

## [Desperate California homeowners turning to the Fair Plan for insurance, but facing severe delays](#)

NBC Los Angeles

The delays are forcing them to go uninsured, so mortgage lenders are putting them on force-placed insurance, which can cost thousands of dollars a month

Lloyd Messineo's Simi Valley home is surrounded by beautiful hills. But those hills are now creating a problem.

"We thought we'd be fine with our current insurance. This was a shock to me," he said.

Farmers, Messineo's long-time homeowner's insurance company, recently dropped him. He said other insurers don't want his business either, citing brush fire risk, even though Messineo's home is protected against embers - it has a cement tile roof and screening in the vents.

"We've had fires around us three times in 24 years, but nothing has gotten even close to us," he said.

Desperate, Messineo applied to the Fair Plan, the state's insurer of last resort. It's pricey and offers less protection, but it covers you against fire when other insurance companies won't.

But Messineo said he waited weeks for the Fair Plan to process his application.

"I kept asking weekly and daily why it's taking so long," he said.

But Messineo said he couldn't get any answers. In the meantime, his Farmers policy lapsed, so his

mortgage company secured insurance for his home, known as force-placed insurance. The price tag: \$2,700 a month.

“Why do I have to pay a penalty when the system’s broken?” said Messineo.

Amy Bach with the consumer advocacy group United Policyholders, said the Fair Plan can’t keep up with demand.

“The volume of applications they’re getting is swamping them,” she said.

In fact, the I-Team learned that in the last five years, the number of Fair Plan policies has nearly tripled; it receives 4,500 new applications every week. Bach said she’s hearing complaints like Lloyd’s, too. And so is the Department of Insurance.

“I have to say that the department is doing everything it can to pressure the Fair Plan to get its act together and process the applications in a quicker manner,” she said.

But Bach pointed out that it’s hard for the Department of Insurance to crack down on the Fair Plan because it doesn’t have much authority. While the Fair Plan is mandated by the state, it’s run by private insurance companies.

“They have shown a willingness to thumb their noses at the Commissioner when he orders them to do something,” she said.

The Insurance Commissioner declined the I-Team’s request for an interview. But his spokesperson told us that the lack of transparency at the Fair Plan is a problem. But he said the Commissioner is “using every tool at his disposal” to help homeowners. We learned he’s pushing the Fair Plan to beef up its staff so it can process applications quicker. And, that may be working.

The Fair Plan told the I-Team it’s recently drastically increased its staff, which has greatly reduced delays. It didn’t comment on Messineo’s application, but said, in part, it’s “committed to ensuring all Californians have access to basic property coverage.”

But finally, Messineo’s Fair Plan approval came through.

“Over three months to get a policy that should have taken two days,” he said.

He hopes the process clears up soon for other, desperate, homeowners.

**Tips when shopping for homeowners insurance:**

- Cast a wide net and reach out to as many agents as possible to help you
- Bundle your home and auto
- Raise your deductible
- If your insurer allows it, reduce your contents coverage