

[Homeowners may reap benefit of insurance coverage ruling](#)

Fox 2 KTVU

Tens of thousands of California residents in fire-prone areas have been caught in the middle of a battle between Insurance Commissioner Ricardo Lara and the insurance companies.

The fight involves California's FAIR coverage plan, the insurer of last resort, where homeowners go if their insurance company drops their fire coverage.

"What the judge said was that the insurance commissioner has the authority to expand coverage for California consumers," said Michael Soller, deputy insurance commissioner for the California Department of Insurance.

Currently, the FAIR plan only offers fire coverage and as a result, forces homeowners to find another insurer to cover other homeowner responsibilities such as liability.

"That's a lot of money for people. That's a lot of confusion," says Amy Bach with the consumer advocacy group, Policy United. "That's a lot of who's responsible. Where does the buck stop? Not a good system."

The insurance commissioner says all the moving parts cost homeowners double or triple what they'd pay under a single plan.

The California FAIR Plan Association is mandated by the state, but backed by insurance companies who share the risks of operating in California. The association previously said the commissioner exceeded his authority.

"The FAIR Plan is committed to strengthening consumer choices in the voluntary insurance market, while ensuring that all homeowners, including those who live in areas threatened by worsening wildfires, have



access to basic property coverage and the peace of mind they deserve. The FAIR Plan shares the Insurance Commissioner’s commitment to consumers and his goal of addressing the insurance crisis as climate change increases wildfire risk for homeowners across our state. We look forward to collaborating with the policymakers, including the Commissioner, to identify ways to increase options for consumers within the voluntary insurance market,” read a statement from representatives with the California FAIR Plan Association.

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