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**Two major CA insurers plot massive rate hikes**

**Source: *New York Post***

Two major insurers in California plan on raising rates by double digits for single-family homes, which could cause premiums to skyrocket. The AAA-affiliated Interinsurance Exchange of the Automobile Club applied to raise rates for homeowners by 11.2 percent, while rates for condos and people renting a home would drop by 20.5 percent and 27 percent, respectively, according to new filings with the California Department of Insurance. If approved, the impact would vary, with some seeing a decrease by as much as 80 percent, while others could go from paying around \$1,650 a year to \$13,100.

Travelers Insurance is looking to increase its rates by 6.9 percent for homeowners, and decrease rates by 17 percent for renters, 22.8 percent for condo owners, and 19.6 percent for condo landlords. Only about a quarter of customers would see a rate decrease under Travelers' proposal, while roughly 60 percent of homeowners would get hit with a bigger bill. Together, the two insurance companies combined cover about 760,000 homes in the state. Both insurers said they would expand the number of new policies it writes if their proposals are approved.

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**Bay Area luxury home prices have jumped 13% since launch of ChatGPT**

**Source: *Redfin***

Luxury zip codes in the San Francisco Bay Area saw a 13.4 percent average jump in home prices in the two years following the launch of ChatGPT (2023-2025). That's a significantly larger jump than any other price segment in the Bay Area and is more than double the 6.3 percent average increase in the segment immediately below luxury. The most affordable Bay Area zip codes (where median homes are priced between \$535,000 and \$615,000) saw home prices fall by 3.8 percent.

In November 2022, Open AI released GPT-3.5, which helped turn AI from a niche tool into something millions of everyday people use. Median home sale price in the San Francisco metro area jumped 14.4 percent year over year in March to a record \$1.7 million — the largest increase in eight years and the biggest gain among the 50 most populous U.S. metro areas. In other large, expensive coastal housing markets, luxury home prices did not experience outsized growth after the launch of ChatGPT.

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**California: State Farm violated law in handling of L.A. fire claims**

**Source: *Cal Matters***

State Farm could face millions of dollars in penalties and a possible temporary suspension of its license in California as a result of hundreds

of alleged law violations related to its handling of claims from the Los Angeles County fires last year. The state's Insurance Department said that California's largest individual property insurance provider "showed a troubling pattern of claims handling practices" after the fires.

State Insurance Commissioner Ricardo Lara said that "our investigation found that State Farm delayed, underpaid, and buried policyholders in red tape at the worst moment of their lives. State Farm countered that the insurance department has "distorted" the picture of the company's response to the fires. The state is seeking a hearing following its investigation. If an administrative law judge finds the state's 430 claims have merit, each violation is subject to up to a \$5,000 penalty. Willful violations of the law are subject to penalties of up to \$10,000 each. That means the company could owe between \$2 million and \$4.3 million.

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**Nearly half of Americans oppose AI data centers in their neighborhood; 38% support them**

**Source: *Redfin***

Nearly half (47 percent) of U.S. residents oppose the construction of an artificial intelligence data center in their neighborhood, while 38 percent support it, according to a Redfin-commissioned survey conducted by Ipsos in November 2025.

The U.S. currently has more than 3,000 AI data centers, with thousands

more in development as demand for AI surges. They're controversial largely because they strain electricity and water resources, which increases energy costs, sparks environmental concerns and disrupts nearby communities with noise and large, industrial structures. They also tap into broader fears about AI: roughly three in five U.S. residents believe AI will eliminate jobs, according to the same survey. At the same time AI data centers can create well-paying jobs in fields like IT and security, and spur investment in energy and water infrastructure. Gen Zers (48 percent) and millennials (50 percent) are more likely than Gen Xers (38 percent) and baby boomers (22 percent) to support data centers in their backyard.

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**Mortgage rates hit highest level in a month, so first-time homebuyers drop out**

**Source: *CNBC***

Mortgage rates continued to climb higher last week, causing both current homeowners and potential homebuyers to retreat from the market, especially first-time buyers. Total mortgage application volume fell 4.4 percent from the previous week, according to the Mortgage Bankers Association's seasonally adjusted index.

The average contract interest rate on the 30-year fixed-rate mortgage with conforming loan balances (\$832,750 or less) increased to 6.45

percent from 6.37 percent, with points rising to 0.66 from 0.61, including the origination fee, for loans with a 20 percent down payment.

Applications for a mortgage to purchase a home dropped 4 percent for the week and were just 5 percent higher than the same week one year ago. The spring housing market has been a bumpy one, starting out very slowly when rates rose sharply in March. It seems to be picking up recently, as rates fell back and more supply came on the market, but buyers again are struggling with affordability. Applications to refinance a home fell the hardest, down 5 percent for the week. Demand was still 29 percent higher than the same week one year ago, when the 30-year fixed rate was 39 points higher.

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