

# Dropped by your home Insurer? Where to go for help in California

*If you have been dropped by your home insurance company, please take our short, confidential survey.*



If you are one of the many Californians whose insurance company had notified you they will not be renewing a policy on your home, don't panic, but start shopping ASAP. [In California your insurer must give a minimum of 75-days notice before your policy expires.](#) You likely will need at least that much time to find a replacement policy you can afford.

In most parts of the state, you still have buying options and insurance companies are still competing for

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your business. But if you live in a brush-heavy or forested area that's been hit by recent wildfires, it may be hard to find a company willing to insure your home. When you find a replacement policy, it will probably cost more but provide less protection than your old policy. It may be through a "non-admitted" insurer.\* These types of companies are picking up customers that "admitted" (well-known brand) insurers are dropping.

United Policyholders is here to help you shop and deal with this unfortunate situation, and we are working on initiatives to fix it. To learn more about the reasons why so many insurance companies are reducing the number of homes they're insuring in parts of California, visit the Advocacy and Action section of [uphelp.org](http://uphelp.org).

## 1) TRY AND GET YOUR INSURER TO REVERSE ITS DECISION AND RENEW YOU\*\*

**Contact your current insurance company** and ask them if there are improvements you can make to your home that will qualify you for a renewal. Give them your best arguments for keeping you as a customer. If you bought your expiring policy through an agent, ask him/her to go to bat for you with the company.

**Contact your local fire department,** Fire Safe Council or elected officials and find out if there is an inspection, fire risk reduction certification or brush clearing assistance program available in your area.

NOTE: If your insurer did *not* give you **75 days notice**, or their reasons for dropping you seem unfair, seek help from the California Department of Insurance (CDI) at 1-800-927-HELP, [www.insurance.ca.gov](http://www.insurance.ca.gov).

*Limited circumstances where an insurer must renew your policy:*

1. *You have a policy with a guaranteed renewal provision. A few companies offer this. Some AARP members who bought through The Hartford have this protection.*
2. *You lost your home in a declared disaster within the past two years: CA Insurance Code at section 675.1 gives disaster victims the right to one or two renewals when their policy comes up for renewal.*
3. *Your home was damaged in a declared disaster with the past two years.*
4. *You live in a zip code adjacent to a recent wildfire.*

*Current Bulletins:*

[July 2021 CDI Bulletin](#)

[November 2021 Bulletin](#)

*Past bulletins include:*

- [Aug. 2020 CDI Bulletin](#)

- [2019 CDI Bulletin for specific zip codes that are protected](#)

## **2) DON'T PANIC, START SHOPPING**

**Contact the insurance agent you've been using, or ask trusted sources for recommendations to an "independent" insurance agent.** Independent agents have relationships with multiple insurance companies. A "captive" agent that sells for companies like State Farm, Farmers or Allstate probably can't help you, as they're limited to only one insurance company.

**Visit [UP's website](#), and click on the "Insurance Finder" link in the preparedness section of this website.** Try using the Match UP Insurance Finder.

**Try the California Department of Insurance's shopping tools.** They offer a list of CA home insurance companies with toll-free phone numbers, and a list of companies that sell "DIC" ("Difference in Conditions") policies that fill gaps in Fair Plan policies. [www.insurance.ca.gov](http://www.insurance.ca.gov)

**If your best coverage and price option is through a "non-admitted" (also called "surplus lines") insurance company, check their financial strength rating** with Demotech, A.M. Best, or another agency before you buy. This is important. If a non-admitted insurer runs out of money to pay claims, (becomes "insolvent") their customers are not protected by the same safety net\*\*\* that "admitted" well-known brands have under them, and the CA Dept. of Insurance has less oversight power over them.

## **3) SHOP SMART**

Your policy should cover what it would likely cost to rebuild your home in compliance with current building codes if it were to be completely destroyed by a natural or manmade disaster of any kind. But many policies don't. Don't blindly trust that your agent or insurer is selling you a policy that will fully protect your assets. UP surveys show that 2/3 of U.S. homes are underinsured. Shop for a policy that will

adequately insure your dwelling for a total loss fire, (including building code upgrades) then add coverage for flood and quake protection if you can afford it. Ask the right questions and take good notes while shopping.

- Aim to insure your property for Replacement Cost Value, not depreciated Actual Cash Value.
- Coverage for building code upgrades and an extended replacement cost rider are worth paying for.
- Your dwelling coverage limit should match local construction costs (per square foot) for a home of similar style, age and quality, plus an “extended replacement cost” feature for extra protection.
- Choose the highest deductible you feel comfortable with to keep the cost of your coverage manageable.

#### **4) THE FAIR PLAN IS A LAST RESORT**

If you strike out in the “normal” marketplace, you can buy home insurance through the [California Fair Plan](#). Call them at (800) 339-4099). <https://www.cfpnet.com/> Please review our [latest tips](#) on insuring your home through the Fair Plan and supplementing the limited protection they provide by buying a “Difference in Conditions” policy in addition.

The CA FAIR Plan is a state-run home insurance program for people who can’t find a better option. Fair Plan policies provide only basic fire protection (no liability or theft) and cost more than a traditional policy. If you end up having to buy a Fair Plan policy, we recommend two things: Shop again in 6 months. New options may be available. And, if you can afford to, add supplemental coverage for what a Fair Plan policy excludes. Not all insurance agents are familiar with these options, so visit <http://www.insurance.ca.gov/01-consumers/105-type/5-residential/carriersDICpolicies.cfm> for more info.

\*“Admitted” insurers are fully regulated by the CA Department of Insurance and their customers are protected by CIGA, the CA Insurance Guarantee Association if their insurer becomes insolvent (runs out of money). “Non-admitted” insurers are not.

\*\*With a few exceptions, your insurance company can drop (non-renew) you as long as they give you written notice at least 75 days prior to the date your old policy will expire, and as long as they are following their own guidelines and not discriminating against you. Their guidelines must be objective, have a substantial relationship to the risk of loss, and be applied consistently. Common reasons include wildfire risk, the age or condition of the property, lack of defensible space, type of roof or construction.

The 75-day notice must contain the reason or reasons for the nonrenewal, the telephone number of the insurer's representatives that handle consumer inquiries or complaints, and a statement that you can have the insurer's nonrenewal decision reviewed by the CDI.

\*\*\*CIGA – the CA Insolvency Guarantee Association pays up to \$500k per home if the insurer goes insolvent.

Please notify United Policyholders if you have trouble finding affordable coverage for your property by taking our [survey here](#).

More Information and Related News:

- [The lowdown from UP on the California FAIR Plan, the last resort option for insuring your home](#)
- [Gov. Newsom signs law requiring home insurers give policyholders more time before cancellations \(This new law takes effect July 1,2020\)](#)
- [Insurers oppose Lara mandate that CA Fair Plan offer comprehensive coverage \(11/19\)](#)
- [Creating 100 Feet of Defensible Space around Your Home \(and visit the CDI website for regular bulletins\)](#)
- [Home Insurance Check UP](#)
- [Last resort options](#)

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