FAIR Plan insurance polices delayed as more homeowners turn to the ‘insurance of last resort’

ABC 7

Mark and Alma O’Brien’s Napa County ranch dodged major damage in a grass fire, however it did not dodge all of the fallout. When ABC7 News spoke with them last year, their insurance company had dropped the couple’s coverage.

“We have been trying to find alternative insurance,” says Mark O’Brien. “I went to three or four different carriers and got turned down.”

They were looking at potentially signing up for California’s insurer of last resort, the FAIR Plan. That is where you are sent when no insurance companies will offer you coverage. The insurance is more expensive, covers less and has a high deductible… And now, it’s also difficult to get.

Amy Bach is the founder of the consumer group United Policyholders. “So the FAIR Plan is getting a thousand applications a day. They switched over to a new computer platform and there seem to be a lot of kinks. So we are getting panicked emails from homeowners, from agents saying ‘I can’t reach anybody.’ Some agents are saying it’s taking two weeks to get a policy locked in and just there’s a lot of anxiety out there,” Bach says.

Karl Susman is an insurance broker in Los Angeles. He says it is hard to even talk with a FAIR Plan employee.

“We have a system now where we have one person in the office is always on hold with the FAIR Plan because the hold time is four hours a day,” Susman says.

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Source: https://uphelp.org/fair-plan-insurance-polices-delayed-as-more-homeowners-turn-to-the-insurance-of-last-resort/ Date: September 8, 2026

When one of the Susman staffers get a pick-up, the phone is passed around to get policies ordered and updates on those that are already in the system.

“They are quoting 14 to 21 days to get a quote,” says Susman. “People that are in escrow, how much in advance do they look? The day before? Two or three days before? It is not possible if they have to go with the FAIR Plan.”

If you are buying a home, do not treat homeowner’s insurance like an afterthought, or you will get burned.

Now, Karl Susman did have some good news to pass along. He says if you know to ask for it, the FAIR Plan is offering payment plans. That could make it much easier to afford for some homeowners.

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