

[Allstate becomes the second home insurer to pull out of California](#)

Consumer Affairs

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The question must now be asked. Will California homeowners be able to buy insurance coverage for their homes?

Allstate has become the second major insurance company to announce it will stop writing homeowners insurance policies in the state. Because of wildfires and other natural disasters, the company says the risk is too great. In fact, the company confirmed it stopped writing new policies at the end of 2022.

Last week State Farm announced it is pulling out of California for the same reason. It also pointed to the high cost of rebuilding and repairing homes in California.

State Farm was the largest home insurance provider in California. Allstate was the fourth-largest.

Amy Bach of the consumer group United Policyholders says California homeowners shouldn't panic, pointing out there are still more than 100 carriers offering coverage. But she told KSFN-TV in Fresno that it's a worrisome trend.

"State Farm's announcement is definitely not helpful news, but we have to keep it in perspective," she told the station. "Ever since the fires, I talk to insurance executives, they're all worried about wildfires in the west... They don't take blind risks anymore because they can buy data and they can see the pine needles in your gutter."

Prop 103

In March, United Policyholders sent an alert to state legislators, warning that Proposition 103, which controls insurance premium rate hikes in the state, could cause the insurance industry to push for less

regulation.

“Lawmakers are being bombarded by complaints from constituents who’ve been dropped by their insurers, (even after making risk reduction improvements), and unable to find replacement coverage outside the last-resort, expensive, bare-bones protection California Fair Plan, so they are all ears and seeking solutions,” the group said.

The group also noted that from the time Prop 103 was enacted, California insurers have been vocal about wanting less regulation generally, and have dramatically intensified their campaign in recent months.