

[Experts warn CA homeowners insurance premiums could spike in wake of SoCal wildfires](#)

ABC 7 News

Part of the governor's state of emergency includes an insurance non-renewal moratorium. The state's insurance commissioner told our colleagues at KABC Wednesday that he's working on protecting homeowners in the affected areas from being dropped by their insurer for one year.

It's raising serious questions about how these fires will influence California's growing insurance crisis.

As we watch the devastating wildfires move through Los Angeles County, it's posing new threats to the state's growing insurance crisis. With more than 13,000 homes at risk, losses could approach at least \$10 billion, according to preliminary estimates from JP Morgan Chase. This paired with concerns as the state is implementing a new reform plan that analysts say could raise insurance premiums by 40% on average. In fire-prone areas, the increases could be up to 100% or more.

Insurance Commissioner Ricardo Lara spoke with our sister station KABC.

"We have been operating on a 20th-century regulations for a 24th-century problem," Commissioner Lara said. "We need to make sure we allow them to use technology so we can better track and understand how these fires are reacting."

But critics argue the reality of that "new technology" Commissioner Lara is talking about will only help insurers to raise rates with limited transparency — especially as these fires continue to impact the same areas.

“As far as increased writing in those areas... that goal has been set back here,” said Amy Bach, executive director of United Policyholders.

Limiting access and raising serious concern about cost – affecting all of us.

“Well, clearly companies are going to ask for more for home insurance because they can, because our insurance commissioner just loosened all the regulatory rules – so they can ask for pretty much anything they want now!” said Jamie Court, president of Consumer Watchdog.

The commissioner’s plan is implementing what is called “catastrophe modeling,” which uses software algorithms to assess risk and make decisions on your coverage. So anything from having a fire in your area, to poor mitigation, to lack of staffing at your local fire department — they could all impact your ability to have coverage. It’s an issue we’re seeing in Pacific Palisades... and right here at home.

The city of Oakland just announced they are going to close five fire stations because of their budget crisis, one of the many factors insurance companies consider in the data that they access.