

[Here's why insurance companies want to raise rates in California](#)

KTVU Fox 2

Climate change and inflation are fueling problems for the California home insurance industry. Bay Area Congressman John Garamendi served as California's very first insurance commissioner.

"The insurance companies are pulling out, pulling policies," Garamendi said. "They're raising rates in many cases without justification."

Garamendi claimed that the current Insurance Commissioner, Ricardo Lara, is handing over his authority to regulate the market to the insurance companies.

"That would be a long-term disaster and a short-term problem for every consumer in California," Garamendi told KTVU.

Destructive wildfires are making it too risky for insurance companies.

United Policy Holders is a consumer protection group, and Amy Bach is the executive director.

"The insurance companies are saying we cannot get our rates approved fast enough or high enough in California and so until we do, we're not selling any more insurance," Bach said.

Bach explained that insurers want two things: climate prediction models and the ability to pass their rising costs on to consumers.

"The commissioner made a deal with insurers that if they get two things they want, then they'll start selling insurance again," Bach said. "The problem we have is the insurers are saying, 'Where's the beef?' We want to see what we get before we give you what you want."

Lawmakers are calling for transparency through public hearings and public comments before approving any rate increases. They also want to protect consumers before protecting corporations.

“If you want to sell insurance in California, then you’re going to abide by the rules.” Garamendi said. “You’re going to serve all Californians, not every policy in every place, but you should share the risk and he can force them to do that.”

According to the California Department of Insurance, the commissioner will propose regulatory changes that would make insurance more available in areas that are prone to wildfires. The strategy will be introduced over the next year.