

# [Housing Market 2023: Allstate and State Farm Halt Homeowners Insurance In California — Smart Ways Californians Can Still Get Coverage](#)

Yahoo Finance

Just as wildfire season begins, State Farm General Insurance Company, State Farm's provider of homeowners insurance in California, announced it would not accept any new applications for home insurance policy as of May 27 "due to historic increases in construction costs outpacing inflation, rapidly growing catastrophe exposure, and a challenging reinsurance market," according to a press release.

This announcement follows a similar move by competitor Allstate, which also ended new home policies in the state last year. Meanwhile, Farmers Insurance said it was limiting policies for new customers, according to ABC7 News.

Allstate also blamed wildfires and higher costs, telling ABC7 that "the cost to insure new home customers in California is far higher than the price they would pay for policies." But, according to the news outlet, there are several ways homeowners can still get coverage.

## FAIR Plan

The California FAIR Plan Association was established to meet the needs of California homeowners unable to find insurance in the traditional marketplace, according to its website.

"In the last decade, more Californians have turned to the FAIR Plan as wildfires have devastated California and some insurers have pulled back from these markets. While we will support homeowners

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regardless of a property’s fire risk, unlike traditional insurers, our goal is attrition,” the website stated. “For most homeowners, the FAIR Plan is a temporary safety net — here to support them until coverage offered by a traditional carrier becomes available.”

Consumer advocate Amy Bach of United Policyholders told ABC7 that more homeowners in fire-prone areas will have to resort to buying insurance through the state’s FAIR program, but that “it’s very expensive and provides only bare-bones coverage.”

#### California Department of Insurance

The website has a lot of information on how to get coverage and how to shop around. The California Department of Insurance (CDI) provides several information guides, tips and tools so that residents can make the best decision. In addition, the Department also offers a consumer hotline for assistance.

inally, United Policyholders will hold a seminar on June 9 about what to do if your insurer non-renews your insurance policy. Topics will include whether it’s safe to insure your home through a company you’ve never heard of and what the CA Fair Plan is and options it offers. You can register here.

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