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## FOR RELEASE ON RECEIPT

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# Job affected by the federal shutdown or recently laid off? Concerned about paying for home & auto insurance? Your insurer may be able to help

**October 21, 2025** - With Congress unable to agree on a continuing resolution or a new budget to fund the federal government, most federal agencies have been unfunded (shut down) since October 1st, which means most federal workers are or soon will be unpaid. At the same time, some of the region's large employers have recently announced layoffs numbering in the thousands, posing significant financial challenges for many Northwest families.

"Keeping your home, renters or auto insurance policies in force may seem like a low priority as families look for ways to make ends meet, but that could create even more serious and costly risks down the road," NW Insurance Council President Kenton Brine said today. "Lenders require homeowners to maintain insurance, as do many renters' landlords. And auto liability insurance is required by state law for all licensed drivers."

NW Insurance Council is reminding policyholders that if they are or believe they will be struggling or unable to make a premium payment for their auto, home or renters insurance policy, they should contact their insurance company or agent immediately to see if their insurer has options to help make payment arrangements and keep their insurance in force.

"Many insurers offer solutions, including adjusting payment dates, setting up payment plans or even offering a temporary 'grace period' for delaying a premium payment," Brine said. "But if you don't reach out, they may not be aware of your situation until it is too late, and your policies are cancelled due to nonpayment."

Brine noted that with the exception of Washington state, most state laws either require or allow insurers to respond to requests for help from policyholders who are facing "Extraordinary Life Circumstances" – events such as death or divorce of a spouse, loss of income due to a layoff (or a pandemic) or military deployment.

"The business of insurance relies on policyholders making timely payments that are in turn used by insurers to pay claims for injuries or damages, but insurance companies and producers (agents & brokers) regularly work with their policyholders facing temporary difficult times," Brine said.

### **What to do if you believe you will be unable to pay your premium:**

- **Contact your insurer.** Inform your insurance company right away if you believe you will miss a payment. Many companies prefer to work with customers to find a solution rather than cancel a policy for nonpayment.
- **Ask for a grace period.** Many insurers offer a grace period, typically between 10 and 20 days, during which your coverage remains active after a missed payment. Paying within this window avoids a lapse in coverage.
- **Set up a payment plan.** You may be able to split your premium into monthly or quarterly installments but ask your insurer if this option results in installment fees.
- **Use a credit card to pay the bill.** If you are only temporarily short on cash, paying with a credit card buys you time until your next billing cycle. But be mindful of interest and fees if you cannot pay off the credit card balance quickly.

### **Ways to lower your insurance costs:**

- **Bundle your policies.** Many insurance companies offer a discount if you purchase multiple policies, like home and auto insurance, or auto and renters, from them.
- **Increase your deductible.** Raising your deductible, the amount you pay out-of-pocket for a claim, can reduce your monthly premium. But - only do this if you can comfortably afford the higher deductible in an emergency.
- **Reduce coverage on older cars.** If your car is paid off and has low market value, dropping optional comprehensive and collision coverage may be worth considering. But – only do this if you can afford to repair or replace the vehicle out-of-pocket.
- **Ask about discounts.** See if you qualify for discounts for maintaining a safe driving record, having anti-theft devices, completing a defensive driving course, or having a student with good grades on your policy.
- **Enroll in usage-based insurance.** If you are a safe driver who doesn't log many miles, a telematics program can track your driving habits and potentially lower your rate.
- **Shop around for a better rate.** Car insurance rates can vary significantly between companies, and it is always a good idea to shop around. Do this while your current insurance is in full force and in good standing – it will be harder to find the best rates and coverage options if your policy has been cancelled for nonpayment.

***The American Property Casualty Insurance Association (APCIA) is the primary national trade association for home, auto, and business insurers. APCIA promotes and protects the viability of private competition for the benefit of consumers and insurers, with a legacy dating back 150 years. APCIA members represent all sizes, structures, and regions—protecting families, communities, and businesses in the U.S. and across the globe.***

***NAMIC membership reflects many of the country's largest national insurers as well as regional and local mutual insurance companies on main streets across America. NAMIC members write \$391 billion***

*in annual premiums and account for 68 percent of homeowners, 56 percent of the automobile, and 31 percent of the business insurance markets.*

**NW Insurance Council** *is a nonprofit, insurer-supported organization providing information about home, auto and business insurance to consumers, media and public policymakers in Washington, Oregon and Idaho.*

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