

Best Homeowners Insurance Companies From Consumer Reports' Ratings

Our exclusive findings will help you find coverage that's top-notch and well-priced

By Tobie Stanger
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To find the best homeowners insurance companies in America, Consumer Reports fielded an exclusive survey of tens of thousands of our members.

To be specific, 59,670 people told us about 65,000 experiences they'd had with their homeowners insurance carriers—including settlements of claims within the past five years, prices paid for insurance premiums, policy reviews, and other key aspects of shopping for and owning this important coverage.

We've taken this approach because it's not enough to know how well a homeowners insurance carrier treats customers on the phone, or how easy the policy is to read—although those were among the attributes we considered. It's after catastrophe strikes—a storm, fire, robbery, or even a liability lawsuit—that you truly find out if you've got a reliable ally, one that's responsive during the claims settlement process and pays you fairly.

Responses to our survey inform our ratings of 24 homeowners insurance carriers, which is available to CR members. Our list includes well-known homeowners insurance companies like Allstate, Amica, Farmers, Nationwide, State Farm, Travelers, and USAA.

We've named three true winners in our homeowners insurance ratings, although only one carrier excelled in every aspect of our survey. The other two insurers weren't far behind, and like the highest-rated homeowners insurance company, they earned exemplary overall satisfaction scores.

Notably, the members of this triumvirate are all "direct



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writers," which means that their own employees—not independent agents—sell and service their policies, typically online. In theory, leaving out that middleman can save the insurer money, which it can pass on to policyholders in lower premiums. One of the top three is a mutual company—owned by its policyholders—and another operates in a mutual fashion; in flush years they may pay eligible homeowners policyholders a share of the surplus they've earned in the form of dividends. Each company in the top trio also has relatively stringent criteria for new customers, which means that not everyone qualifies for coverage.

Consumer Reports members can read on to see which companies topped our homeowners insurance ratings. You also can see the performance of 21 other companies, many with commendable or satisfactory overall scores and more open eligibility requirements.

Best Homeowners Insurance Companies

• **USAA**, headquartered in San Antonio, Texas, sells homeowners insurance coverage in every state and the District of Columbia. USAA, which stands for United Services Automobile Association, serves only people with direct ties to the U.S. military—members of the armed forces and their families, honorably discharged veterans, as well as descendants and spouses of USAA customers (read more about how to qualify for USAA coverage). Consumer Reports members gave USAA top-notch scores in every aspect of the homeowners insurance buying, claims, and ownership experience. USAA is a reciprocal interinsurance exchange, in which coverage is pooled in order to spread the risk and potentially save policyholders money. In flush times, USAA offers dividends—but currently that's only for auto insurance.

• **NJM Insurance**, based in West Trenton, N.J., sells homeowners insurance policies in Connecticut, Maryland, New Jersey, Ohio, and Pennsylvania. NJM aced our survey-based ratings in pricing of premiums, customer service, advice and help, and the policy-review experience. In other rating categories, NJM received favorable scores. NJM operates in a mutual fashion; that means homeowners insurance policyholders may be eligible for a dividend that is credited to their premium when they renew their policy.

• **Amica Mutual Insurance Co.**, based in Lincoln, R.I., offers homeowners insurance coverage in every state except Alaska, Florida, and Hawaii. In our member survey, policyholders judged the Amica claims experience to be outstanding; they did the same for customer service, advice and help, and the policy-review process. For pricing of premiums, coverage breadth, and policy clarity, Amica earned favorable marks. Amica offers the potential for money-saving dividends in one version of its homeowners insurance policy; that coverage costs more upfront. Dividends also aren't available in every state.

These three companies all have a track record of excellence. They were among the highest rated when CR last surveyed members about homeowners insurance in 2019 and 2016. Six other insurers, mainly moderate-sized companies, also are in our "green zone," receiving favorable, light-green overall satisfaction scores: Auto-Owners, Chubb, Cincinnati, COUNTRY (the company capitalizes its name), Erie, and Farm Bureau Property & Casualty.

"Conspicuously absent from the green zone are many household brands that dominate the advertising airwaves," observes David Gopoian, the research program leader in CR's Survey Research department who managed CR's homeowners insurance survey project.

As in past surveys, the largest and most well-known

homeowners insurance companies—Allstate, Farmers, The Hartford, Liberty Mutual, Nationwide, State Farm, and Travelers—reside in the "yellow" zone of our ratings, representing middling overall satisfaction scores. None received top marks for any of the attributes in our survey. Only two insurers even got light-green "favorable" scores: State Farm for customer service and policy review, and Nationwide for claims handling.

Consumers Identify Keys to Satisfaction

As a group, the 24 insurers in our survey highly satisfied 77 percent of CR members when it came to handling claims settlements. In the opposite direction, they only satisfied about half—56 percent—in how they priced their premiums.

"These attributes are the two best predictors of overall satisfaction," Gopoian notes. But, he adds, "they are tugging in different directions. For most insurers there is a trade-off between the relatively good ratings they get for claims satisfaction and the relatively lower ratings they get for the prices they charge customers."

Chubb Group is an example of that dynamic. The Warren, N.J.-based homeowners insurance carrier specializes in higher-end homes—the kind of properties that can require extra coverage for collectibles, valuables, and unique features like custom cabinetry. Chubb was judged stellar for its claims handling but less-than-favorable for pricing. Overall, the carrier landed near the top of our ratings.

Worst Homeowners Insurance Companies Are Based in Florida

Only two homeowners insurance companies earned an overall score that is below middling: Tower Hill Insurance and Universal Property & Casualty. Both are based in Florida, where homeowners pay the highest premiums in the country (PDF).

Tower Hill, based in Gainesville, was judged less-than-favorable overall; it received mediocre marks for premium prices, advice and help, and policy clarity. The company recently said it would not renew half of its Florida homeowners insurance policies, and would place the other half in a new subsidiary—a "reciprocal exchange," in which policyholders share the risk of insuring each other.

Ft. Lauderdale-based Universal Property & Casualty received a failing rating. It earned dismal marks for claims, premium prices, and advice and help; for all other attributes, it received less-than-satisfactory marks. A company spokesperson declined to comment on these results.