

California homeowners are facing an “insurance crisis”

KCRA 3 News

Wildfires are a growing concern for residents living in fire-prone areas and now keeping insurance to protect their belongings is becoming a crisis.

The California Department of Insurance found a six-percent increase in the number of customers dropped by their insurance companies. In zip codes recently hit by large, destructive fires ten-percent of customers lost their coverage.

It's a concerning trend for people living with wildfire-risk in the Sierra foothills and other fire-prone area.

California Insurance Commissioner Ricardo Lara is traveling the state hosting a series of town hall meetings to discuss the problem and seek solutions from residents.

“We hope there is going to be a path forward for people who harden their home and as a marketplace, we start giving people more notice if there is going to be a non-renewal, give them time to take action and mitigate their risk and if necessary shop around,” said senior adviser Joel Laucher of the California Department of Insurance.

Right now, insurance companies are required to give customers a 45-day notice if they are not renewing a customer's policy.

Customers say it's nearly impossible to find coverage once they have been cancelled by another company.

“I think it's pretty clear that there are a lot of homeowners and elected officials that are now calling it a crisis in the affordability and availability of home insurance throughout the state and it's not just going to

go away on its own,” said Amy Bach of United Policyholders.

Some are pushing for regulation that will make it harder for a company to drop customers and if they do require more notice.

“We want them to take a more measured approach and evaluate homes more specifically and not just overreact ,” said Laucher.

Insurance companies are asking communities and the state to focus on mitigation, reducing fire risk around entire neighborhoods.

“We didn’t hear a lot of talk about mitigation, what mitigation is in essence the way to handle this because we operate in a risk based system. The rates reflect the risk of these properties, so how do we reduce the risk,” said Mark Sektman of the American Property Casualty Insurance Association.

Residents can discuss their concerns with the insurance commissioner at a town hall meeting Thursday at 6 p.m.

Lara and his staff will be at the Foothill Events Center at 400 Idaho-Maryland Road in Grass Valley.

The insurance commissioner plans to hold a series of town hall meetings across the state.