[Do you know your home's wildfire risk score? Your insurance company does](https://uphelp.org/do-you-know-your-homes-wildfire-risk-score-your-insurance-company-does/)

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Do you know your wildfire risk score?

Most people know they have credit scores that help determine whether they get a loan and what their interest rate will be. They probably don't know that if they live in the West, they have a wildfire risk score that could influence whether they get homeowners or renters insurance and how much they will pay.

Many insurance companies use these property-specific scores, alone or with other factors, when deciding whether to issue or renew a policy. To use them in pricing, state-licensed companies must include them in the voluminous rate plans that must be approved by the California Insurance Department.

Their use in underwriting and pricing has grown significantly over the past five to seven years in California, said Tony Cignarale, a deputy commissioner with the agency.

If an insurance company refuses to issue or renew coverage, under state law it must give a reason, but it could be generalized, such as "wildfire risk." Insurance companies don't have to disclose a property's score, but many agents will tell a customer upon request.

FireLine, a widely used score from the risk-assessment firm Verisk Analytics, ranges from zero lowest risk) to 30, but 15 "is not the midpoint of the scale," said Steve Clarke, a Verisk vice president. About 73% of FireLine scores are zero or 1 negligible to low risk); 12% are 2 or 3 moderate risk) and 15% are 4 through 30 high to extremely high risk).

Each company can determine what risk it's willing to insure. "Some say 8 and above is hazardous, some may say 6 and above, some may say 10 and above," Clarke said.

Cindi Hoyt, an agent with Aegis Insurance Markets in Truckee, said she just got an email from Bamboo Insurance saying it won't cover anything with a FireLine score of 2 or higher. Bamboo did not respond to requests for comment.

Mercury Insurance won't insure anything with a FireLine score higher than 12. Below that, it may or may not, depending on numerous factors, including defensible space around the home, construction and roofing materials and community wildfire-mitigation efforts, said Victor Joseph, Mercury's chief underwriting officer. Below 13, FireLine scores might account for 30% to 50% of the underwriting decision, he said. FireLine scores also are among factors Mercury uses in pricing.

Mike Gregory of Walnut Creek said Mercury, his longtime insurer, declined to renew his policy in 2018 because of wildfire risk. He wasn't given his FireLine score at the time, but his agent recently told him it's 6.
The only replacement policy Gregory could get was from the Fair Plan, an association of state-licensed companies that issue policies with limited coverage to homeowners who can't get insured elsewhere. He's paying $4,122 for that policy plus about $2,000 for a wraparound policy that covers liability and other things the Fair Plan doesn't. The total is more than three times what he had been paying.

Bob Indig also had to go with the Fair Plan plus a supplemental policy for his second home FireLine score 9), near the Alpine Meadows ski resort, after his Lloyds of London policy was not renewed this year.

Ted Krohn and his family were on the verge of buying a vacation home west of Tahoe City in June when he checked on insurance. His carrier of 40 years, USAA, refused to cover it. So did two others. After getting quotes for $8,000 and $10,200 a year from two other companies, the family passed on the home. The home FireLine score of 6) is now listed for $44,000 less than it was in June.

Verisk creates a FireLine score for every point on the map in 13 Western states. The main factors considered in the score are vegetation, slope steeper is worse) and access one-lane and dead-end roads can be a problem for emergency vehicles).

FireLine is designed to predict "the propensity of a structure in that location to burn in a wildfire," not when or where a wildfire will happen, said Arindam Samanta, Verisk director of product management and innovation.

Homeowners and communities can't do much to lower their FireLine scores because "it's looking at exposure to fire hazard in generally a quarter mile area around the property," Clarke said. "If you have a tightly packed neighborhood, and one home has maintained a defensible space and the other has not, it may not reduce the risk all that much. Community efforts, unless on a very large scale, do not impact scores."

Another Verisk company, Insurance Services Office, rates communities nationwide based on their ability to respond to structure fires not wildfires). Communities can improve this score. It looks at water supply, emergency communications systems, the local fire department's staffing, equipment and training, and other factors. It gives each community a Public Protection Classification from 1 best) to 10. Many insurers incorporate this score into their decision-making, but it's not the same as FireLine.

CoreLogic markets a property-specific Wildfire Risk Score that competes with FireLine. It's sold in 15 Western states plus Florida and ranges from 1 lowest risk) to 100. It looks at vegetation, terrain slope and orientation to the sun), past wildfires and distance to the nearest high-risk area for wind-blown embers).

"We consider scores up to 50 to be low risk, 51 to 60 moderate, 60 to 80 high and 81 to 100 extreme wildfire risk," said Tom Jeffery, senior hazard scientist with CoreLogic. Each company that uses the score sets its own risk tolerance.

In San Francisco, Santa Clara, Contra Costa and Solano counties, 99% to 100% of homes are rated 50 or below. In other Bay Area counties, roughly 91% to 96% score that low.

Jeffery said 98% of homes destroyed in the 2018 Camp Fire had a CoreLogic score of 60 or above. Coffey Park homes, on the other hand, had low scores before the Santa Rosa neighborhood was devastated by the 2017 Tubbs Fire. That fire was fueled by flames spreading from home to home, not by vegetation. "Because we are not considering homes as fuel, they were scored low," Jeffery said.

FireLine scores in Coffey Park before the fire were also low risk, zeroes and 1's.

A third company, RMS, plans to introduce a wildfire risk score next year that will take into account a home's construction and defensible space, as well as factors such as slope, fuel, historical fires and distance to fire zones.

Not all companies use third-party wildfire scores. State Farm says it does not. Amica Mutual Insurance says it uses a score when it underwrites policies, but not when it renews or prices them. CSAA Insurance Group says it uses them as one data point in pricing and underwriting.

Consumer advocate Amy Bach of United Policyholders became alarmed a few years ago when she heard that homeowners were being denied insurance because of their FireLine scores. “All of a sudden this score we have never heard of is now the scarlet letter,” she said. “It’s a blunt instrument being used where a surgical instrument is needed,” she added. “We know it has had a dramatic impact on the market.”

In a report issued in January 2018, the state Insurance Department said third-party wildfire risk models “are not specifically regulated” by the department or other entity. It added that there are “no specific statutory standards in place to ensure the models’ accuracy or reliability” in pricing or underwriting insurance and “no mechanism in place for consumers to appeal a wildfire-risk model score.”

The report suggested that the Legislature give the insurance commissioner authority to approve wildfire risk models and set up a formal appeals process, but neither recommendation made it into a bill. One bill that did pass in 2018 requires licensed insurers to turn over data on wildfire-risk and protection-class scores to the department every two years starting in April 2020.
Wildfire risk scores represent “a huge advancement over the past,” when insurers might deny coverage based solely on a home’s elevation, said industry spokesman Rex Frazier, president of the Personal Insurance Federation of California.

They have led to “a greater differentiation in pricing” between urban properties and those near wildlands, he said in an email. “In order to protect availability of home coverage for the long haul, insurance costs need to incorporate the risk — high or low — of living in different parts of the state.”

Frazier explained that “a new dynamic is emerging where reinsurers which insure insurance companies) want to know an insurer’s exposure to catastrophic wildfire risk.” If an insurer has a lot of policies with high risk scores, it will demand more money. “However, because the Department of Insurance does not allow insurers to recapture the extra reinsurance premiums in their own rates, they are forced to reduce their catastrophic exposures” to lower their reinsurance premiums.