

# 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.*

**United Policyholders**  
Roadmap to Preparedness Program

**LISTOS CALIFORNIA**

### Dropped by your home insurer? Steps to take in California

**STEP 1**  
**Act Promptly**  
Read the paperwork from your insurer. Contact them and ask if there are home improvements you can make that will get them to reverse their decision to drop you. Note: The non-renewal notice must be sent to you 18 days before the policy expires. [www.uphelp.org/droppedca](http://www.uphelp.org/droppedca)

**STEP 2**  
**Know Your Rights & Get Help**  
If you believe that you are being non-renewed in violation of the law, file a "Consumer Complaint" with the California Department of Insurance [www.insurance.ca.gov/01-consumers](http://www.insurance.ca.gov/01-consumers)

**STEP 3**  
**Shop for Options**  
Work with a good agent to find all options including "non-admitted" insurers. Watch UP shopping help videos and use CDI tools. [www.uphelp.org/calinsurancehelp](http://www.uphelp.org/calinsurancehelp)

**STEP 4**  
**Be Prepared to Pay More. Avoid Cutting Coverage**  
Aim to insure your home for what it would cost to rebuild it and the risks you face in your area. Keep good notes of your conversations. Avoid being in the 1% of homes in the US that are underinsured. [www.uphelp.org/checkup](http://www.uphelp.org/checkup)

**STEP 5**  
**Last Resort**  
The California FAIR Plan (CFP) offers basic fire protection if you can't find a "regular" company to insure you. Consider pairing a CFP policy with a "difference in conditions" policy to fill gaps in what CFP policies don't cover. [www.uphelp.org/CFP](http://www.uphelp.org/CFP)

**For more information and guidance, visit:**  
[www.uphelp.org/droppedCA](http://www.uphelp.org/droppedCA)

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## 2024 - California Home Insurance Update

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](#)

The information presented in this publication is for general informational purposes and is not a substitute for legal advice. If you have a specific legal issue or problem, United Policyholders recommends that you consult with an attorney. Guidance on hiring professional help can be found in the "Find Help" section of [www.uphelp.org](http://www.uphelp.org). United Policyholders does not sell insurance or certify, endorse or warrant any of the insurance products, vendors, or professionals identified on our website.

Source: <https://uphelp.org/buying-tips/dropped-by-your-insurer-where-to-go-for-help-in-california/> Date: June 22, 2024

[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 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 our [Advocacy and Action](#) section.

## 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. Learn more about home assessments in your area here: [www.uphelp.org/wrap](http://www.uphelp.org/wrap)

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:*

## Mandatory One Year Moratorium on Non-Renewals

This online service allows you to find if your ZIP Code was included under any mandatory moratorium.

ZIP Code

Fire Name

Search

Reset

Disclaimer: If you live in a zip code subject to the moratorium, your insurance company cannot issue a cancellation or non-renewal for wildfire risk for one year from the date of the Governor's emergency declaration.

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 two renewals when their policy comes up for renewal.
3. You live in a zip code adjacent to a recent wildfire.
  - **Current Bulletins: Use the [CDI Zip Code Mandatory Moratorium Tool](#) to see if zip code is protected.**
  - **Past bulletins include:**
    - [November 19, 2022 Declaration](#) (Route Fire)
    - [August 29, 2023 Declaration](#) (Smith River and Happy Camp Complex Fires)
    - [September 19, 2022 Declaration](#) (Mountain, Barnes and Fork Fires)
    - [September 8, 2022 Declaration](#) (Fairview and Mosquito Fires)
    - [September 2, 2022 Declaration](#) (Mill Fire)
    - [July 30, 2022 Declaration](#) (McKinney and China 2 Fires)
    - [July 23, 2022 Declaration](#) (Oak Fire)
    - [July 1, 2022 Declaration](#) (Alisal & Colorado Fires)

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[July 2021 CDI Bulletin](#)

[November 2021 Bulletin](#)

[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 the [Home Insurance Shopping Help](#) page in the preparedness section of this website.** You will find many resources to help you navigate finding insurance in a challenging marketplace including publications and webinars.

**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. For more info, read, [How to Check an Insurer's Financial Strength](#).

## 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). [www.cfpnet.com](http://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.

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\*“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.

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

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#### 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](#)
- [Home Insurance Check UP](#)
- [Home Insurance Shopping Help](#)
- [Last Resort Options](#)
- [Insuring your home: Understanding the different types of insurance companies](#)

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