many ways in which a loss might occur or the problems that may result if it does. Many people only discover the limitations of their coverage when they have a claim and often find they don't have adequate coverage.

There are two potential solutions. Many state insurance departments mandate summaries of the typical terms of policies. Summaries of individual policies would be more helpful. Two of the six states that publish policies have gone further and provide policy comparison tools. The California Department of Insurance website and the former Texas Office of Public Insurance Counsel website (currently being revised) break down the type of coverage and type of loss settlement for dwelling and personal property and then summarize a few key issues including water damage, mold, and additional living expense.

Also, although the publication of full policies would have little direct benefit to consumers, it would have considerable indirect benefit in making policies available to intermediaries. Consumer Reports can easily acquire dishwashers to test and rate simply by going out in the marketplace and buying them. Consumer Reports and similar intermediaries, whether nonprofit or commercial, cannot acquire homeowners insurance policies as easily. If they could acquire policies, they would be able to provide the same type of accessible information as they provide for other consumer products.

Once again, the Rutgers Center for Risk and Responsibility offers a template: RU InsureScore, available at https://crr.rutgers.edu/homeowners-insurance-policy-scoring/ . This tool provides an accessible and understandable way for homeowners to evaluate

and compare policies of many of the nation's largest homeowners insurance companies. Here are some examples. Figures are from 2023, the most recent update.

Homeowners Insurance Policy Scoring — Summary

Amica	88	★★★★½	Amica provides very good overall coverage.
Travelers	86	★★★★½	Travelers provides overall good coverage with some limitations.

• • •

American Family	75	★★★½☆	American Family provides adequate coverage with some significant limitations on coverage of property, risks, and payment.
Allstate	73	★★★½☆	Allstate provides a basic policy that covers fewer risks and provides for smaller payments than many other policies.

Homeowners Insurance Policy Scoring — Individual Companies

Liberty Mutual

	Overall score	Overall rating	Property insurance			Liability insurance
			Things the insurance covers	*Risks the insurance covers*	*What the insurance pays*	
	84	★★★★☆	★★★★½	★★★★☆	★★★★☆	★★★★½

Pros

- Good coverage for buildings
- Good coverage for mold risks
- Good coverage for compliance with building code

Watch for

- Limited coverage for some plumbing leaks and other water risks
- Limited payment for roof damage

Liberty Mutual provides overall good coverage with some limitations.

Conclusion

The current controversy over claims data comes at an important moment in personal lines insurance in the United States. Companies are pressed by a competitive market. Consumers face increased prices and declining coverage. The problems are complex, vary somewhat from one state to another, and do not have easy answers. But the focus on data presents an opportunity for legislators to provide insurance consumers with more and better information, which will benefit them and improve the market as a whole.

Notes

[1] Available at https://weissratings.com/en/weiss-news/14-large-u-s-insurers-closed-nearly-half-of-homeowner-claims-with-no-payment-in-2024.

[2] E.g., Martin D. Weiss, Private Auto Owners in New York State Face an Increasingly Hostile Insurance Marketplace, Apr. 20, 2026, available at https://cdn-order.weissratings.com/media/wri/PDF/WN/PrivateAutoOwnersinNY.pdf.

[3] Available at https://weissratings.com/en/weiss-news/14-large-u-s-insurers-closed-nearly-half-of-homeowner-claims-with-no-payment-in-2024.

[4] If You Get in a Car Crash, the Risk is Growing Your Insurance Won't Pay, by Jean Eaglesham and Jaclyn Jeffrey-Wilensky, *Wall Street Journal*, Aug. 9, 2026.

[5] The Home-Insurance Coin Flip: Nearly Half of Claims Result in Zero Payout, by Jean Eaglesham and Jaclyn Jeffrey-Wilensky, *Wall Street Journal*, May 30, 2026.

[6] Correspondence from NAIC, Apr. 22, 2026.

[7] Insurance Information Institute, MEDIA STATEMENT: Understanding Claims Closed Without Payment: Context Behind the Numbers, May 31, 2026, available at https://www.iii.org/press-release/media-statement-understanding-claims-closed-without-payment-context-behind-the-numbers .

[8] ISO HO 03 05 11.

[9] Jay M. Feinman, *Delay, Deny, Defend: Why Insurance Companies Don't Pay Claims and What You Can Do About It*, p. 172 (Delden Press paperback).

[10] Jay M. Feinman, Misinformation About Insurance Fraud (2024), available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=5021112.

[11] Jay M. Feinman, Protection Gaps in Homeowners Insurance, available at https://sites.camden.rutgers.edu/wp-content/uploads/sites/22/Feinman_Protection-Gaps-in-Homeowners-Insurance_March-2022.pdf; Jay M. Feinman, What Is a Protection Gap? Homeowners Insurance as a Case Study, *Connecticut Insurance Law Journal*, v. 27, p. 82 (2020).

[12] Jay M. Feinman, Improving the Market for Homeowners Insurance, *Connecticut Insurance Law Journal*, v. 30, p. 169 (2024).

[13] West v. State Farm Fire & Casualty Co. et al, Dist. Ct. of Comanche County, Okla., Case No. CJ-2025-135. Plaintiffs' Response, Aug. 21, 2026, Exh. 8.

[14] *Homeowners/Renters/Condominium Owners Coverage Comparison*, California Dept. of Insurance, https://interactive.web.insurance.ca.gov/apex_extprd/f?p=143:1; *Homeowners Policies*, Missouri Dept. of Insurance, https://insurance.mo.gov/consumers/home/homeowners_policies.php ; *Homeowners Insurance Comparison,* Texas Office of Public Insurance Counsel, (No longer available; according to the OPIC website, a new tool is under development); *Homeowners Policy Comparison*, Maine Bureau of Insurance, https://www1.maine.gov/pfr/insurance/consumers/consumer-guides/homeowners-policy-comparison; *Policy Forms Used by the 10 Largest Home Insurance Groups in* Nevada, Nevada Dept. of Insurance, https://doi.nv.gov/Consumers/Homeowners-Insurance/Policy-Forms/; *Policy Forms Used by the 10 Largest Homeowners' Insurance Groups in Oklahoma,*

Oklahoma Insurance Dept., https://www.oid.ok.gov/consumers/insurance-basics/home-insurance-policies/ .