Allstate could resume issuing new home insurance policies in CA

ABC7

Allstate, one of California's biggest home insurers, could resume writing new homeowner policies if the department of insurance approves rule changes.

The company stopped writing new homeowner policies in late 2022 because of wildfire risk and the cost of rebuilding homes.

Lenny Higgins of Santa Rosa lost his home in Coffey Park in the Tubbs Fire.

Higgins had been living there for 14 years when the wildfire destroyed his neighborhood.

"It wiped out Coffey Park. Everything was incinerated," said Higgins.

Higgins rebuilt his home with help from insurance.

However, some homeowners and business owners in California have struggled to find coverage because companies have stopped writing new homeowner policies.

In March, State Farm announced it would not renew 72,000 property owner policies in California.

Three insurers covering 40% of California homes have either paused new policies or set strict caps.

"They have reduced all of us down to a number — a risk. It's getting easier for them to pick and choose the customers they want and don't want," said Amy Bach, a consumer advocate and executive director of United Policyholders.

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Source: https://uphelp.org/allstate-could-resume-issuing-new-home-insurance-policies-in-ca/ Date: September 8, 2026

Now, Allstate says it could start issuing homeowner policies again, if the state of California implements some changes.

Insurance companies want to be allowed to use computer programs to estimate future risks when seeking price increases.

Representative's claim that will allow them to plan for threats based on climate change.

Allstate issued a statement saying:

"We're working with the California Department of Insurance to improve insurance availability in the state. Once home insurance rates fully reflect the cost of providing protection to consumers, we'll be able to offer home insurance policies to more Californians with timely rate approvals, the use of our advanced wildfire modeling and reinsurance costs. We continue to offer auto insurance policies through allstate.com and local agents."

Higgins thinks it could be a good idea.

'If they are doing something that will allow people to stay on the books," said Higgins.

"If insurers get what they want, the ability to basically use a fancy crystal ball, look ahead a little bit and guess what is going to happen in the future, as opposed to go on what has already happened, what we know has happened, then we want to make sure we are keeping an eye on their assumptions," said Bach.

Consumer Watchdog Harvey Rosenfield doesn't believe the regulation changes by Allstate and other companies will benefit homeowners.

"If Allstate and other companies for the first time in California, are permitted to use computer models that are secret – that are black box models that cannot be assessed by the public… If this proposal goes into the effect people's rates will go through the roof," said Rosenfield.

We asked the California Department of Insurance about that claim. It issued a statement saying:

"California is battling a 21st century insurance crisis with 20th century rules. With climate change

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affecting every aspect of our lives, just relying on what we did in the past won't improve insurance choices for homeowners and businesses. California's insurance crisis is decades in the making and we are staying on track to implement all changes this year so insurance companies start writing more policies in all areas. We are balancing the urgent needs of homeowners with a need for transparency. We will review all public comments as we move forward with bringing companies back to California.

"Our goal is to safeguard the integrity of the insurance market to benefit consumers. Not kowtow to the whims of entrenched interests that have secretly benefited from a dysfunctional marketplace for decades. Availability is the first step toward affordability. We will continue moving forward to benefit, consumers, homeowners and business owners."

Meanwhile, Congressmen Mike Thomas and Jared Huffman on Thursday addressed the state's growing property insurance crisis.

They talked about new federal legislation designed to support homeowners dealing with wildfires and other risks.

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