

## [Home insurance canceled in Oakland? Here's what to do](#)

The Oaklandside

Amy Bach of United Policyholders shares tips for homeowners who've received non-renewals and insight into the future of insurance rates in California.

If you own a house in the Oakland hills, you've probably gotten one already or are dreading the day it will arrive in your mail: a notice that your home insurance provider will not renew your policy.

Insurers are increasingly pulling away from writing policies in areas prone to wildfires. The shift has sent countless longtime customers scrambling for coverage or paying extraordinary prices for subpar protection.

What's an Oakland homeowner to do? We spoke with Amy Bach, co-founder and executive director of United Policyholders, a 33-year-old advocacy organization for insurance consumers. We asked her about the current home insurance landscape in the Bay Area, where she's based, what homeowners should do if they get non-renewals, and what the future may hold. This conversation has been edited for length and clarity.

Many Oakland residents remember the horror of the 1991 East Bay hills firestorm. Talk about how United Policyholders came about in response to that tragedy. Why was an organization like yours needed at the time?

I was part of a working group that had already decided we needed a new nonprofit to focus on insurance—to be an information resource and a voice for the policyholder. It started because a whistleblower had come out of State Farm after the Loma Prieta earthquake in 1989, and came to my law office and said, "They're ripping people off. They're not training their adjusters." Then it just so happened that the Oakland fire hit like a month after we had picked a name and decided what we were going to do.

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Source: <https://uphelp.org/home-insurance-canceled-in-oakland-heres-what-to-do/> Date: September 12, 2024

So the Oakland-Berkeley fire was our first project, and we swung into action. We built a program called the Roadmap to Recovery.

About a year after, a lot of the people in that Oakland-Berkeley area got non-renewed. United Policyholders started a program called MatchUP, and our partner was the city of Oakland. If a consumer contacted us, we would let them know that there's such a thing as an independent agent, because a lot of people had only ever been insured with State Farm or Allstate or USAA.

When did that match-up approach start to become less effective?

In 2016, after the tree mortality crisis came to light, people were starting to get non-renewed even though there had not been a wildfire in their community in the last few years. We were still trying to figure out what to do to help those people when the Tubbs Fire and Atlas Fire hit Sonoma County, and then the Thomas Fire hit Ventura County, and things started really going south. And then the Camp Fire hit in Paradise. By that time, non-renewals were becoming such a problem that our earlier matchmaking wasn't working. There was not enough competition to fill the void.

How did you shift gears, once it was no longer enough for people to simply work with independent insurance agents?

I started something called the Wildfire Risk Reduction and Asset Protection Initiative. WRAP includes a working group of stakeholders across California, online resources, and outreach and education for consumers. It's all about keeping your assets protected by reducing wildfire risk. Our first project was pushing for there to be standards in place—what can you do to make the risk less likely, and getting all the experts on the same page. That was an accomplishment that our working group can claim some responsibility for. We're continuing all the while collaborating with the Department of Insurance. And we're trying to take the pulse of insurance companies all the time.

Why are homeowners getting dropped so frequently now?

I've actually started to think that it's more about the technology [that insurance companies use to assess risk] than climate change. Well, it's both. But they have TMI now. They used to insure people's properties warts and all—pine needles on the roof and leaves in the gutter. Now all they see are the warts. They just cannot get past the images that they see of the trees, or of your propane tank next to your wood pile.

Vendors are selling the companies data with the express promise that, if you use our tools, you're going to be better at picking the better risks and rejecting the worst risks. What insurance company wouldn't want to do that, right? They now believe fully that these models and AI are going to help them be more profitable, and that's their goal.

Oakland recently passed its sweeping Vegetation Management Plan, focused on reducing fire risk in the hills. Homeowners are also urged to "harden" their homes. Do these mitigation efforts still have an impact on insurance renewals or rates?

That remains a work in progress. We used to put a lot of our money as a state and also federally into fire suppression: We need helicopters. We need people-power. We need resources. That was where a lot of the money was going. Now there's a very widespread recognition that we need to put a lot more energy and resources into preventing fires in the first place.

Our group is working on that. At the same time, we recognize that asking people to spend money on home improvements that don't seem imperative is not likely to be successful unless the person sees the upside. We can say to people, the upside for you is that your house may not burn. In a perfect world, that would be all the incentive people would need, right? But this is not a perfect world. And we're all aware that it costs a lot of money to change out siding, replace a roof, limb trees, clear brush, all those things. So given that, we really needed insurance companies to commit to giving discounts or renewals, or ideally both, to people who do those things. Though it's not as black and white as you would think. Some insurers are offering some discounts currently.

What should a homeowner do if they're dropped? Can you highlight a couple of the critical things to know or do right after you receive a non-renewal notice?

Number one is definitely don't procrastinate. Start shopping [for a new policy] right away. There's a law that gives you 75 days to find a replacement policy. Simultaneously, communicate with your insurer to see if there's anything you can do to change their mind. Then evaluate if that's feasible for you. The insurance company may ask you to limb trees, to remove a tree, to clear defensible space around your home. If you can do 'em, you should do 'em.

The other thing to do is find a good agent—that's really important. There are some options you wouldn't be able to find on your own. Working with a professional who has different marketing channels is helpful.

Then there's the affordability strategies—like increasing your deductible to the highest you can afford. Try to trim any non-essential coverage, but try to keep your home insured for its replacement value.

Talking to a human is helpful. I recently had somebody come to us who had missed a payment so her policy had lapsed. When she tried to get it reinstated, they said no, we're not writing policies in that area anymore. Then we were able to get through to someone at the company and they reinstated it.

Definitely pay your premium on time and don't let your policy lapse. Being an informed, politely assertive consumer is the way to go. Any insurance company can jerk you around on a claim, even the most reputable ones.

Where can homeowners who are in this position find more information?

We're doing these "shopping" help programs all over the state and we have a lot of resources with lots of good advice for your readers—very nuts-and-bolts questions like, is it better to go with the FAIR Plan versus a company you've never heard of? [Watch United Policyholders' home insurance shopping help webinar.]

When insurers decide whether to write a policy, are they still distinguishing between the so-called wildland urban interface areas like the East Bay hills versus the urban areas near them? Are homes in the Oakland and Berkeley flatlands still getting coverage?

I believe so. But I am surprised to hear how many people in San Francisco have gotten non-renewal notices. I assume the same is happening in the flats in Berkeley and Oakland, especially if it's in the same ZIP code as the hills.

There are regulations in California governing how much insurance companies can raise premiums, right? How much leeway does an insurer have when setting the price a policyholder pays?

There's a very robust regulatory regime in California where insurance companies have to get approval [to raise rates], and they're not allowed to charge excessive rates. The problem right now for consumers is the insurance companies have made a very persuasive case to the public, but also to elected officials and the commissioner, that their rates are not adequate given current realities with climate change and construction prices. They use their leverage to convince lawmakers they need to be able to charge more.

They've done such a good job arguing, all signs are pointing to more pain in the years ahead. Once things go into motion, we're going to see premiums go up even more.

What is United Policyholders doing at the state or federal levels right now to help homeowners? Is there any promising legislation trying to tackle the issue of companies declining to write or renew policies, or raising rates?

We're supporting a [Sen. Mike McGuire] bill that says that if you retrofit your home—if you mitigate to the Safer from Wildfires or IBHS standards, then an insurer must offer you a policy. That bill can't even get a hearing, and he's the [president pro tempore] in the State Senate. Because the market is in such bad shape, lawmakers cannot get their minds around new mandates; they are focused on getting insurers back in the market. I think insurers have made their case pretty persuasively to the legislators that they cannot operate profitably in the state, and that they must have some relief before they'll come back. I think that's the predominant message—until we get them back, there's no way we can legislate more restrictions. But once they come back, shoot, we have a whole laundry list of things. Like, if they're going to drop you on the basis of drone images, they have to give you date-stamped images. They have to show you where in their underwriting guidelines your property doesn't fit, give you a chance to remedy the condition, and then offer you a renewal. All those things we want to do, but now's just not the time to do them, because we're at such a standstill.