

ALERT: “Fire-Safe” Inspections and Repair Requirements by Insurers

There’s been an increase in insurance companies doing inspections before they will renew a policy or insure a new home. This is happening most often in neighborhoods known as “urban-wildland interface zones” and areas considered to be at risk for wildfires. Some insurers are having their own staff do the inspections. Others are hiring inspectors who prepare a written report when they’re done. After the inspections, insurance companies are requiring repairs or improvements that must be made before they will insure or renew coverage on the home. Some of these requirements are appropriate and affordable. Others are not. In some cases they are exceeding local and state building and safety codes.

Not all insurers are doing this. Some insurers are saying they are looking for signs of deferred maintenance, aging roofs, overgrown trees, brush close to the home, etc. Some homeowners report that they’ve been asked to do things that seem nitpicky such as repaving a driveway that is old but perfectly fine, or things that can’t be done like clearing brush beyond their property line.

This is not an entirely new phenomenon. UP has been guiding nervous property owners on dealing with non-renewals and insurance-buying challenges in California, Colorado, New York, Florida, Louisiana and elsewhere for many years. (See, e.g., “[The Industry’s Crisis Du Jour](#)” in our 1996 newsletter). Many insurers, including the CA Fair Plan (see below), routinely inspect homes in forested/heavy brush areas.

What *is* new is the increase in detailed inspections and correction requirements by some brand name insurers, plus [wildfire risk scoring by data vendors](#) and growing concerns over climate change and drought.

Are there limits to what an insurance company can inspect and ask you to do?

Yes but they need updating. There are legal limits to how much brush an insurer can ask you to clear,^[1] but not on the types and extent of repairs/improvements they can ask you to make as a condition of buying insurance. Common sense says you have a reasonable expectation of privacy in your home. If you

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feel an inspector is being intrusive or overly probing, you are free to ask them to leave, decline an inspection and take your business elsewhere. If there aren't a lot of insurance options in your area and you want to be insured by a company that's insisting on a home inspection, do your best to cooperate.

Contact your local fire department and/or [Fire Safe Council](#) to understand local rules and options. In some communities fire department officials will visit homes and help homeowners by certifying the adequacy of their brush clearance for an insurance company.

What can a property owner do?

1) If you can't or don't want to make the repairs or improvements the insurer is requiring you to make, try explaining your position and working things out directly with them. If you can do *some* but not *all* the work they're asking you to do - that may be a compromise they can accept. If you have an agent or broker, seek their help. If that doesn't work, start shopping for a different insurer.

2) If the insurer is asking you to make improvements or repairs that seem unreasonable or unrelated to fire risk; such as replacing an old but perfectly good driveway or composite or tile roof, file a complaint with the [California Department of Insurance](#).

3) If you can't find an insurer that will insure your home as is, and you can't afford required improvements, you may have to buy a policy with special exclusions or limitations. The classic example would be a policy that only pays "ACV" (actual cash value) to repair your roof instead of the full cost of replacing it. Avoid this if you can.

4) If your insurer non-renews your policy and isn't willing to reverse their decision, regardless of improvements or repairs, be sure they gave you the legally required 45-day notice and are complying with the law (see [Dropped by Your Insurer in California, Where to go for help?](#)) The same applies if you receive a mid-term cancellation notice.

Don't be afraid to shop and switch.

There's little to be gained by staying loyal to an insurer that no longer wants you as a customer. Start shopping. The Internet and UP's [Buying Tips Library](#) make comparison shopping easier than ever. Our

library offers tools and guidance on picking a good agent or broker, comparing policy coverages, exclusions and deductible options, and *insuring your property to value*. You'll want to look for a financially solvent company with a good reputation. You can use the California Department of Insurance's "[Premium Compare](#)" tool to get a rough idea of pricing. Ideally, buy insurance through an insurer that's licensed and "admitted" in California so you are fully protected by the state's laws and regulations. If your only option is buying from a "surplus line" or "non-admitted" company, that's not the end of the world. Do your best to get coverage that's as good or better than what you had before you were dropped. If you decide to work with an agent, [follow our advice](#) to find an agent that's right for you and your insurance needs.

If you just can't find an admitted or non-admitted company that will insure your home, your backup is the [California Fair Plan](#). The [FAIR Plan](#) sells an Actual Cash Value home insurance policy to property owners who've diligently searched but have been unable to buy home insurance. FAIR plan policies provide basic and optional coverages but no liability/theft protection. If your only option is a Fair Plan policy, shop again for other options at least once a year and consider buying a supplemental "Difference in Conditions" policy or endorsement(s) to fill gaps in your Fair Plan policy.

"My insurer will renew my policy but for a much higher price"

All insurers licensed to operate in California must file their underwriting guidelines and request approval from the Department of Insurance before raising their rates. If you think your rates have been unfairly raised or that you've been placed in an unfairly high risk category, seek help from the Department of Insurance by calling their toll-free number 1-800-927-4357, [asking a question](#) on their website or by filing a "[Request for Assistance](#)." Even if the Department says the insurer acted within its rights so they can't help you, it's important to alert and inform them by going on record with a complaint.

"I've been with the same company for years and am afraid to switch"

There are plenty of financially strong and reputable insurance companies in California. If you take the time to comparison shop available options, switching companies may get you the same coverage at the same or even a lower cost. But yes, depending on the characteristics of your home and region, you may

end up paying more.

If you've been using an agent that only sells for one insurer, (State Farm, Farmers, Allstate, for example), you're likely to find many more options via an independent agent (also called a broker). The Department of Insurance maintains a [current list of licensed insurers in California](#) including their contact information. Use the "[How Does Your Insurer Rate](#)" search box at www.ambest.org to check an [insurance company's financial rating](#).

[1] California law allows an insurer to require you have 100 feet of "defensible space" around your home. See Pub. Res. Code. Sec. 4291. They can require you to clear more than 100 feet *if a fire expert provides findings that such a clearing is necessary to significantly reduce the risk of transmission of flame or heat sufficient to ignite the structure, and there is no other feasible mitigation measure possible to reduce the risk of ignition or spread of wildfire to the structure. The greater distance may not be beyond the property line unless allowed by state law, local ordinance, rule, or regulation.*" Id. at (a)(3).