

[California Insurance Commissioner's Office to make stop in Santa Cruz County](#)

Santa Cruz Sentinel

Amid an escalating crisis in homeowners insurance both locally and statewide, a representative from California's Department of Insurance — the nation's largest state consumer protection agency — will come to Santa Cruz County to discuss recent market shifts and answer questions from county leaders.

The office of California Insurance Commissioner Ricardo Lara will send a high-level spokesperson to Tuesday's county Board of Supervisors meeting to share a presentation on issues facing residents in the wildland-urban interface region and what the state agency plans to do to solve those problems.

As climate change and severe weather impacts continue to rise, so too are rates from many of the state's largest home insurers, if coverage isn't discontinued altogether. Most recently, Travelers Insurance announced it was planning to raise rates for hundreds of thousands of policyholders by an average of 15.3%, according to a recent report from the Bay Area News Group. This news came less than two months after State Farm, the state's largest insurer, said it plans to drop coverage for 72,000 homes across the state, many of which are in Santa Cruz County.

"The loss of insurance has had life-altering consequences for many in our community," said 2nd District Supervisor Zach Friend, who requested the visit from the commissioner's office. "Residents are either paying astronomically higher rates for less coverage or aren't able to find coverage at all putting their home and what they've worked for at risk."

The market conditions have forced many homeowners to join the state's last-resort FAIR Plan, which provides significantly less coverage at higher costs.

Meanwhile, Lara and his team have announced an intention to overhaul home insurance regulations by the end of the year in an effort to stabilize the volatile market.

The representative from Lara's office is expected to appear before the board no sooner than 1 p.m. Tuesday in board chambers at 701 Ocean St., Room 525, Santa Cruz.

To provide another opportunity for the public to more directly engage with experts on this issue, the commissioner's representative will also attend a subsequent community education and preparedness workshop in Scotts Valley later that same day.

That meeting has been set for 6-8 p.m. Tuesday inside the Performing Arts and Cultural Center at 251 Kings Village Road, Scotts Valley. It will include presentations from Cal Fire, Firewise and the Scotts Valley Fire Department. Scotts Valley Vice Mayor Derek Timm will moderate a panel discussion with United Policyholders, Cassidy Insurance Agency and the Realtors Association.

Permit center extension

The board's Tuesday agenda also includes consideration of a contract extension with 4Leaf Inc., which was hired in the aftermath of the CZU Lightning Complex Fire to help local residents with permitting and general recovery-related services through the Recovery Permit Center.

The permit center, established in 2021, is scheduled to sunset at the end of June but the proposed \$600,000 contract would extend its services to fire survivors for another six months. During that time, county staff plans to create an integrated service model that puts 4Leaf staff within the county's Department of Community Development and Infrastructure's Environmental Health Division.

CZU survivors would continue to receive priority customer service, same-day and walk-in appointments as well as expedited pre-clearance and building permit review, according to a release from the county. The recommended action also includes approving the first phase of a transition plan to integrate the recovery permit center into the county's unified permit center.

This item appears in the regular agenda and will be addressed after the meeting begins at 9 a.m.

Bond issuance

As the county's infrastructure struggles to recover from the eight federally declared disasters it has experienced since 2017, the board will also consider authorizing issuance of up to \$95 million in bonds to address growing cash flow troubles.

According to the staff report, the county racked up more than \$250 million from 2017 to 2023 in claims eligible for reimbursement from the Federal Emergency Management Agency. The problem is that only about 50% of those claims — more than \$125 million — have been paid back so far, causing the county to spend money for urgent cleanups, particularly on roadways, that it doesn't recoup for six or seven years at times.

The bonds would help provide the county with necessary funds to keep things running while it waits for reimbursement. According to the staff report, this capital financing will be the largest in the county's history.

This item is also not expected to be considered until the afternoon session, after 1 p.m.

If you go

What: Santa Cruz County Board of Supervisors meeting.

No sooner than 1 p.m.: a presentation by a representative from the California Department of Insurance. Also, proposal to approve issuance of up to \$95 million in bonds.

Morning session, after 9 a.m.: proposed six-month extension of 4Leaf Inc. contract and Recovery Permit Center services.

Where: 701 Ocean St., Room 525, Santa Cruz or Zoom: us06web.zoom.us/j/81732202363