California fires intensify scrutiny on strained home insurance market

ABC 10

The fires raging in the Los Angeles area have many people asking what impact it could have on California's home insurance market.

That's because – in recent years – most of the state's biggest property insurers have paused or limited business in California, citing the rising risk of wildfires, high cost of rebuilding homes and state regulations.

The insurance crisis became personal – and dangerous – for Lynne Levin Guzman this week, as she fought overnight Tuesday into Wednesday to save her parents' Altadena home from the Eaton Fire.

"I know I'm not supposed to be here, but this is my parents' home," she told the ABC News crew as they spotted her spraying down a house with a garden hose, as homes around her burned.

Levin Guzman, an emergency room nurse, said her 90-year-old parents lived in the house for decades and she'd grown up there.

"They've had the same insurance, and these insurance people decided to cancel their fire [insurance policy]—and we're going through this, and it just happened, and they have no fire insurance," Guzman said.

Tens of thousands of Californians have found homeowners insurance grow increasingly unaffordable and unavailable in recent years.

"It's a scary time," said insurance expert Karl Susman, who – himself – evacuated his home.

It's okay, he said, but he was up all night Tuesday into Wednesday fielding questions from clients.

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Source: https://uphelp.org/california-fires-intensify-scrutiny-on-strained-home-insurance-market/ Date: September 15, 2026

“The most asked question is, ‘Do I have coverage?’ And typically– homeowners insurance, condominium owners policies and renters policies, their primary peril to cover is fire,” Susman said. “So the majority of people that have an active policy are going to have some form of fire insurance in force.”

But will these fires in Los Angeles make insurance even more unavailable and unaffordable?

“This is what the industry has been afraid of, right?” Susman said.

He points out – as ABC10 has reported – the California Department of Insurance rolled out its ‘Sustainable Insurance Strategy’ by the end of 2024. It’s an overhaul to California’s insurance regulations, aimed at getting more people covered and giving insurance companies more modern tools to price their products.

“Fortunately now, hopefully, [insurers will] be able to pay these bills, do what they have to do, and then they can move forward with these new guidelines to be able to create products and pricing and discounts that work,” Susman said.

ABC10 asked consumer group United Policyholders how this fire could affect the cost of insurance.

“We are hoping that the marketplace will still get better in the new year, knowing that this is a very large disaster,” said Emily Rogan, United Policyholders senior program officer. “We’re hoping the insurance companies that stayed not only pay out their claims, but continue have built in the rates that will make it sustainable for them to stay and grow.”

ABC10 asked the American Property Casualty Insurance Association – a group representing the insurance industry – whether companies will to stay or continue to flee.

“The full scope of damage is not yet known, so we are closely monitoring to see what kind of impact the fires may have on the state’s insurance marketplace,” said Karen Collins, APCIA’s vice president of property and environmental. “It’s really too early to speculate on this. Our primary focus at this time is helping customers get the resources they need and ensuring everybody is safe and evacuated from the areas that are impacted.”

As for Levin Guzman in Altadena, she and her brother fought to save their parents’ home.

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“I don’t really have a plan. My emotions are my plan,” she told an ABC News crew.

The ABC News reporter posted in an Instagram story the home survived the fire.

As for the best time to file a claim, it depends on your insurer.

A person on the California FAIR Plan should file right away, Susman said, since they respond on a first-come, first-served basis. Susman said you can always amend your claim as you learn more information.

For private insurers, you can file whenever you’re ready — whether that’s sooner or later, experts tell ABC10.

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