# Denied: Racial Disparities in Insurance Claims*

**Pulak Ghosh** **Ankit Kalda** **Avantika Pal** **Vikas Soni**

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We document that Black homeowners receive less value from their insurance policies than White homeowners with similar coverage. Using administrative data on 4 million homeowners insurance policies and 200,000 claims, we find that Black policyholders face 3.2 percent higher claim rejection rates, receive 4.8 percent lower payouts, and wait 18 percent longer for claim resolution than White policyholders filing similar claims in similar locations. These disparities amount to $2.5 million in annual losses for Black policyholders in our sample. Insurance agents—intermediaries who advocate for policyholders but do not make final decisions—contribute to these disparities. The gap exists only with White agents and disappears entirely with Black agents. Within-adjuster analysis shows that the same decision-maker produces different outcomes depending on which agent presents the claim, consistent with differential advocacy rather than decision-maker bias. Our findings show that discrimination in financial markets extends beyond the point of sale, affecting wealth preservation, not just accumulation.

**Keywords**: Homeowners insurance, racial discrimination, financial intermediation, claims, wealth gap

*Pulak Ghosh is with Indian Institute of Management, Bangalore; Ankit Kalda is with Indiana University; Avantika Pal is with University of Illinois at Urbana Champaign; Vikas Soni is with the University of South Florida. Emails: pulak.ghosh@iimb.ac.in; akalda@iu.edu; pal8@illinois.edu; vsoni@usf.edu.

# 1 Introduction

Do minorities receive equal value from financial products they have already purchased? When households purchase financial products, they expect equal treatment not only at the point of sale[1] but also when exercising their contractual rights—filing an insurance claim, exercising a warranty, seeking dispute resolution. If minorities are treated differently at this stage, equal treatment at the point of sale does not deliver equal value. This is a consequential margin: households have paid for contractual rights that may not be fully honored.

We study this question in the context of homeowners insurance claims. For most American families, home equity is their primary asset,[2] and homeowners insurance—with a market size of over $145 billion in annual premiums covering 80 million households—is meant to protect it. A denied claim or reduced payout can force families to pay out of pocket for repairs, take on debt, or defer maintenance—eroding the very wealth the insurance was meant to safeguard. If Black policyholders systematically receive less favorable claims outcomes, they effectively hold less valuable policies despite paying similar premiums. Given that home equity is the dominant source of wealth for Black households in particular,[3] disparities in claim outcomes could contribute to the racial wealth gap.

We are the first to document racial disparities in insurance claims. Using a novel dataset linking policyholders, agents, and claims, we compare policyholders within the same insurance agent. We find that Black policyholders are 3.2 percent more likely to have claims rejected, receive payouts 4.8 percent lower, and wait 18 percent longer for resolution than White policyholders with similar coverage and deductibles, filing claims for the same types

1. A large literature documents discrimination at the point of sale. See, e.g., Yinger (1986), Ayres and Siegelman (1995), List (2004), Edelman et al. (2017), Munnell et al. (1996), Bartlett et al. (2022), Bayer et al. (2018), Blanchflower et al. (2003).

2. Home equity accounts for a median of 45 percent of homeowners' net worth (Pew Research Center, 2023).

3. Black homeowners derive 63 percent of their net worth from home equity compared to 41 percent for White homeowners (Pew Research Center, 2023).

of losses, in the same neighborhoods. Insurance agents—the intermediaries who help policyholders navigate the claims process—contribute to this racial gap. The disparity appears only among White agents and disappears with Black agents. This racial gap amounts to $2.5 million in annual losses for Black policyholders in our sample.

Examining racial disparities in insurance claims presents several empirical challenges. First, claims data is proprietary and not easily available to researchers. Second, documenting bias requires ruling out differences in claim quality or policyholder behavior. Third, the claims process involves multiple actors—policyholders, agents, and adjusters—making it difficult to isolate who is responsible for any observed disparity.

Our setting and data address each of these challenges. We obtain administrative records from Florida's insurer of last resort covering over 4 million policies and 200,000 claims, including agent identifiers and adjuster assignments. We exploit within-agent variation that helps control for endogenous matching and any systematic differences in how agents select or serve clients. We further rely on heterogeneity in our findings, particularly based on agent race, to address residual concerns about matching. To rule out fraudulent or low-quality claims, we examine policyholder responses—whether they contest rejections through litigation or appraisal. We leverage within-adjuster variation to isolate the source of disparities, comparing outcomes across agent race for the same adjuster.

To evaluate whether fraudulent claims explain our results, we examine policyholder responses. Black policyholders are significantly more likely to contest claim outcomes. Compared to White policyholders, Black policyholders are 3.7 percentage points more likely to litigate claims and 2.2 percentage points more likely to invoke the appraisal process. These responses suggest that Black policyholders view rejections and underpayments as erroneous rather than legitimate—inconsistent with the alternative explanation that racial disparities reflect fraudulent or lower-quality claims.

We next examine the role of insurance agents in driving these disparities. The racial

gap in payouts and rejection rates exists only among White agents—Black policyholders with White agents face lower payouts and higher rejection rates. With Black agents, these disparities disappear. Despite facing no disparity in rejection rates with Black agents, Black policyholders litigate at nearly the same rate as they do with White agents—where rejections are significantly higher. This pattern suggests Black agents encourage Black policyholders to contest rejections while White agents discourage it. This likely increases resolution times that remain elevated for Black policyholders at similar levels with both agent types. When we restrict to accepted claims, the resolution time disparity disappears with Black agents but persists with White agents—further supporting this interpretation. Disparities are also concentrated in discretionary claim closures—rejections classified as "miscellaneous reasons"—consistent with differential advocacy operating through agent discretion.

Having established that agents contribute to racial disparities, we consider what type of bias might explain these patterns. Discrimination can arise from taste-based preferences against out-groups (Becker, 1957; Charles and Guryan, 2008; Guryan and Charles, 2013; Fisman et al., 2017) or from using race as a statistical proxy when better information is unavailable (Arrow, 1973; Phelps, 1972; Altonji and Pierret, 2001). The heterogeneity in disparities by agent race provides initial evidence. The point estimates suggest in-group favoritism—White agents discriminate against Black policyholders while Black agents favor them. Though the smaller Black agent sample limits statistical precision, this pattern is consistent with taste-based discrimination. Statistical discrimination would predict similar treatment of Black policyholders regardless of agent race.

Theory predicts that competition disciplines taste-based discrimination—prejudiced agents forgo profitable transactions, creating opportunities for non-discriminating competitors (Becker, 1957; Charles and Guryan, 2008). Consistent with this prediction, we find larger disparities in rejection rates in less competitive markets—areas with fewer insurance agents show significant racial gaps while areas with more agents show smaller gaps. Disparities are also

larger where there are fewer Black agents and in counties with smaller Black populations, consistent with exposure reducing bias (Allport, 1954; Pettigrew and Tropp, 2006).

Statistical discrimination predicts that disparities should diminish as agents acquire information—through experience on the job or repeated interactions with the same policyholder (Altonji and Pierret, 2001). We evaluate these heterogeneity and find partial support. Inexperienced agents show larger disparities than experienced agents—the racial gap in rejection rates is significant among agents below median tenure but smaller among more experienced agents. Similarly, disparities are larger for first claims than subsequent claims. However, disparities persist even among experienced agents, suggesting taste-based preferences remain even as agents learn. Disparities are also concentrated where agents have more discretion—smaller policies show larger racial gaps than larger policies—consistent with taste-based preferences manifesting where oversight is weaker.

A potential concern with our setting is external validity. Our data come from Florida's insurer of last resort, which may include selected agents and policyholders and hence the findings may not generalize to other insurers. However, over 95% of agents in our sample are independent agents who also work with private insurers, and approximately half of all licensed homeowners insurance agents in the state are affiliated with our data provider. Further, the disparities we document operate through agent behavior and not insurer-specific policies. Hence our qualitative findings and the mechanism we uncover are likely to extend to the broader homeowners insurance market.

Our paper contributes to a substantial literature documenting racial discrimination in financial services. Minority mortgage applicants face higher denial rates even after controlling for creditworthiness (Munnell et al., 1996), pay higher interest rates (Bartlett et al., 2022), and are steered toward high-cost subprime products (Bayer et al., 2018). Lending disparities also operate at the neighborhood level, with mortgage credit less available in minority communities (Tootell, 1996). Similar patterns appear in auto lending, where minority borrowers

pay higher interest rates (Charles et al., 2008; Butler et al., 2023). In small business credit markets, minority-owned firms face higher denial rates (Blanchflower et al., 2003; Cavalluzzo and Wolken, 2005), and discrimination appears to decline with market competition (Cavalluzzo et al., 2002). A related strand examines how intermediaries shape these disparities: cultural proximity between loan officers and borrowers improves credit access (Fisman et al., 2017), minorities pay higher fees when working with white mortgage brokers (Ambrose et al., 2021), minority loan officers reduce disparities for minority borrowers (Frame et al., 2025), and process automation can reduce racial gaps by limiting human discretion (Howell et al., 2024), though machine learning algorithms may also widen disparities by more precisely pricing borrower risk (Fuster et al., 2022).

Research on discrimination in insurance markets has been comparatively limited. Using aggregate data, Squires (2003) documents geographic patterns in homeowners insurance availability consistent with redlining, and Harrington and Niehaus (1998) examine whether auto insurance premiums vary with neighborhood racial composition. We provide the first evidence on discrimination in insurance claims. While prior work examines whether minorities can obtain financial products on equal terms, we ask whether they receive equal value from products they have already purchased—a distinct and consequential margin, since households have paid premiums expecting protection. Policies designed to address discrimination at the point of sale may not address disparities that arise when households exercise their contractual rights. We also show that intermediaries create disparate outcomes through differential advocacy even when they do not make final decisions—extending work on loan officers to a setting where the advocacy and decision-making roles are clearly separated. By documenting that Black homeowners receive less insurance protection for their primary asset, we identify a novel channel through which financial market frictions contribute to racial wealth inequality. Unlike discrimination in credit markets, which affects wealth accumulation, discrimination in claims affects the preservation of wealth households

have already built.

# 2 Data

Our analysis combines administrative homeowners' insurance records with individual-level voter registration data. The insurance data consist of policy-level and claims-level administrative records obtained from Citizens Property Insurance Corporation, Florida's insurer of last resort and the largest provider of multi-peril homeowners' insurance in the state.

The insurance dataset covers all policies issued by Citizens from 2002 through September 2023. The policy-level data include detailed information on contract characteristics, such as premiums, deductibles, coverage limits, and policy effective dates. In addition, the data reports the names and addresses of insurance agents and contains rich property-level characteristics, including street address, year of construction, total building area, number of units, and number of stories.

The claims data provides granular information on the claims process, including loss and resolution dates, claim status (e.g., approved or denied), net losses incurred, and the identifier of the claims adjuster assigned to each claim. We merge the policy and claims datasets using policy and term numbers as unique identifiers, allowing us to link contract characteristics to subsequent claims and their outcomes.

To measure the demographic characteristics of policyholders and insurance agents, we use voter registration data from L2, a widely used commercial data provider in academic research. The L2 data contain monthly to yearly snapshots of Florida registered voters from 2004 to 2023 and report individuals' race and ethnicity, political affiliation, and registered residential address, primarily drawn from voter registration records.

The availability of names and residential addresses in both datasets allows us to match

voter records to insurance policyholders and agents. This linkage enables us to observe the race and other demographic characteristics of policyholders and agents at a granular level. Our final matched sample includes more than 4.5 million homeowners' insurance policies and approximately 200,000 claims.

## 2.1 Summary Statistics

Figure 1 displays the geographic distribution of policies and claims across Florida ZIP codes. Both policies and claims are concentrated in the southern and coastal regions of the state, reflecting population density and property exposure. Figure 2 maps the distribution of insurance agents, which follows a similar pattern.

Table 1 reports summary statistics for the main variables used in the analysis. The policy-level sample consists of 4,672,904 homeowners' insurance contracts. Approximately 5 percent of policies experience at least one claim during the observation period.

The average Coverage A limit is $191,687 (median $177,000), and the mean annual premium is $1,832. Black policyholders account for 14 percent of contracts in the sample, while 5 percent of insurance agents are Black, reflecting the racial composition of policyholders and agents in our data. The claims sample includes 213,701 claims, of which 35 percent are rejected. The mean payout-to-coverage ratio is 0.11, with substantial dispersion (standard deviation of 0.23), indicating that, conditional on filing a claim, payouts average approximately 11 percent of insured dwelling coverage. The median payout ratio is 2 percent. Claim resolution takes 7.3 months on average and exhibits substantial heterogeneity, with an interquartile range of 1 to 7 months.

Policyholders may contest unfavorable outcomes through two primary channels. 8 percent of claims result in litigation, while 7 percent go to appraisal. In addition, 2 percent of claims close with partial payment, and 9 percent close for miscellaneous reasons not captured by standard rejection categories. Insurance agents in our sample have an average tenure of 14.1

years and write an average of 338 policies, with substantial heterogeneity in agent volume (standard deviation of 545 policies). The median agent writes 183 policies and has a tenure of 15.5 years.

Table 2 reports summary statistics separately by agent race. Coverage limits are similar across policies written by Black and White agents. Premiums are higher on average for policies written by Black agents. Black agents serve a substantially higher share of Black policyholders, with 54 percent of their policyholders being Black, compared with 12 percent for White agents.

Conditional on a claim, rejection rates are slightly lower for Black agents (33 percent versus 35 percent), while payout-to-coverage ratios are lower on average. Claims associated with Black agents take longer to resolve, averaging 8.8 months compared with 7.1 months for White agents. Dispute rates are substantially higher among Black agents: 15 percent of claims result in litigation and 12 percent invoke appraisal, compared with 7 percent for each outcome among White agents. Rates of partial payment and miscellaneous claim closures are similar across agent race. Finally, Black agents operate at smaller scale, handling fewer policies on average, while agent tenure is comparable across groups.

Overall, the summary statistics indicate meaningful differences in client composition and claim experiences across agent race, motivating our analysis of racial disparities in claim outcomes in the following sections.

# 3 Empirical methodology

Our empirical strategy for evaluating racial differences in insurance claim outcomes exploits within-agent variation in policyholder race. Insurance agents act as the primary intermediaries in the claims process and exercise discretion over claim initiation, documentation, communication with insurers, and the pace of resolution. Importantly, individual agents

handle claims for multiple policyholders who differ in racial identity. This institutional feature allows us to compare claim outcomes for Black and White policyholders handled by the same agent, holding fixed all agent-specific factors that may affect claim processing.

We estimate the following specification:

$$Y_{i,j,z,t} = \beta \times \mathit{Black}_i + \alpha_j + \alpha_z + \mathbf{X}_i^{\text{Contract}} + \mathbf{X}_i^{\text{Property}} + \mathbf{X}_i^{\text{Claim}} + \mathbf{D}_z \times \text{PolicyYear}_t + \varepsilon_{i,j,z,t}, \quad (1)$$

where $Y_{i,j,z,t}$ denotes an outcome associated with the insurance claim process for policyholder $i$, handled by agent $j$, residing in ZIP code $z$, in policy year $t$. Outcomes include payout-to-coverage ratios, claim rejection, resolution time, and litigation. The indicator $\mathit{Black}_i$ equals one if the policyholder is Black and zero if White. The coefficient $\beta$ captures differences in claim outcomes between Black and White policyholders.

The specification includes agent fixed effects ($\alpha_j$), which absorb all time-invariant agent-specific characteristics—such as experience, workload, discretion, and local operating practices—that may influence claim processing. To further account for geographic heterogeneity, the specification also includes ZIP-code policyholder fixed effects ($\alpha_z$).

We control for a rich set of observable characteristics that affect claim outcomes. Contract characteristics $\mathbf{X}_i^{\text{Contract}}$ include fixed effects for quintiles of deductibles and coverage limits. Property characteristics $\mathbf{X}_i^{\text{Property}}$ include fixed effects for dwelling size, number of stories, and property age. Claim characteristics $\mathbf{X}_i^{\text{Claim}}$ include loss-year fixed effects and cause-of-loss fixed effects, capturing systematic variation in claim timing and claim type. To flexibly control for evolving local socioeconomic conditions, we additionally include interactions between ZIP-code–level demographics $\mathbf{D}_z$ (income and educational attainment) and policy-year fixed effects. Standard errors are clustered at the policy level.

Under this within-agent design, the fixed-effects approach tests whether claims filed by Black policyholders experience systematically different outcomes than claims filed by White

policyholders when handled by the same agent. Since the comparison is across policyholders for a given agent, all time-invariant agent-specific claim-handling characteristics are absorbed by the agent fixed effect. Conditioning further on a rich set of contract, property, claim, and location-by-time controls, differences in claim outcomes cannot be attributed to agent-level heterogeneity or common institutional factors and instead reflect within-agent variation associated with policyholder race. The identifying assumption is that, within a given agent, unobserved determinants of claim outcomes do not vary systematically with policyholder race. Under this assumption, the estimated differences can be interpreted as reflecting differential outcomes associated with policyholder race rather than differences in agent behavior or local conditions.

# 4 Racial gap in claims process

## 4.1 Claim outcomes

We begin by examining whether homeowners' insurance claim outcomes differ systematically by policyholder race. Specifically, we test whether Black and White policyholders receive different treatment in the claims process. Figure 3 presents the time series of claim outcomes separately for Black and White policyholders. Black policyholders face higher rejection rates and longer resolution times than White policyholders in nearly every year of the sample. They also receive lower payouts and litigate at higher rates. The persistence of these gaps across years—through varying market conditions and policy environments—suggests the disparities reflect systematic differences in treatment rather than idiosyncratic year-specific factors.

Table 3 reports estimates for claim payout-to-coverage ratios, rejection rates, and resolution times as a function of an indicator for Black policyholders, controlling for detailed policy characteristics, property attributes, loss characteristics, and fixed effects that absorb

local and temporal variation.

Across all specifications, Black policyholders experience significantly worse claim outcomes. Panel A shows that Black policyholders receive systematically lower payouts. In our most saturated specification (Column 5), which includes agent fixed effects and controls for policy characteristics, property features, loss characteristics, and neighborhood demographics, Black policyholders receive payouts that are 0.51 percentage points lower relative to coverage limits. Given a mean payout ratio of 10.6 percent, this corresponds to a 4.8 percent reduction in claim payouts. The estimated effect remains economically and statistically significant across all specifications, ranging from 0.44 to 0.64 percentage points.

Black policyholders also face higher rejection rates. Panel B shows that Black policyholders are 1.12 percentage points more likely to have claims rejected than otherwise similar White policyholders—filing claims for the same types of losses, in the same neighborhoods, and served by the same insurance agents. Relative to the baseline rejection rate of 34.9 percent, this represents a 3.2 percent increase.

Panel C shows that Black policyholders experience substantially longer resolution times. Claims filed by Black policyholders take 1.35 months longer to resolve than comparable claims filed by White policyholders, an 18 percent increase relative to the mean resolution time of 7.5 months. This disparity persists across all specifications and remains economically meaningful even when comparing policyholders served by the same agent and filing claims in the same year for identical loss types.

Importantly, these differences persist even after conditioning on ZIP code, policy year, cause of loss, and agent fixed effects, indicating that they are not driven by neighborhood characteristics and contract terms. The inclusion of agent fixed effects is particularly important, as it ensures comparisons between Black and White policyholders served by the same agent, ruling out explanations based on sorting to lower-quality agents.

## 4.2 Rejection reasons

To analyze higher rejection rates among Black policyholders, we examine the specific reasons for claim rejections. Table 4 reports estimates for two discretionary categories: partial payment closures and miscellaneous closures.

Panel A shows small differences in partial payment closures. Once agent fixed effects are included, these differences become statistically insignificant. These partial payment rates largely reflect observable claim characteristics rather than differential treatment. In contrast, Panel B shows that Black policyholders are significantly more likely to have claims closed for miscellaneous reasons. These closures do not fall into standard denial categories and represent the most discretionary form of claim rejection. They occur 0.58 percentage points more frequently for Black policyholders.

Notably, this disparity accounts for about half of the overall racial gap in rejection rates. The concentration of disparities in non-specific rejection categories suggests that racial differences arise from discretionary decision-making rather than from observable differences in coverage or claim characteristics.

## 4.3 Policyholder reaction

The gaps in claim outcomes could reflect either discrimination or legitimate differences in claim quality. If Black policyholders file lower-quality or fraudulent claims, we would expect them to accept rejections at rates similar to or higher than those of White policyholders. In Table 5, we test this implication by examining policyholder responses to unfavorable claim outcomes.

Black policyholders are substantially more likely to pursue litigation and appraisal. Specifically, Black policyholders are 3.73 percentage points more likely to litigate claims—a 47 percent increase relative to the baseline litigation rate of 7.9 percent. Similarly, Black

policyholders are 2.22 percentage points more likely to invoke the appraisal process, relative to a mean rate of 7.1 percent.

These higher dispute rates are inconsistent with the hypothesis that Black policyholders file lower-quality claims. Black policyholders contest outcomes at substantially higher rates, incurring legal costs and delays to challenge decisions they view as erroneous. These results suggest that racial disparities in rejection rates and payouts reflect differential treatment rather than differences in claim quality.

# 5 Mechanisms

We now turn to identifying the source of these disparities. Because insurance agents act as intermediaries between policyholders and insurers and play a central role in the claims process, we examine whether agents contribute to the observed disparities.

## 5.1 Role of insurance agents

Figure 4 presents the time series of claim outcomes by agent race. Claims handled by Black agents exhibit higher litigation rates and longer resolution times than those handled by White agents throughout the sample period. Rejection rates and payout ratios are similar across agent race. The elevated litigation and resolution times among Black agents are consistent with Black agents encouraging policyholders to contest unfavorable outcomes—extending the claims process but potentially improving final outcomes.

Table 6 presents our main test of agent influence by formally examining whether racial disparities vary by agent race. We split the sample by the insurance agent's race and re-estimate our baseline specifications separately for each subsample. The racial gap in payouts arises entirely among White agents. Column 2 shows that Black policyholders working with White agents receive payouts that are 0.52 percentage points lower than those received by

White policyholders. This amount is nearly identical to our baseline estimate. In contrast, Column 1 shows no meaningful payout disparity among Black agents. The coefficient is a small and statistically insignificant 0.15 percentage points. If anything, the point estimates suggest that Black agents may favor Black policyholders. However, the smaller sample size limits statistical precision.

Rejection rates show a similar pattern. Black policyholders face significantly higher rejection rates when working with White agents (1.12 percentage points) but not when working with Black agents, where the estimated effect is negative and statistically insignificant. As with payouts, these estimates are consistent with in-group favoritism among Black agents, though we cannot rule out equal treatment given the standard errors.

In contrast, resolution times remain elevated for Black policyholders regardless of agent race. Columns 5 and 6 show delays of about 1.3 months for Black policyholders, with no economically meaningful difference between Black and White agents.

Table 8 provides additional evidence on the role of agents by examining resolution times conditional on claim acceptance and discretionary rejection categories. When we restrict the sample to accepted claims, the resolution-time disparity disappears among Black agents but persists among White agents. This results suggests that the overall resolution gap reflects Black agents encouraging Black policyholders to contest rejections—thereby increasing total resolution time—while White agents discourage such challenges. Consistent with this interpretation, Black policyholders litigate at similar rates with Black and White agents, despite facing substantially higher rejection rates when working with White agents. Moreover, discretionary miscellaneous closures are disproportionately higher for Black policyholders only among White agents.

Taken together, these results indicate that insurance agents play a central role in shaping claim outcomes and that agent race is a key determinant of the observed racial disparities.

### 5.1.1 Differential Agent Advocacy versus Adjuster Bias

The results in Table 6 show that racial disparities exist only with White agents. One concern is that this pattern could reflect sorting between agents and adjusters—if White agents' claims are routed to different adjusters than Black agents' claims, the disparity could arise from adjuster bias rather than differential advocacy. For example, if White agents systematically work with adjusters who are biased against Black policyholders, the agent race heterogeneity would reflect adjuster assignment rather than agent behavior. To address this concern, we re-estimate our main results controlling for adjuster fixed effects, comparing outcomes for claims evaluated by the same adjuster.

Table A4 reports the baseline results where we find that racial disparities persist within adjusters. Black policyholders receive payouts 0.90 percentage points lower than White policyholders whose claims are decided by the same adjuster. This represents an 8.5 percent reduction relative to the mean payout ratio. Black policyholders also face rejection rates 2.11 percentage points higher—a 6 percent increase relative to the baseline rejection rate—and wait 0.6 months longer for resolution. These estimates are similar in magnitude to our baseline results, indicating that adjuster sorting does not explain the disparities.

Table 7 combines adjuster fixed effects with the sample split by agent race. If adjuster bias explained the disparities, we would expect the racial gap to persist regardless of which agent presents the claim—biased adjusters would treat Black policyholders worse whether the claim comes from a White or Black agent. The results reject this prediction. The racial gap in payouts and rejections exists only when White agents present claims—even holding the adjuster constant. Black policyholders with White agents receive payouts 0.93 percentage points lower and face rejection rates 2.05 percentage points higher than White policyholders evaluated by the same adjuster. With Black agents, these within-adjuster disparities disappear. The coefficient on payouts is small and statistically insignificant, and the coefficient on rejections is positive but imprecisely estimated.

The same adjuster produces different outcomes for Black policyholders depending on which agent presents the claim. This pattern rules out adjuster bias as the primary explanation. If adjusters were biased against Black policyholders, the disparity would appear regardless of agent race. Instead, the results indicate that agents influence how adjusters perceive and process claims—consistent with differential advocacy shaping outcomes within the decision-making process.

## 5.2 Agent characteristics

If racial disparities reflect statistical discrimination—where agents use race as a proxy when information is limited—these gaps should attenuate as agents acquire information through experience. Table 9 examines this prediction by exploring heterogeneity by agent tenure and policy volume.

Panel A shows that disparities are larger among less experienced agents. Among agents with below-median tenure, Black policyholders face rejection rates that are 1.44 percentage points higher, while among more experienced agents, the estimated disparity is smaller and statistically insignificant. Payout disparities show similar results, with larger, statistically significant gaps concentrated among less experienced agents.

Panel B reports mixed evidence by agent policy volume. High-volume agents exhibit larger payout disparities, whereas low-volume agents exhibit larger rejection-rate disparities. These results may reflect differences in operating models: high-volume agents may process claims more mechanically, while low-volume agents may exercise greater discretion.

Statistical discrimination predicts that disparities should decline as agents learn about policyholders through repeated interactions. To examine this, Table A9 compares first claims to subsequent claims from the same policyholder. Results show that Black policyholders face rejection rates 0.82 percentage points higher on first claims. For subsequent claims, the gap decreases to 0.55 percentage points, although this estimate is imprecise. Thus, while

there is some attenuation, the persistence of economically meaningful disparities after agents observe prior claims behavior suggests taste-based preferences remain even as information accumulates.

## 5.3 Policy characteristics

We examine whether racial disparities vary with policy characteristics. Table A6 Panel A splits the sample by policy tenure, defined as the time between policy origination and claim filing. Rejection-rate disparities are similar across short- and long-tenure policies, indicating that disparities do not attenuate with longer relationships or greater policyholder experience.

Panel B splits the sample by policy size. Racial disparities are concentrated among smaller policies. Black policyholders with below-median coverage face rejection rates that are 1.73 percentage points higher and receive payouts that are 0.69 percentage points lower than comparable White policyholders. In contrast, disparities for larger policies are smaller and generally statistically insignificant. The concentration of disparities among smaller policies—where individual claims receive less scrutiny, and agents exercise greater discretion—is consistent with taste-based discrimination being more likely to manifest in settings with weaker oversight.

## 5.4 Market concentration

Finally, we examine whether competitive pressure mitigates racial disparities in the claims process. Consistent with Becker (1957) model of taste-based discrimination, disparities are larger in less competitive markets.

Panel A of Table 10 splits the sample by the number of agents operating within each ZIP code–year. In less competitive markets with fewer agents, Black policyholders face rejection rates that are 2.25 percentage points higher than those of White policyholders.

This corresponds to a 6.5 percent increase relative to the mean rejection rate. In contrast, in more competitive markets with a greater number of agents, the rejection-rate gap is economically small (0.13 percentage points) and statistically indistinguishable from zero.

Payout disparities show a similar but more muted pattern. Black policyholders in less competitive markets receive payouts that are 0.43 percentage points lower. Those in more competitive markets face payout gaps of 0.45 percentage points. The comparable magnitudes suggest that competition may be more effective at disciplining outright claim denials—a highly visible outcome—than at reducing more subtle underpayments.

Resolution-time disparities are larger in more competitive markets than in less competitive markets. This result likely reflects higher litigation rates in competitive markets. Black policyholders may have greater access to legal representation and face lower barriers to contesting unfavorable outcomes. This can lead to longer overall resolution times.

Panel B measures market concentration using the Herfindahl–Hirschman Index (HHI), where higher values indicate greater concentration and less competition. Consistent with Panel A, markets with lower concentration generally exhibit smaller disparities. The differences are less pronounced. Rejection-rate disparities equal 1.14 percentage points in less concentrated markets and 0.80 percentage points in more concentrated markets. Both estimates are statistically significant. Payout disparities are similar across market structures, while resolution-time disparities again differ across levels of competition.

The stronger results using agent counts rather than HHI suggest that the absolute number of alternative agents may matter more than formal market-share distributions. In markets with many agents, discriminatory behavior is more likely to be disciplined by competition. In contrast, in markets with few agents—even when market shares are evenly distributed—policyholders have limited alternatives.

Local demographic composition shapes the magnitude of disparities. Table A7 shows that in predominantly White counties, Black policyholders face rejection rates 1.58 per-

centage points higher and receive payouts 0.66 percentage points lower. These disparities disappear in counties where Black populations exceed 30 percent. Table A8 demonstrates that this pattern operates through agent composition: rejection-rate gaps are 0.84 percentage points in markets with more Black agents versus 1.37 percentage points in markets with fewer Black agents. The findings suggest competitive pressure from Black agents disciplines discrimination while also reflecting exposure effects that may reduce bias.

Overall, these results indicate that racial disparities in the claims process are amplified in less competitive markets. These findings are consistent with the view that taste-based discrimination is constrained by competition.

# 6 Conclusion

This paper documents racial disparities in homeowners insurance claims. Using administrative data linking policyholders, agents, and claims, we find that Black policyholders face 3.2 percent higher rejection rates, receive 4.8 percent lower payouts, and wait 18 percent longer for claim resolution than White policyholders with similar coverage filing similar claims in similar locations. Black policyholders are also more likely to contest outcomes through litigation and appraisal, suggesting they view rejections and underpayments as erroneous rather than legitimate—inconsistent with the alternative explanation that disparities reflect fraudulent or lower-quality claims.

The disparities operate through insurance agents—intermediaries who advocate for policyholders but do not make final decisions. The racial gap exists only with White agents and disappears entirely with Black agents. Our within-adjuster analysis shows that the same decision-maker yields different outcomes depending on agent race, consistent with differential advocacy rather than decision-maker bias. Several patterns suggest taste-based discrimination: disparities are larger in less competitive markets, in areas with fewer Black agents, and

in counties with smaller Black populations. Disparities also decline with agent experience and repeated interactions, though they persist even among experienced agents. The concentration of disparities in smaller policies and discretionary claim closures—where oversight is weaker—further supports taste-based preferences operating through agent discretion.

Our findings have broader implications. First, they demonstrate that discrimination in financial markets extends beyond the point of sale. Equal access to financial products does not guarantee equal value if minorities are treated differently when exercising their contractual rights. Policies designed to address discrimination at the point of sale may not address disparities that arise afterward. Second, intermediaries can create disparate outcomes through differential effort even when they do not make final decisions—a mechanism that likely operates in other settings where agents advocate on behalf of clients. Third, by documenting that Black homeowners receive less protection for their primary asset, we identify a channel through which financial market frictions contribute to racial wealth inequality—affecting wealth preservation, not just accumulation.

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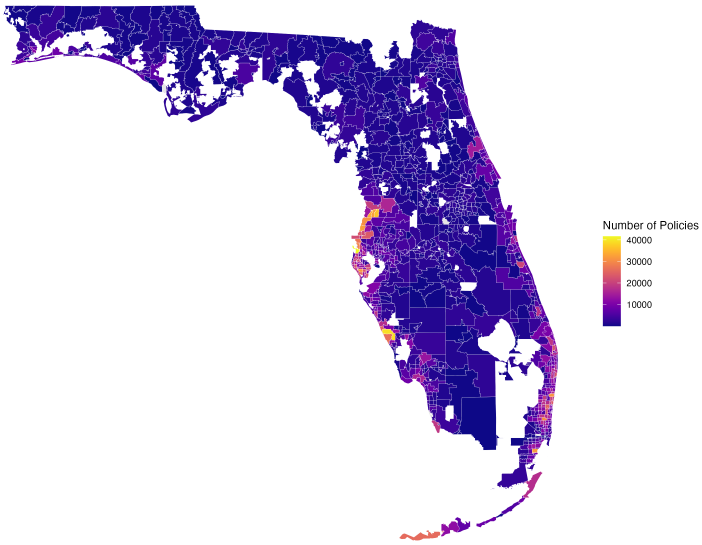
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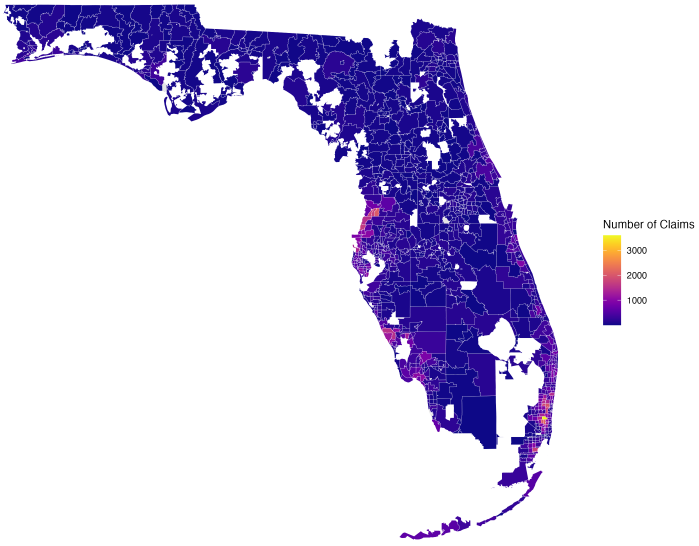
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(a) Policyholder Distribution




(b) Claimant Distribution

**Figure 1:** Florida Zipcode Distribution by Insurance Contracts and Claims
Panel (a) maps the distribution of homeowners' insurance policies across Florida ZIP codes, measured by the number of active policies. Panel (b) maps the distribution of insurance claims, measured by the number of claims filed. Color intensity reflects higher concentrations.

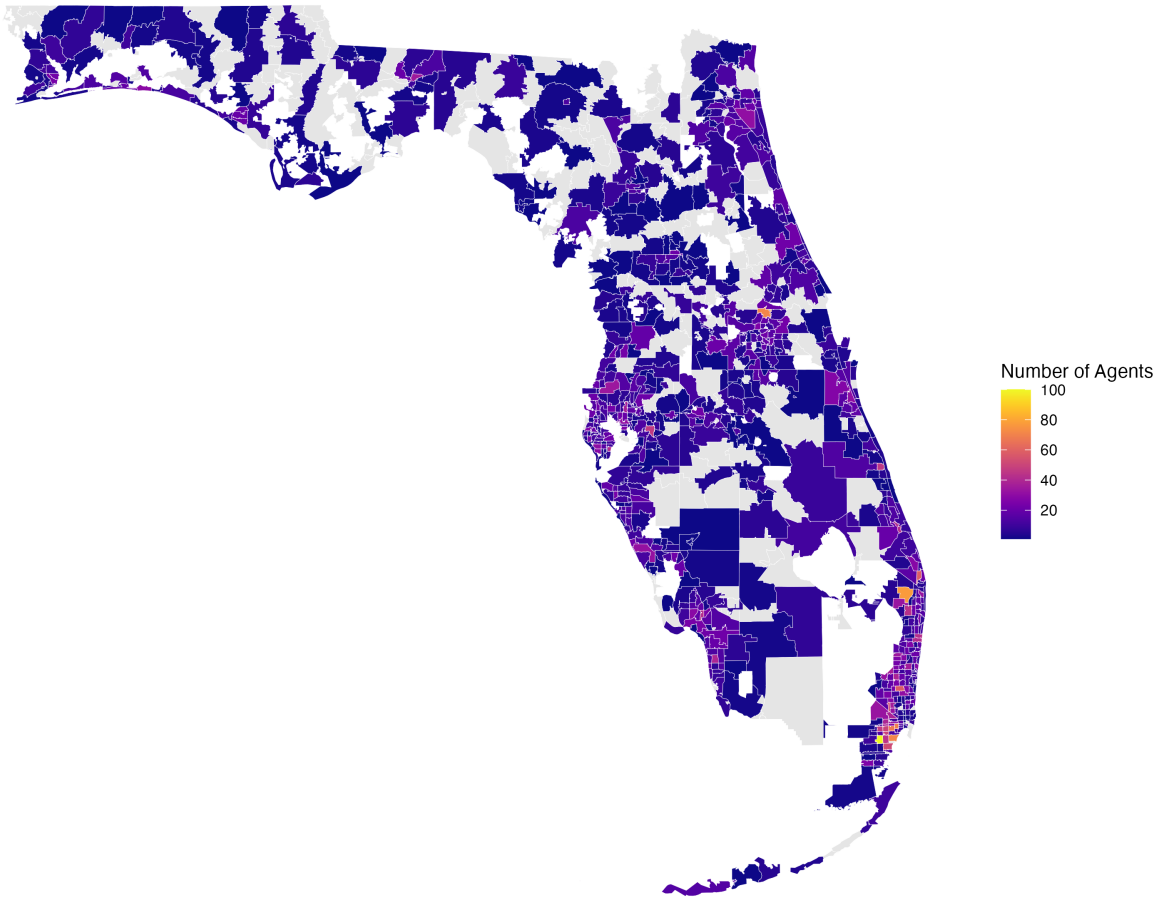



**Figure 2:** Insurance Agent Distribution
This figure maps the geographic distribution of insurance agents across Florida. Shaded areas represent the number of agents operating in each ZIP code, with darker colors indicating higher agent density.

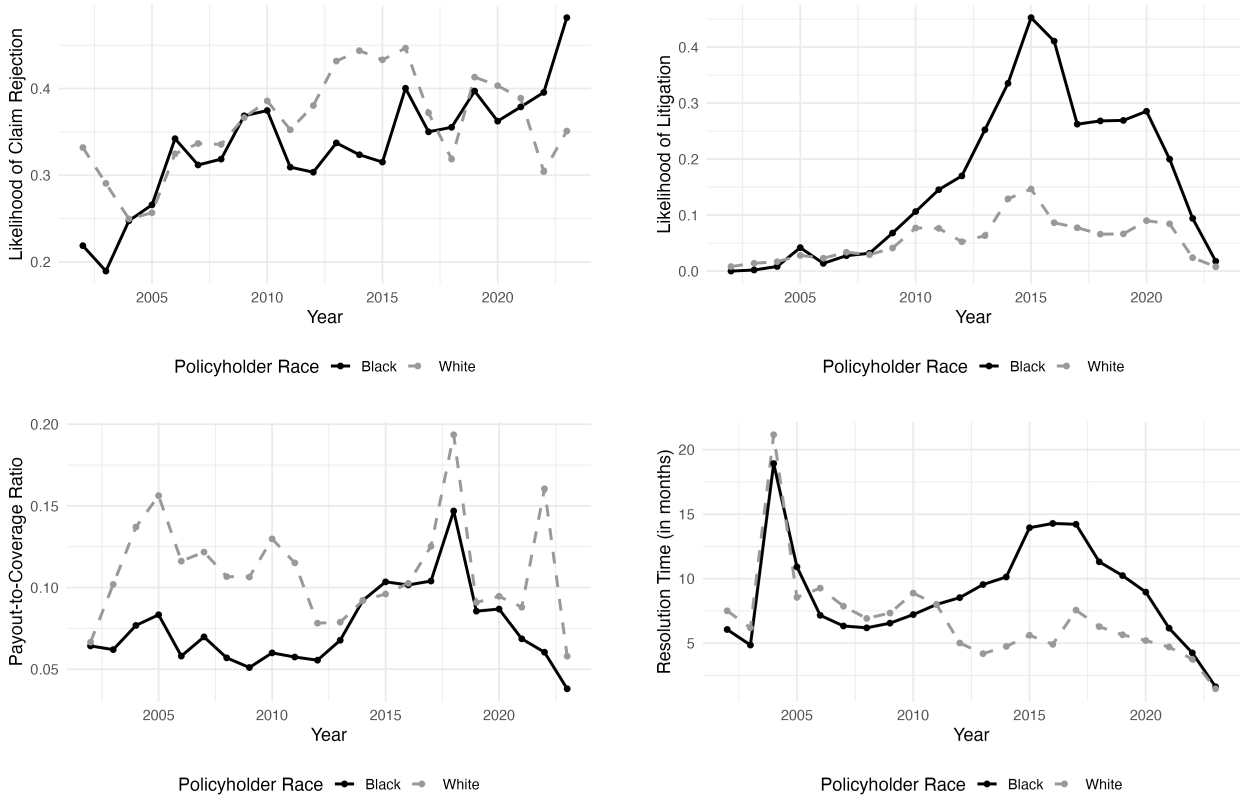



**Figure 3:** Time Series Analysis by Policyholder Race
This figure plots annual mean insurance claim outcomes by year, separately for Black and White policyholders. Panels show the likelihood of claim rejection, likelihood of litigation, resolution time (in months), and the payout-to-coverage ratio.

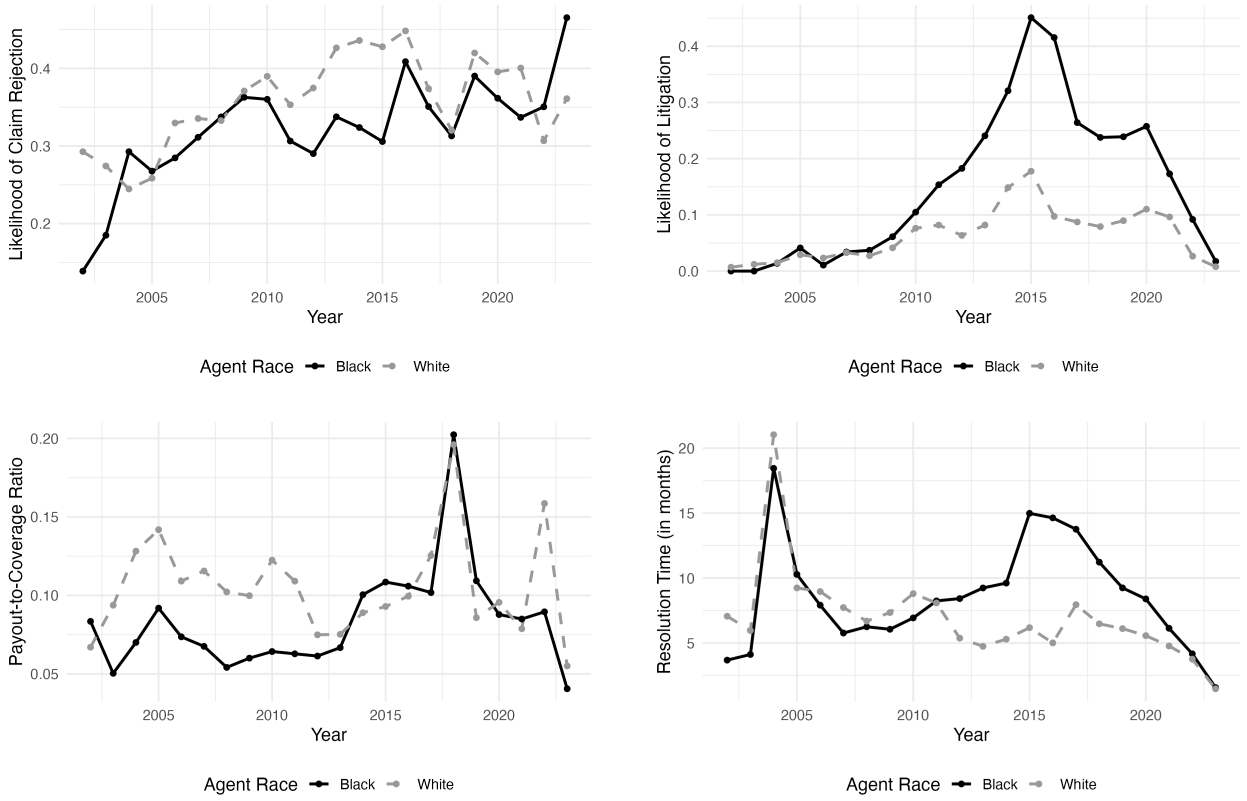



**Figure 4:** Time Series Analysis by Agent Race
This figure plots annual mean insurance claim outcomes by year, separately for contracts handled by Black and White agents. Panels show the likelihood of claim rejection, likelihood of litigation, resolution time (in months), and the payout-to-coverage ratio.

**Table 1:** Summary Statistics

This table reports summary statistics for the main variables used in the analysis. The sample consists of homeowners' insurance contracts from 2002–2023 for Florida with non-missing policyholder race. Claim-related variables such as claim rejection, payout, resolution time, litigation, appraisal and rejection reasons are defined only for contracts with at least one claim filed. Claim Rejection is an indicator coded as 1 if the associated payout is zero. Resolution time is measured as the number of months between the date the loss is incurred and the date the claim is resolved. Closure w/ Partial Payment and Closure w/ Misc. Reason are indicators coded as 1 if the claim is closed with a partial payment or rejected stating miscellaneous reasons respectively. Agent Tenure is defined as the number of years between an agent's first and last policy written with a given agency. Agent Policy Volume is measured as the number of policies written by an agent with a given agency. Policy Tenure is defined as the number of years between the policy effective date and date of loss incurred.

| | N | Mean | Std. Dev. | p25 | Median | p75 |
|---|---|---|---|---|---|---|
| Coverage A Limit | 4,672,904 | 191,686.70 | 137,173.38 | 85,800 | 177,000 | 263,600 |
| Premium Subtotal | 4,672,904 | 1,831.71 | 1,347.93 | 885 | 1,507 | 2,396 |
| Prop. Black Policyholders | 4,672,904 | 0.14 | 0.35 | 0 | 0 | 0 |
| Prop. Black Agents | 4,672,904 | 0.05 | 0.23 | 0 | 0 | 0 |
| Agent Tenure (years) | 4,672,904 | 14.05 | 6.30 | 8.66 | 15.53 | 20.08 |
| Agent Policy Volume | 4,672,904 | 338.07 | 544.77 | 76.00 | 183.00 | 381.00 |
| Claim Rejection (0/1) | 213,701 | 0.35 | 0.48 | 0 | 0 | 1 |
| Payout-to-Coverage Ratio | 213,250 | 0.11 | 0.23 | 0 | 0.02 | 0.09 |
| Resolution Time | 204,442 | 7.28 | 13.04 | 1 | 2 | 7 |
| Litigation (0/1) | 213,701 | 0.08 | 0.27 | 0 | 0 | 0 |
| Appraisal (0/1) | 213,701 | 0.07 | 0.26 | 0 | 0 | 0 |
| Closure w/ Partial Payment (0/1) | 213,701 | 0.02 | 0.13 | 0.00 | 0.00 | 0.00 |
| Closure w/ Misc. Reason (0/1) | 213,701 | 0.09 | 0.28 | 0.00 | 0.00 | 0.00 |
| Policy Tenure (years) | 213,701 | 0.45 | 0.33 | 0.21 | 0.44 | 0.70 |

**Table 2:** Summary Statistics by Agent Race

The table presents mean values of key variables by agent race. The sample consists of homeowners' insurance contracts in Florida from 2002–2023 with non-missing policyholder race. Claim-related variables are defined only for contracts with at least one claim filed. Black Agent equals 1 for contracts associated with Black agents and 0 for those associated with White agents. All variable definitions are described in Table 1.

| | Black Agent=0 | Black Agent=1 |
|---|---|---|
| Coverage A Limit | 191685.77 | 191702.70 |
| Premium Subtotal | 1814.41 | 2131.32 |
| Prop. Black Policyholders | 0.12 | 0.54 |
| Claim Rejection | 0.35 | 0.33 |
| Payout-to-Coverage Ratio | 0.11 | 0.08 |
| Resolution Time | 7.14 | 8.83 |
| Litigation | 0.07 | 0.15 |
| Appraisal | 0.07 | 0.12 |
| Closure w/ Partial Payment | 0.09 | 0.09 |
| Closure w/ Misc. Reason | 0.02 | 0.01 |
| Agent Policy Volume | 345.75 | 204.91 |
| Agent Tenure | 14.03 | 14.38 |
| Policy Tenure | 0.45 | 0.46 |

**Table 3:** Race and Insurance Claim Outcomes

This table reports regression estimates of differences in homeowners' insurance claim outcomes between Black and White policyholders. The sample includes homeowners' insurance contracts in Florida from 2002 to 2023 with at least one claim filed and non-missing information on policyholder race. *Black* is an indicator variable equal to 1 if the policyholder is Black and 0 if White. All specifications include fixed effects for quintiles of deductibles, coverage limits, dwelling size, number of stories, and property age. Income and educational attainment (percentage of college graduates) are measured at the ZIP-code level. Standard errors are clustered at the policy level. ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

| | (1) | (2) | (3) | (4) | (5) |
|---|---|---|---|---|---|
| Panel A: Payout to Coverage Ratio | | | | | |
| Black | -0.0044*** | -0.0064*** | -0.0053*** | -0.0055*** | -0.0051*** |
| | (0.0012) | (0.0012) | (0.0012) | (0.0013) | (0.0013) |
| N | 213,250 | 213,250 | 200,677 | 200,677 | 200,451 |
| $R^2$ | 0.1566 | 0.2611 | 0.2479 | 0.2807 | 0.2846 |
| Mean | 0.1063 | 0.1063 | 0.1063 | 0.1063 | 0.1063 |
| Panel B: Claim Rejection (0/1) | | | | | |
| Black | 0.0031 | 0.0091*** | 0.0112*** | 0.0120*** | 0.0112*** |
| | (0.0034) | (0.0033) | (0.0034) | (0.0036) | (0.0036) |
| N | 213,701 | 213,701 | 201,062 | 201,062 | 200,836 |
| $R^2$ | 0.0316 | 0.0899 | 0.0896 | 0.1239 | 0.1268 |
| Mean | 0.3485 | 0.3485 | 0.3485 | 0.3485 | 0.3485 |
| Panel C: Resolution Time (in months) | | | | | |
| Black | 1.473*** | 1.568*** | 1.613*** | 1.343*** | 1.353*** |
| | (0.1019) | (0.0973) | (0.0999) | (0.1065) | (0.1061) |
| N | 204,442 | 204,442 | 192,086 | 192,086 | 191,871 |
| $R^2$ | 0.1178 | 0.2714 | 0.2723 | 0.2995 | 0.3051 |
| Mean | 7.511 | 7.511 | 7.511 | 7.511 | 7.511 |
| Policy Year FE | Yes | Yes | Yes | Yes | Yes |
| ZIP Code Policyholder FE | Yes | Yes | Yes | Yes | Yes |
| Deductible FE | Yes | Yes | Yes | Yes | Yes |
| Coverage FE | Yes | Yes | Yes | Yes | Yes |
| Loss Year FE | | Yes | Yes | Yes | Yes |
| Cause of Loss FE | | Yes | Yes | Yes | Yes |
| Dwelling Size FE | | | Yes | Yes | Yes |
| No. of Stories FE | | | Yes | Yes | Yes |
| Property Age FE | | | Yes | Yes | Yes |
| Agent FE | | | | Yes | Yes |
| Income × Policy Year FE | | | | | Yes |
| Education × Policy Year FE | | | | | Yes |

**Table 4:** Race and Insurance Claim Rejection Reasons

This table reports regression estimates of differences in reasons for rejection of homeowners' insurance claims between Black and White policyholders. The sample includes homeowners' insurance contracts in Florida from 2002 to 2023 with atleast one claim filed and with non-missing information on policyholder race. *Black* is an indicator variable equal to 1 if the policyholder is Black and 0 if White. All specifications include fixed effects for quintiles of deductibles, coverage limits, dwelling size, number of stories, and property age. Income and educational attainment (percentage of college graduates) are measured at the ZIP-code level. Standard errors are clustered at the policy level. ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

| | (1) | (2) | (3) | (4) | (5) |
|---|---|---|---|---|---|
| | Panel A: Closure w/ Partial Payment {0, 1} | | | | |
| Black | 0.0014* | 0.0017** | 0.0011 | 0.0006 | 0.0006 |
| | (0.0008) | (0.0008) | (0.0008) | (0.0009) | (0.0009) |
| N | 213,701 | 213,701 | 201,062 | 201,062 | 200,836 |
| $R^2$ | 0.10948 | 0.11858 | 0.10661 | 0.13103 | 0.13390 |
| Mean | 0.0180 | 0.0180 | 0.0180 | 0.0180 | 0.0180 |
| | Panel B: Closure w/ Miscellaneous Reasons {0, 1} | | | | |
| Black | 0.0049** | 0.0079*** | 0.0087*** | 0.0060*** | 0.0058*** |
| | (0.0019) | (0.0019) | (0.0020) | (0.0021) | (0.0021) |
| N | 213,701 | 213,701 | 201,062 | 201,062 | 200,836 |
| $R^2$ | 0.10060 | 0.13673 | 0.14017 | 0.16738 | 0.17047 |
| Mean | 0.0885 | 0.0885 | 0.0885 | 0.0885 | 0.0885 |
| Policy Year FE | Yes | Yes | Yes | Yes | |
| ZIP Code Policyholder FE | Yes | Yes | Yes | Yes | Yes |
| Deductible FE | Yes | Yes | Yes | Yes | Yes |
| Coverage FE | Yes | Yes | Yes | Yes | Yes |
| Loss Year FE | | Yes | Yes | Yes | Yes |
| Cause of Loss FE | | Yes | Yes | Yes | Yes |
| Dwelling Size FE | | | Yes | Yes | Yes |
| No. Of Stories FE | | | Yes | Yes | Yes |
| Property Age FE | | | Yes | Yes | Yes |
| Agent FE | | | | Yes | Yes |
| Income × Policy Year FE | | | | | Yes |
| Education × Policy Year FE | | | | | Yes |

**Table 5:** Race and Policyholder Reaction to Claim Rejection

This table reports regression estimates of differences in the likelihood of litigation and appraisal between Black and White policyholders. The sample includes homeowners' insurance contracts in Florida from 2002 to 2023 with at least one claim filed and non-missing information on policyholder race. *Black* is an indicator variable equal to 1 if the policyholder is Black and 0 if White. All specifications include fixed effects for quintiles of deductibles, coverage limits, dwelling size, number of stories, and property age. Income and educational attainment (percentage of college graduates) are measured at the ZIP-code level. Standard errors are clustered at the policy level. ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

| | (1) | (2) | (3) | (4) | (5) |
|---|---|---|---|---|---|
| | Panel A: Litigation {0, 1} | | | | |
| Black | 0.0474*** | 0.0466*** | 0.0476*** | 0.0377*** | 0.0373*** |
| | (0.0022) | (0.0021) | (0.0022) | (0.0023) | (0.0023) |
| N | 213,701 | 213,701 | 201,062 | 201,062 | 200,836 |
| $R^2$ | 0.10107 | 0.13484 | 0.13558 | 0.17325 | 0.18334 |
| Mean | 0.0788 | 0.0788 | 0.0788 | 0.0788 | 0.0788 |
| | Panel B: Appraisal {0, 1} | | | | |
| Black | 0.0299*** | 0.0269*** | 0.0266*** | 0.0221*** | 0.0222*** |
| | (0.0020) | (0.0020) | (0.0021) | (0.0022) | (0.0022) |
| N | 213,701 | 213,701 | 201,062 | 201,062 | 200,836 |
| $R^2$ | 0.08183 | 0.09665 | 0.09788 | 0.13322 | 0.13869 |
| Mean | 0.0707 | 0.0707 | 0.0707 | 0.0707 | 0.0707 |
| Policy Year FE | Yes | Yes | Yes | Yes | |
| ZIP Code Policyholder FE | Yes | Yes | Yes | Yes | Yes |
| Deductible FE | Yes | Yes | Yes | Yes | Yes |
| Coverage FE | Yes | Yes | Yes | Yes | Yes |
| Loss Year FE | | Yes | Yes | Yes | Yes |
| Cause of Loss FE | | Yes | Yes | Yes | Yes |
| Dwelling Size FE | | | Yes | Yes | Yes |
| No. Of Stories FE | | | Yes | Yes | Yes |
| Property Age FE | | | Yes | Yes | Yes |
| Agent FE | | | | Yes | Yes |
| Income × Policy Year FE | | | | | Yes |
| Education × Policy Year FE | | | | | Yes |

**Table 6:** Heterogeneity in Insurance Claim Process by Agent Race

This table reports heterogeneity by agent race in the regression estimates of differences in homeowners' insurance claims process between Black and White policyholders. The sample includes homeowners' insurance contracts in Florida from 2002 to 2023 with at least one claim filed and non-missing information on policyholder race. *Black* is an indicator variable equal to 1 if the policyholder is Black and 0 if White. Agent B corresponds to the subsample of Black agents and Agent W to White agents respectively. All specifications include fixed effects for quintiles of deductibles, coverage limits, dwelling size, number of stories, and property age. Income and educational attainment (percentage of college graduates) are measured at the ZIP-code level. Standard errors are clustered at the policy level. ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

| | Payout to Coverage Ratio | | Claim Rejection | | Resolution Time | | Litigation | |
|---|---|---|---|---|---|---|---|---|
| | Agent B | Agent W | Agent B | Agent W | Agent B | Agent W | Agent B | Agent W |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| Black | 0.0015 | -0.0052*** | -0.0079 | 0.0112** | 1.291*** | 1.342*** | 0.0356*** | 0.0407*** |
| | (0.0046) | (0.0016) | (0.0131) | (0.0044) | (0.3699) | (0.1178) | (0.0085) | (0.0026) |
| N | 17,467 | 148,029 | 17,490 | 148,342 | 16,588 | 142,295 | 17,490 | 148,342 |
| $R^2$ | 0.28903 | 0.29359 | 0.16510 | 0.12631 | 0.20495 | 0.34620 | 0.23230 | 0.16060 |
| ZIP Code Policyholder FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Deductible FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Coverage FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Loss Year FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Cause of Loss FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Dwelling Size FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| No. Of Stories FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Property Age FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Agent FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Income × Policy Year FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Education × Policy Year FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |

**Table 7:** Heterogeneity in Insurance Claim Process by Agent Race with Adjuster FE

This table reports heterogeneity by agent race in the regression estimates of differences in homeowners' insurance claims between Black and White policyholders. The sample includes homeowners' insurance contracts in Florida from 2002 to 2023 with at least one claim filed and non-missing information on policyholder race. *Black* is an indicator variable equal to 1 if the policyholder is Black and 0 if White. Agent B corresponds to the subsample of Black agents and Agent W to White agents respectively. All specifications include fixed effects for quintiles of deductibles, coverage limits, dwelling size, number of stories, and property age. Income and educational attainment (percentage of college graduates) are measured at the ZIP-code level. Standard errors are clustered at the policy level. ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

| | Payout to Coverage Ratio | | Claim Rejection | | Resolution Time | | Litigation | |
|---|---|---|---|---|---|---|---|---|
| | Agent B | Agent W | Agent B | Agent W | Agent B | Agent W | Agent B | Agent W |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| Black | -0.0053 | -0.0093*** | 0.0112 | 0.0205*** | 0.4790 | 0.6259*** | 0.0105* | 0.0131*** |
| | (0.0048) | (0.0015) | (0.0138) | (0.0042) | (0.3449) | (0.0992) | (0.0058) | (0.0017) |
| N | 17,428 | 147,351 | 17,450 | 147,662 | 16,548 | 141,615 | 17,450 | 147,662 |
| $R^2$ | 0.45561 | 0.41279 | 0.37822 | 0.23523 | 0.55418 | 0.55737 | 0.75390 | 0.62105 |
| ZIP Code Policyholder FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Deductible FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Coverage FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Loss Year FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Cause of Loss FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Dwelling Size FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| No. Of Stories FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Property Age FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Agent FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Income × Policy Year FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Education × Policy Year FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Adjuster FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |

**Table 8:** Heterogeneity in Insurance Claim Resolution Conditional on Acceptance, Rejection Reason by Agent Race

This table reports heterogeneity by agent race in the regression estimates of differences in homeowners' insurance claims between Black and White policyholders. The sample includes homeowners' insurance contracts in Florida from 2002 to 2023 with at least one claim filed and non-missing information on policyholder race. *Black* is an indicator variable equal to 1 if the policyholder is Black and 0 if White. Agent B corresponds to the subsample of Black agents and Agent W to White agents respectively. Resolution Time‖Acceptance is measured conditional on claim rejection equal to 0. All specifications include fixed effects for quintiles of deductibles, coverage limits, dwelling size, number of stories, and property age. Income and educational attainment (percentage of college graduates) are measured at the ZIP-code level. Standard errors are clustered at the policy level. ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

| | Resolution Time‖Acceptance | | Closure w/ Partial Payment | | Closure w/ Miscellaneous Reasons | |
|---|---|---|---|---|---|---|
| | Agent B | Agent W | Agent B | Agent W | Agent B | Agent W |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| Black | 0.8829 | 1.781*** | 0.0019 | -0.0003 | -0.0066 | 0.0082*** |
| | (0.5443) | (0.1694) | (0.0032) | (0.0010) | (0.0074) | (0.0025) |
| N | 10,962 | 91,027 | 17,490 | 148,342 | 17,490 | 148,342 |
| $R^2$ | 0.26465 | 0.49895 | 0.10596 | 0.14857 | 0.22278 | 0.16835 |
| ZIP Code Policyholder FE | Yes | Yes | Yes | Yes | Yes | Yes |
| Deductible FE | Yes | Yes | Yes | Yes | Yes | Yes |
| Coverage FE | Yes | Yes | Yes | Yes | Yes | Yes |
| Loss Year FE | Yes | Yes | Yes | Yes | Yes | Yes |
| Cause of Loss FE | Yes | Yes | Yes | Yes | Yes | Yes |
| Dwelling Size FE | Yes | Yes | Yes | Yes | Yes | Yes |
| No. Of Stories FE | Yes | Yes | Yes | Yes | Yes | Yes |
| Property Age FE | Yes | Yes | Yes | Yes | Yes | Yes |
| Agent FE | Yes | Yes | Yes | Yes | Yes | Yes |
| Income × Policy Year FE | Yes | Yes | Yes | Yes | Yes | Yes |
| Education × Policy Year FE | Yes | Yes | Yes | Yes | Yes | Yes |

**Table 9:** Heterogeneity in Insurance Claim Process by Other Agent Characteristics

This table reports heterogeneity by agent characteristics such as tenure and volume, in the regression estimates of differences in homeowners' insurance claims between Black and White policyholders. The sample includes homeowners' insurance contracts in Florida from 2002 to 2023 with at least one claim filed and non-missing information on policyholder race. Agent Tenure is defined as the number of years between an agent's first and last policy written with a given agency. Agent Policy Volume is measured as the number of policies written by an agent with a given agency. $\geq$ Median denotes the subsample with above-median agent tenure in Panel A and above-median agent policy volume in Panel B. Standard errors are clustered at the policy level. ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

| | Payout to Coverage Ratio | | Claim Rejection | | Resolution Time | | Litigation | |
|---|---|---|---|---|---|---|---|---|
| | $\geq$ Median | $<$ Median | $\geq$ Median | $<$ Median | $\geq$ Median | $<$ Median | $\geq$ Median | $<$ Median |
| | Panel A: By Agent Tenure | | | | | | | |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| Black | -0.0030 | -0.0063*** | 0.0075 | 0.0144*** | 1.585*** | 1.152*** | 0.0425*** | 0.0325*** |
| | (0.0019) | (0.0017) | (0.0051) | (0.0051) | (0.1582) | (0.1434) | (0.0034) | (0.0032) |
| N | 98,796 | 101,655 | 99,023 | 101,813 | 95,835 | 96,036 | 99,023 | 101,813 |
| $R^2$ | 0.27513 | 0.30764 | 0.10910 | 0.15706 | 0.28798 | 0.33561 | 0.17053 | 0.20608 |
| | Panel B: By Agent Policy Volume | | | | | | | |
| Black | -0.0068*** | -0.0032* | 0.0107* | 0.0106** | 1.235*** | 1.440*** | 0.0362*** | 0.0380*** |
| | (0.0018) | (0.0018) | (0.0057) | (0.0047) | (0.1572) | (0.1451) | (0.0034) | (0.0032) |
| N | 90,274 | 110,177 | 90,406 | 110,430 | 86,352 | 105,519 | 90,406 | 110,430 |
| $R^2$ | 0.31042 | 0.28821 | 0.11760 | 0.15975 | 0.36181 | 0.27255 | 0.16205 | 0.21093 |
| ZIP Code Policyholder FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Deductible FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Coverage FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Loss Year FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Cause of Loss FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Dwelling Size FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| No. Of Stories FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Property Age FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Agent FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Income $\times$ Policy Year FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Education $\times$ Policy Year FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |

**Table 10:** Heterogeneity in Insurance Claim Process by Market Concentration

This table reports heterogeneity by local insurance agent market concentration in the regression estimates of differences in homeowners' insurance claims between Black and White policyholders. The sample includes homeowners' insurance contracts in Florida from 2002 to 2023 with at least one claim filed and non-missing information on policyholder race. Panel A measures concentration based on number of agents within a ZIPcode-Year. Panel B reports ZIP code–year measures of agent market concentration using the Herfindahl–Hirschman Index (HHI), calculated as the sum of squared agent policy shares. Standard errors are clustered at the policy level. ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

| | Payout to Coverage Ratio | | Claim Rejection | | Resolution Time | | Litigation | |
|---|---|---|---|---|---|---|---|---|
| | $\geq$ Median | $<$ Median | $\geq$ Median | $<$ Median | $\geq$ Median | $<$ Median | $\geq$ Median | $<$ Median |
| | Panel A: By # of Agents in Zipcode x Year | | | | | | | |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| Black | -0.0045*** | -0.0043** | 0.0013 | 0.0225*** | 1.666*** | 0.9062*** | 0.0502*** | 0.0197*** |
| | (0.0016) | (0.0022) | (0.0048) | (0.0056) | (0.1398) | (0.1691) | (0.0034) | (0.0030) |
| N | 103,355 | 97,096 | 103,485 | 97,351 | 97,831 | 94,040 | 103,485 | 97,351 |
| $R^2$ | 0.32058 | 0.29099 | 0.14310 | 0.16749 | 0.31299 | 0.34011 | 0.19483 | 0.20807 |
| | Panel B: By HHI | | | | | | | |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| Black | -0.0034 | -0.0038*** | 0.0114* | 0.0080* | 0.9291*** | 1.514*** | 0.0133*** | 0.0460*** |
| | (0.0027) | (0.0014) | (0.0066) | (0.0044) | (0.1887) | (0.1314) | (0.0030) | (0.0031) |
| N | 91,885 | 108,566 | 92,117 | 108,719 | 89,219 | 102,652 | 92,117 | 108,719 |
| $R^2$ | 0.32780 | 0.25940 | 0.16199 | 0.14935 | 0.44411 | 0.21619 | 0.21165 | 0.18964 |
| ZIP Code Policyholder FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Deductible FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Coverage FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Loss Year FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Cause of Loss FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Dwelling Size FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| No. Of Stories FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Property Age FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Agent FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Income $\times$ Policy Year FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Education $\times$ Policy Year FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |

# Appendix for Online Publication

**Table A1:** Summary Statistics by Policyholder Race

The table presents mean values of key variables by policyholder race. The sample consists of homeowners' insurance contracts in Florida from 2002–2023 with non-missing policyholder race. Claim-related variables are defined only for contracts with at least one claim filed. Black equals 1 for contracts associated with Black policyholder and 0 for those associated with White policyholder. All variable definitions are described in Table 1.

| | Black = 1 | Black = 0 |
|---|---|---|
| Coverage A Limit | 188774.60 | 192162.69 |
| Premium Subtotal | 2211.37 | 1769.65 |
| Prop. Black Agents | 0.21 | 0.03 |
| Claim Rejection | 0.34 | 0.35 |
| Payout-to-Coverage Ratio | 0.07 | 0.12 |
| Resolution Time | 9.20 | 6.61 |
| Litigation | 0.15 | 0.05 |
| Appraisal | 0.12 | 0.05 |
| Closure w/ Partial Payment | 0.01 | 0.02 |
| Closure w/ Misc. Reason | 0.09 | 0.09 |
| Agent Policy Volume | 278.62 | 347.78 |
| Agent Tenure | 14.00 | 14.06 |
| Policy Tenure | 0.45 | 0.45 |

**Table A2:** Race and Insurance Claim Process with Additional FE

This table reports regression estimates of differences in homeowners' insurance claim outcomes between Black and White policyholders. The sample includes homeowners' insurance contracts in Florida from 2002 to 2023 with at least one claim filed and non-missing information on policyholder race. *Black* is an indicator variable equal to 1 if the policyholder is Black and 0 if White. All specifications include fixed effects for quintiles of deductibles, coverage limits, dwelling size, number of stories, and property age as well as agent interacted with policy year. Income and educational attainment (percentage of college graduates) are measured at the ZIP-code level. Standard errors are clustered at the policy level. ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

| | Payout to Coverage Ratio | Claim Rejection | Resolution Time | Litigation |
|---|---|---|---|---|
| | (1) | (2) | (3) | (4) |
| Black | -0.0057*** | 0.0096** | 1.373*** | 0.0347*** |
| | (0.0014) | (0.0041) | (0.1208) | (0.0026) |
| N | 200,451 | 200,836 | 191,871 | 200,836 |
| $R^2$ | 0.41407 | 0.28511 | 0.43227 | 0.34084 |
| ZIP Code Policyholder FE | Yes | Yes | Yes | Yes |
| Deductible FE | Yes | Yes | Yes | Yes |
| Coverage FE | Yes | Yes | Yes | Yes |
| Loss Year FE | Yes | Yes | Yes | Yes |
| Cause of Loss FE | Yes | Yes | Yes | Yes |
| Dwelling Size FE | Yes | Yes | Yes | Yes |
| No. of Stories FE | Yes | Yes | Yes | Yes |
| Property Age FE | Yes | Yes | Yes | Yes |
| Agent FE × Policy Year FE | Yes | Yes | Yes | Yes |
| Income × Policy Year FE | Yes | Yes | Yes | Yes |
| Education × Policy Year FE | Yes | Yes | Yes | Yes |
| Adjuster FE | Yes | Yes | Yes | Yes |

**Table A3:** Heterogeneity in Insurance Claim Process by Agent Race with Additional FE

This table reports heterogeneity by agent race in the regression estimates of differences in homeowners' insurance claims between Black and White policyholders. The sample includes homeowners' insurance contracts in Florida from 2002 to 2023 with at least one claim filed and non-missing information on policyholder race. *Black* is an indicator variable equal to 1 if the policyholder is Black and 0 if White. Agent B corresponds to the subsample of Black agents and Agent W to White agents respectively. All specifications include fixed effects for quintiles of deductibles, coverage limits, dwelling size, number of stories, property age and agent interacted with policy year. Income and educational attainment (percentage of college graduates) are measured at the ZIP-code level. Standard errors are clustered at the policy level. ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

| | Payout to Coverage Ratio | | Claim Rejection | | Resolution Time | | Litigation | |
|---|---|---|---|---|---|---|---|---|
| | Agent B | Agent W | Agent B | Agent W | Agent B | Agent W | Agent B | Agent W |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| Black | -0.0013 | -0.0057*** | -0.0063 | 0.0093* | 1.460*** | 1.326*** | 0.0425*** | 0.0373*** |
| | (0.0051) | (0.0018) | (0.0149) | (0.0049) | (0.4332) | (0.1333) | (0.0103) | (0.0029) |
| N | 17,467 | 148,029 | 17,490 | 148,342 | 16,588 | 142,295 | 17,490 | 148,342 |
| $R^2$ | 0.42296 | 0.41566 | 0.30076 | 0.28079 | 0.32326 | 0.46145 | 0.34801 | 0.31466 |
| ZIP Code Policyholder FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Deductible FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Coverage FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Loss Year FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Cause of Loss FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Dwelling Size FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| No. Of Stories FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Property Age FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Agent FE × Policy Year FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Income × Policy Year FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Education × Policy Year FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Adjuster FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |

**Table A4:** Race and Insurance Claim Process with Adjuster FE

This table reports regression estimates of differences in homeowners' insurance claim outcomes between Black and White policyholders. The sample includes homeowners' insurance contracts in Florida from 2002 to 2023 with at least one claim filed and non-missing information on policyholder race. *Black* is an indicator variable equal to 1 if the policyholder is Black and 0 if White. All specifications include fixed effects for quintiles of deductibles, coverage limits, dwelling size, number of stories, and property age. Income and educational attainment (percentage of college graduates) are measured at the ZIP-code level. Standard errors are clustered at the policy level. ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

| | Payout to Coverage Ratio | Claim Rejection | Resolution Time | Litigation |
|---|---|---|---|---|
| | (1) | (2) | (3) | (4) |
| Black | -0.0090*** | 0.0211*** | 0.6122*** | 0.0105*** |
| | (0.0012) | (0.0034) | (0.0880) | (0.0014) |
| N | 199,619 | 200,000 | 191,035 | 200,000 |
| $R^2$ | 0.39266 | 0.23580 | 0.53399 | 0.64916 |
| ZIP Code Policyholder FE | Yes | Yes | Yes | Yes |
| Deductible FE | Yes | Yes | Yes | Yes |
| Coverage FE | Yes | Yes | Yes | Yes |
| Loss Year FE | Yes | Yes | Yes | Yes |
| Cause of Loss FE | Yes | Yes | Yes | Yes |
| Dwelling Size FE | Yes | Yes | Yes | Yes |
| No. of Stories FE | Yes | Yes | Yes | Yes |
| Property Age FE | Yes | Yes | Yes | Yes |
| Agent FE | Yes | Yes | Yes | Yes |
| Income × Policy Year FE | Yes | Yes | Yes | Yes |
| Education × Policy Year FE | Yes | Yes | Yes | Yes |
| Adjuster FE | Yes | Yes | Yes | Yes |

**Table A5:** Race and Insurance Claim Resolution Time Conditional on Acceptance

This table reports regression estimates of differences in time from loss to resolution, conditional on claim acceptance, between Black and White policyholders. The sample includes homeowners' insurance contracts in Florida from 2002 to 2023 with at least one claim filed and accepted and non-missing information on policyholder race. *Black* is an indicator variable equal to 1 if the policyholder is Black and 0 if White. All specifications include fixed effects for quintiles of deductibles, coverage limits, dwelling size, number of stories, and property age. Income and educational attainment (percentage of college graduates) are measured at the ZIP-code level. Standard errors are clustered at the policy level. ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

| | Resolution Time‖Acceptance (months) | | | | |
|---|---|---|---|---|---|
| | (1) | (2) | (3) | (4) | (5) |
| Black | 1.804*** | 1.892*** | 1.988*** | 1.688*** | 1.683*** |
| | (0.1403) | (0.1282) | (0.1323) | (0.1422) | (0.1416) |
| N | 132,184 | 132,184 | 123,343 | 123,343 | 123,195 |
| $R^2$ | 0.14642 | 0.39491 | 0.39694 | 0.42901 | 0.43518 |
| Mean | 9.325 | 9.325 | 9.325 | 9.325 | 9.325 |
| Policy Year FE | Yes | Yes | Yes | Yes | Yes |
| ZIP Code Policyholder FE | Yes | Yes | Yes | Yes | Yes |
| Deductible FE | Yes | Yes | Yes | Yes | Yes |
| Coverage FE | Yes | Yes | Yes | Yes | Yes |
| Loss Year FE | | Yes | Yes | Yes | Yes |
| Cause of Loss FE | | Yes | Yes | Yes | Yes |
| Dwelling Size FE | | | Yes | Yes | Yes |
| No. of Stories FE | | | Yes | Yes | Yes |
| Property Age FE | | | Yes | Yes | Yes |
| Agent FE | | | | Yes | Yes |
| Income × Policy Year FE | | | | | Yes |
| Education × Policy Year FE | | | | | Yes |

**Table A6:** Heterogeneity in Insurance Claim Process by Policy Characteristics

This table reports heterogeneity in the regression estimates of differences in homeowners' insurance claims between Black and White policyholders across policy characteristics such as policy tenure and size. The sample includes homeowners' insurance contracts in Florida from 2002 to 2023 with at least one claim filed and non-missing information on policyholder race. Policy Tenure is defined as the number of years between the policy effective date and date of loss incurred. Policy Size is based on Coverage A Limit. Standard errors are clustered at the policy level. ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

| | Payout to Coverage Ratio | | Claim Rejection | | Resolution Time | | Litigation | |
|---|---|---|---|---|---|---|---|---|
| | $\geq$ Median | $<$ Median | $\geq$ Median | $<$ Median | $\geq$ Median | $<$ Median | $\geq$ Median | $<$ Median |
| | Panel A: By Policy Tenure | | | | | | | |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| Black | -0.0057*** | -0.0048*** | 0.0124** | 0.0115** | 1.378*** | 1.303*** | 0.0347*** | 0.0384*** |
| | (0.0018) | (0.0018) | (0.0052) | (0.0051) | (0.1529) | (0.1520) | (0.0034) | (0.0032) |
| N | 99,967 | 100,484 | 100,162 | 100,674 | 96,233 | 95,638 | 100,162 | 100,674 |
| $R^2$ | 0.30912 | 0.30489 | 0.15245 | 0.16233 | 0.32679 | 0.32575 | 0.20718 | 0.20799 |
| | Panel B: By Policy Size | | | | | | | |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| Black | -0.0007 | -0.0069*** | 0.0062 | 0.0173*** | 1.214*** | 1.521*** | 0.0383*** | 0.0365*** |
| | (0.0011) | (0.0025) | (0.0051) | (0.0054) | (0.1417) | (0.1674) | (0.0035) | (0.0031) |
| N | 105,580 | 94,871 | 105,580 | 95,256 | 98,707 | 93,164 | 105,580 | 95,256 |
| $R^2$ | 0.31774 | 0.29831 | 0.15660 | 0.15708 | 0.32645 | 0.32579 | 0.19522 | 0.22402 |
| ZIP Code Policyholder FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Deductible FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Coverage FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Loss Year FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Cause of Loss FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Dwelling Size FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| No. Of Stories FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Property Age FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Agent FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Income $\times$ Policy Year FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Education $\times$ Policy Year FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |

**Table A7:** Heterogeneity in Insurance Claim Process by County Racial Composition

This table reports heterogeneity by county racial composition in the regression estimates of differences in homeowners' insurance claims between Black and White policyholders. The sample includes homeowners' insurance contracts in Florida from 2002 to 2023 with at least one claim filed and non-missing information on policyholder race. County B corresponds to the subsample of majority black counties (with atleast 30% Black population) and County W corresponds to the subsample of majority White population counties. All specifications include fixed effects for quintiles of deductibles, coverage limits, dwelling size, number of stories, and property age. Income and educational attainment (percentage of college graduates) are measured at the ZIP-code level. Standard errors are clustered at the policy level. ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

| | Payout to Coverage Ratio | | Claim Rejection | | Resolution Time | | Litigation | |
|---|---|---|---|---|---|---|---|---|
| | County B | County W | County B | County W | County B | County W | County B | County W |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| Black | -0.0009 | -0.0066*** | -0.0066 | 0.0158*** | 1.768*** | 1.110*** | 0.0518*** | 0.0278*** |
| | (0.0022) | (0.0016) | (0.0063) | (0.0045) | (0.1910) | (0.1285) | (0.0046) | (0.0025) |
| N | 44,745 | 182,619 | 44,795 | 182,986 | 42,587 | 175,045 | 44,795 | 182,986 |
| $R^2$ | 0.28446 | 0.30726 | 0.16800 | 0.13611 | 0.15400 | 0.36464 | 0.19452 | 0.20259 |
| ZIP Code Policyholder FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Deductible FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Coverage FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Loss Year FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Cause of Loss FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Dwelling Size FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| No. Of Stories FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Property Age FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Agent FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Income × Policy Year FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Education × Policy Year FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |

**Table A8:** Heterogeneity in Insurance Claim Process by Number of Black Agents

This table reports heterogeneity in the regression estimates of differences in homeowners' insurance claims between Black and White policyholders by number of black agents within a zipcode-year. The sample includes homeowners' insurance contracts in Florida from 2002 to 2023 with at least one claim filed and non-missing information on policyholder race. Standard errors are clustered at the policy level. ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

| | Payout to Coverage Ratio | | Claim Rejection | | Resolution Time | | Litigation | |
|---|---|---|---|---|---|---|---|---|
| | $\geq$ Median | $<$ Median | $\geq$ Median | $<$ Median | $\geq$ Median | $<$ Median | $\geq$ Median | $<$ Median |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| Black | -0.0039*** | -0.0038 | 0.0084** | 0.0137* | 1.535*** | 0.6052*** | 0.0448*** | 0.0123*** |
| | (0.0014) | (0.0029) | (0.0043) | (0.0070) | (0.1265) | (0.2035) | (0.0029) | (0.0035) |
| N | 116,950 | 83,501 | 117,103 | 83,733 | 110,680 | 81,191 | 117,103 | 83,733 |
| $R^2$ | 0.27779 | 0.32304 | 0.14466 | 0.17118 | 0.23591 | 0.44115 | 0.19172 | 0.21427 |
| ZIP Code Policyholder FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Deductible FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Coverage FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Loss Year FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Cause of Loss FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Dwelling Size FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| No. Of Stories FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Property Age FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Agent FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Income $\times$ Policy Year FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Education $\times$ Policy Year FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |

**Table A9:** Heterogeneity in Insurance Claim Process by Claim Order

This table reports heterogeneity in the regression estimates of differences in homeowners' insurance claim outcomes between Black and White policyholders across additional policy characteristics, including the order of claims filed within the same contract. The sample includes homeowners' insurance contracts in Florida from 2002 to 2023 with at least one claim filed and non-missing information on policyholder race. *First* Claim is defined as the earliest observed claim associated with a contract at a given agency. *Subsequent* Claim is defined as other other claims thereafter. Standard errors are clustered at the policy level. ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

| | Payout to Coverage Ratio | | Claim Rejection | | Resolution Time | | Litigation | |
|---|---|---|---|---|---|---|---|---|
| | First | Subsequent | First | Subsequent | First | Subsequent | First | Subsequent |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| Black | -0.0042*** | -0.0074* | 0.0082** | 0.0055 | 1.363*** | 1.176*** | 0.0345*** | 0.0483*** |
| | (0.0013) | (0.0038) | (0.0038) | (0.0117) | (0.1075) | (0.3543) | (0.0023) | (0.0080) |
| N | 177,134 | 23,317 | 177,473 | 23,363 | 169,633 | 22,238 | 177,473 | 23,363 |
| $R^2$ | 0.29657 | 0.35320 | 0.13368 | 0.28666 | 0.31921 | 0.34982 | 0.17783 | 0.34171 |
| ZIP Code Policyholder FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Deductible FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Coverage FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Loss Year FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Cause of Loss FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Dwelling Size FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| No. Of Stories FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Property Age FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Agent FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Income × Policy Year FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Education × Policy Year FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |

**Table A10:** Race and Insurance Premium

This table reports regression estimates of differences in homeowners' insurance premium between Black and White policyholders. The sample includes homeowners' insurance contracts in Florida from 2002 to 2023 with non-missing information on policyholder race. *Black* is an indicator variable equal to 1 if the policyholder is Black and 0 if White. All specifications include fixed effects for quintiles of dwelling size, number of stories, and property age. Income and educational attainment (percentage of college graduates) are measured at the ZIP-code level. Standard errors are clustered at the policy level. ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

| | Premium Subtotal | | | |
|---|---|---|---|---|
| | (1) | (2) | (3) | (4) |
| Black | 33.37*** | -10.67 | 3.550 | 3.649 |
| | (10.07) | (8.857) | (9.225) | (9.095) |
| N | 139,228 | 130,171 | 130,171 | 130,012 |
| $R^2$ | 0.31824 | 0.50707 | 0.55826 | 0.57151 |
| Mean | 1,831.7 | 1,831.7 | 1,831.7 | 1,831.7 |
| Policy Year FE | Yes | Yes | Yes | |
| ZIP Code Policyholder FE | Yes | Yes | Yes | Yes |
| Dwelling Size FE | | Yes | Yes | Yes |
| No. of Stories FE | | Yes | Yes | Yes |
| Property Age FE | | Yes | Yes | Yes |
| Agent FE | | | Yes | Yes |
| Income × Policy Year FE | | | | Yes |
| Education × Policy Year FE | | | | Yes |

**Table A11:** Race and Insurance Coverage

This table reports regression estimates of differences in homeowners' insurance coverage between Black and White policyholders. The sample includes homeowners' insurance contracts in Florida from 2002 to 2023 with non-missing information on policyholder race. *Black* is an indicator variable equal to 1 if the policyholder is Black and 0 if White. All specifications include fixed effects for quintiles of dwelling size, number of stories, and property age. Income and educational attainment (percentage of college graduates) are measured at the ZIP-code level. Standard errors are clustered at the policy level. ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

| | Coverage Limit | | | |
|---|---|---|---|---|
| | (1) | (2) | (3) | (4) |
| Black | 8,132.7*** | 392.4 | 73.54 | 42.51 |
| | (865.8) | (617.1) | (645.3) | (643.5) |
| N | 139,228 | 130,171 | 130,171 | 130,012 |
| $R^2$ | 0.32072 | 0.66683 | 0.70370 | 0.70573 |
| Mean | 191,686.7 | 191,686.7 | 191,686.7 | 191,686.7 |
| Policy Year FE | Yes | Yes | Yes | |
| ZIP Code Policyholder FE | Yes | Yes | Yes | Yes |
| Dwelling Size FE | | Yes | Yes | Yes |
| No. of Stories FE | | Yes | Yes | Yes |
| Property Age FE | | Yes | Yes | Yes |
| Agent FE | | | Yes | Yes |
| Income × Policy Year FE | | | | Yes |
| Education × Policy Year FE | | | | Yes |

**Table A12:** Heterogeneity in Insurance Premium by Agent Characteristics

This table reports heterogeneity by agent characteristics in the regression estimates of differences in homeowners' insurance premium between Black and White policyholders. The sample includes homeowners' insurance contracts in Florida from 2002 to 2023 with non-missing information on policyholder race. *Black* is an indicator variable equal to 1 if the policyholder is Black and 0 if White. Agent B corresponds to the subsample of Black agents and Agent W to White agents respectively. All specifications include fixed effects for quintiles of dwelling size, number of stories, and property age. Income and educational attainment (percentage of college graduates) are measured at the ZIP-code level. Standard errors are clustered at the policy level. ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

| | Premium Subtotal | | | | | |
|---|---|---|---|---|---|---|
| | Agent Race | | Agent Tenure | | Agent Volume | |
| | Agent B | Agent W | $\geq$ Median | $<$ Median | $\geq$ Median | $<$ Median |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| Black | 34.99*** | 17.96*** | 43.91*** | 8.291*** | 19.05*** | 27.96*** |
| | (5.983) | (1.951) | (2.448) | (2.378) | (2.536) | (2.303) |
| N | 246,271 | 3,602,005 | 2,224,414 | 2,229,292 | 2,250,100 | 2,203,606 |
| $R^2$ | 0.59923 | 0.53613 | 0.53251 | 0.57230 | 0.53909 | 0.56626 |
| ZIP Code Policyholder FE | Yes | Yes | Yes | Yes | Yes | Yes |
| Dwelling Size FE | Yes | Yes | Yes | Yes | Yes | Yes |
| No. of Stories FE | Yes | Yes | Yes | Yes | Yes | Yes |
| Property Age FE | Yes | Yes | Yes | Yes | Yes | Yes |
| Agent FE | Yes | Yes | Yes | Yes | Yes | Yes |
| Income $\times$ Policy Year FE | Yes | Yes | Yes | Yes | Yes | Yes |
| Education $\times$ Policy Year FE | Yes | Yes | Yes | Yes | Yes | Yes |

**Table A13:** Heterogeneity in Insurance Premium by Market Concentration

This table reports heterogeneity in the regression estimates of differences in homeowners' insurance premium between Black and White policyholders across markets with varying local insurance agent concentration. The sample includes homeowners' insurance contracts in Florida from 2002 to 2023 with non-missing information on policyholder race. *Black* is an indicator variable equal to 1 if the policyholder is Black and 0 if White. # of Agents, HHI and # of Black Agents are measured within a ZIP code-year. All specifications include fixed effects for quintiles of dwelling size, number of stories, and property age. Income and educational attainment (percentage of college graduates) are measured at the ZIP-code level. Standard errors are clustered at the policy level. ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

| | Premium Subtotal | | | | | |
|---|---|---|---|---|---|---|
| | # of Agents | | HHI | | # of Black Agents | |
| | $\geq$ Median | $<$ Median | $\geq$ Median | $<$ Median | $\geq$ Median | $<$ Median |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| Black | 27.86*** | 18.42*** | 16.75*** | 23.47*** | 21.91*** | 21.27*** |
| | (2.355) | (2.276) | (2.369) | (2.218) | (2.091) | (2.687) |
| N | 2,294,947 | 2,158,759 | 2,179,819 | 2,273,887 | 2,435,052 | 2,018,654 |
| $R^2$ | 0.55375 | 0.52676 | 0.49918 | 0.55470 | 0.54661 | 0.53043 |
| ZIP Code Policyholder FE | Yes | Yes | Yes | Yes | Yes | Yes |
| Dwelling Size FE | Yes | Yes | Yes | Yes | Yes | Yes |
| No. of Stories FE | Yes | Yes | Yes | Yes | Yes | Yes |
| Property Age FE | Yes | Yes | Yes | Yes | Yes | Yes |
| Agent FE | Yes | Yes | Yes | Yes | Yes | Yes |
| Income $\times$ Policy Year FE | Yes | Yes | Yes | Yes | Yes | Yes |
| Education $\times$ Policy Year FE | Yes | Yes | Yes | Yes | Yes | Yes |

**Table A14:** Heterogeneity in Insurance Premium by Policy Characteristics

This table reports heterogeneity by policy characteristics in the regression estimates of differences in homeowners' insurance premium between Black and White policyholders. The sample includes homeowners' insurance contracts in Florida from 2002 to 2023 with non-missing information on policyholder race. *Black* is an indicator variable equal to 1 if the policyholder is Black and 0 if White. All specifications include fixed effects for quintiles of dwelling size, number of stories, and property age. Income and educational attainment (percentage of college graduates) are measured at the ZIP-code level. Standard errors are clustered at the policy level. ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

| | Premium Subtotal | | | |
|---|---|---|---|---|
| | Policy Tenure | | Policy Size | |
| | $\geq$ Median | $<$ Median | $\geq$ Median | $<$ Median |
| | (1) | (2) | (3) | (4) |
| Black | -73.69*** | 108.3*** | -3.966 | 25.26*** |
| | (11.62) | (8.087) | (10.68) | (1.726) |
| N | 105,580 | 95,256 | 100,162 | 4,353,544 |
| $R^2$ | 0.53098 | 0.54282 | 0.57875 | 0.55240 |
| ZIP Code Policyholder FE | Yes | Yes | Yes | Yes |
| Dwelling Size FE | Yes | Yes | Yes | Yes |
| No. of Stories FE | Yes | Yes | Yes | Yes |
| Property Age FE | Yes | Yes | Yes | Yes |
| Agent FE | Yes | Yes | Yes | Yes |
| Income $\times$ Policy Year FE | Yes | Yes | Yes | Yes |
| Education $\times$ Policy Year FE | Yes | Yes | Yes | Yes |