

How home insurance companies use drone aerial images to drop policies

CBS8

United Policyholders told CBS 8 there's been a dramatic increase in reports from customers getting dropped due to aerial images.

Home insurance companies are taking inspections to new heights in determining whether to drop coverage or not.

In the past, companies would send out inspectors to your home.

CBS 8 has learned they're now using drones and other technology to survey your property before deciding whether to insure it or not.

"This is nothing new, as far as looking at homes and looking at properties at renewal," said insurance expert Karl Susman.

Susman says while taking pictures of a home before renewing a policy is normal, he acknowledges the strategy more companies are now using to do it can feel a bit invasive.

"It's just the idea of feels a little bit awkward and a little weird and strange to have, you know, not know when it's happening," said Susman.

Recently, a CBS 8 employee received a notice letting them know satellite imagery showed moss on their roof, which could result in a canceled policy if it wasn't taken care of.

A spokesperson with nonprofit consumer advocacy organization, United Policyholders, told CBS8 there's been a dramatic increase in reports from customers with similar stories.

Homeowners claimed drones and other devices captured things like debris, and in one case, a drained pool, all of which lead to their policies getting dropped.

“What we’re seeing is companies that are at renewal, going and looking at the risks that they have to determine if there’s what’s called deferred maintenance, for example,” said Susman.

CBS 8 asked Susman if we’re seeing this happen more now because companies are looking for reasons to drop customers.

Susman says while that’s possible, more than anything, they’re gearing up for home insurance regulations to change by the end of the year, which will allow them to offer underwriting discounts.

“It’s either you must have it fixed, or you can’t have the policy, whereas with the new regulations, you’ll have the option. You want to pay more by not fixing your roof or do you want to get a discount for having a new roof?”

Susman says the overall goal of this practice is to not have a claim.

But, given the fact insurance companies in California are letting go of more and more customers, Susman advises if your insurance company points out something, don’t hesitate to get it fixed.

“Absolutely. Right. Because again, the carrier doesn’t have the option to underwrite based on it, it’s all or nothing until these new regulations come out,” said Susman.

Tips

- Contact your insurer and get details on why they’re non-renewing you.
- Ask to see the photos and ask them to provide information about when the photo was taken (timestamp).
- If they mistook a skylight or solar panel for damaged roof tiles – provide them the correct information.
- Ask if there are any steps you can take to get them to reverse their decision.
- Start shopping for replacement coverage right away. California law requires your insurance company to give you 75 days notice (before your current policy expires) that they are non-

renewing your policy.

- Report your situation to your state Department of Insurance and elected officials.