

## **California Legislature enacts homeowners insurance reforms regarding wildfires**

### Live Insurance News

Victims of the fires that destroyed thousands of homes in 2017 will not benefit from the changes. The California Legislature has approved homeowners insurance reforms designed to boost consumer protections. This is particularly important as Californians battle with wildfire risks for yet another year. Devastating wildfires have become the new normal throughout the second half of every year. Wildfires are occurring statewide and the Legislature decided it was time to come to terms with these new trends. This was reflected in the new homeowners insurance reforms that have received approval. They arrived in the form of a package of bills that were passed by both chambers. They managed to make it through even in the face of resistance from the property and casualty insurance industry, which boasts considerable political clout.

The bills received their last minute approval before the summer adjournment. That said, industry lobbyists weren't entirely unsuccessful in their fight against the bills. They managed to impede the measure that would have given retroactive home insurance relief to policyholders affected by the wildfires last year. That would have included the policyholders among the 6,200 North Bay homes destroyed in the 2017 California wildfires.

The homeowners insurance reforms won't impact the \$10 billion in home claims from 2017 wildfires.

"These bills will help consumers trying to get back on their feet after devastating wildfires," said California Insurance Commissioner Dave Jones in a media statement.

In the aftermath of last year's record breaking wildfires in California, many homeowners found themselves having to pay up to hundreds of thousands of dollars out of pocket. This was the case regardless of the fact that they carried homeowners insurance. The problem was often an issue of underinsurance.

Other homeowners found that they were required to take on the overwhelming task of itemizing all their personal property losses in order to be able to receive a full coverage reimbursement. This task was

especially lengthy and problematic for many homeowners who had lost everything they owned. “This is a much more productive outcome than I thought we were going to get,” said Amy Bach, the United Policyholders executive director, in response to the homeowners insurance reforms. The advocacy group exec went on to add that: “The Legislature somewhat redeemed themselves here.”