

[How to find home insurance in Santa Cruz County](#)

Santa Cruz Local

As thousands of Santa Cruz County homeowners are losing home insurance, a state official and insurance professionals this week offered advice for finding, keeping and affording policies.

Prompted by catastrophic wildfires and floods made more frequent by climate change, many insurance companies in California have stopped issuing or renewing home insurance policies.

Richie Sayavong, outreach analyst with the California Department of Insurance, spoke about the new insurance market Tuesday at a Santa Cruz County Supervisors meeting and a Scotts Valley community forum. Scotts Valley Vice Mayor Derek Timm moderated the Scotts Valley forum with Sayavong and insurance professionals.

When Timm asked the more than 150 meeting attendees how many had lost their home insurance, nearly all raised their hands. “Do what’s in your control. Don’t feel bad if you fail, don’t let this become an issue between you and your spouse,” said Joel Laucher, a program specialist for insurance consumer nonprofit United Policyholders. “Everybody, as you saw, is facing the same thing.”

Although changes to state regulations may make it financially feasible for insurance companies to resume writing policies in California, premiums would likely increase threefold or more, panelists said.

“We probably harken for the days when we used to know we’d get that renewal,” Timm said at the forum. “We’d be all resentful of paying that premium. Now, we’d be grateful to see a renewal of any amount.”

The [Scotts Valley workshop, available on YouTube](#), also included presentations from Cal Fire, Scotts Valley Fire Department and Firewise about how to reduce wildfire risk near homes.

Read on for answers to questions addressed at the events:

- [My home insurance provider won't renew my policy. What should I do?](#)
- [What if I can't find a home insurance policy?](#)
- [What is the California FAIR plan for home insurance?](#)
- [How can I make my standard home insurance policy more affordable?](#)
- [How can I make my FAIR plan policy more affordable?](#)
- [What are state officials planning to do about the insurance crisis?](#)

My home insurance provider won't renew my policy. What should I do?

State insurance regulators can't force private insurers to renew policies. But they can enforce regulations on non-renewals.

- Insurers must send a non-renewal notice at least 75 days before the policy expires.
- Insurers must use a risk score to justify non-renewals. Typically, it includes factors like the property's slope, the proximity to brush and forest, and the distance from a fire department. You're entitled to ask what your risk score is and how it was created. Insurers cannot drop policies solely based on ZIP code.
- If you've taken steps to reduce fire risk on your property, like installing a fire-safe roof or removing bushes around your house, you're entitled to ask for another risk assessment within 30 days — but insurers still aren't legally required to continue your policy.
- If your insurer doesn't follow these rules, you can [file a complaint with the Department of Insurance](#).

Insurance professionals have recommended that people who are non-renewed contact many different insurance companies to see if any can offer another.

- Working with multiple brokers won't increase your chance of getting insurance or reduce the cost, said insurance broker Edan Cassidy.
- That's because insurance companies will only work with one broker for a given home. Instead, find a single broker you trust, he said.
- Some insurance companies only sell directly to homeowners. Joel Laucher, a program specialist for

insurance consumer nonprofit United Policyholders, recommends calling every company on the California Department of Insurance's [list of home insurance providers](#) to seek a direct quote.

What if I can't find a home insurance policy?

If you can't find a standard insurance plan, brokers may be able to offer a non-admitted insurance plan, also known as out-of-market or surplus-lines insurance. These policies are legal, but are not regulated by the state Department of Insurance and not backed by the state's reinsurance program. If a non-admitted insurer runs out of money, policyholders may not receive payouts.

Homeowners should look for a non-admitted insurer with a high credit rating, Cassidy said. "You've got to do your research, but 'non-admitted' doesn't mean 'bad,'" he said.

Homeowners who cannot find a standard plan can also enroll in the Fair Access to Insurance Requirements Plan, or FAIR Plan, which offers basic coverage for areas at high risk of fire.

What is the California FAIR plan for home insurance?

State law established the FAIR plan for homeowners who cannot secure insurance from a standard carrier. The FAIR plan is mandated by the state, but collectively funded and managed by private insurers. If the plan runs out of money, private insurers are on the hook for insurance payouts.

The FAIR plan limits coverage to \$3 million for a residential property. Homeowners may be able to purchase a [Difference in Condition](#) policy, which supplements the FAIR plan to provide coverage similar to a standard homeowners insurance policy.

The FAIR plan and Difference in Conditions plans can be purchased through insurance brokers.

Some homeowners have faced lengthy wait times for FAIR plan enrollment, Timm said. Some Scotts Valley residents have received help getting on the plan from [the office of State Assemblymember Gail Pellerin](#), he said.

How can I make my standard home insurance policy more affordable?

Insurers are required to offer discounts for making your home more fire-resistant or joining a fire-prevention community group. However, the state Department of Insurance does not have the authority to force insurers to write policies or reduce prices, Sayavong said.

How can I make my FAIR plan policy more affordable?

The FAIR plan offers discounts of up to 20% to homeowners who take steps to reduce their property's risk of fire. Those steps include:

- Hardening your home to fire with features like a metal roof, double-paned windows and enclosed eaves.
- Moving plants, firewood and sheds away from the house, or removing them from the property.
- Joining a community fire-prevention group like a [neighborhood Firewise group](#).

The size of the discount depends on your plan and which steps you've taken.

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What are state officials planning to do about the insurance crisis?

California Insurance Commissioner Ricardo Lara is advancing regulations that seek to entice private insurers back to California. The state is set to allow homeowners insurance policies to factor the risk of future catastrophes, like wildfires, into their risk models and prices. Existing regulations allow home insurers to consider only the record of past disasters.

If private insurers return to California and offer new policies, the state would prioritize homeowners on the FAIR plan who have taken steps to reduce their wildfire risk to return to private insurance.

Some policyholder advocates have criticized the potential use of catastrophe models.

The state regulation wouldn't require insurers to make their models public, and "fails to spell out whether

or how the Department of Insurance would assess a model’s bias, accuracy, or the validity of the science,” according to a March statement from nonprofit Consumer Watchdog.

If insurers return, “premiums in California are going to increase drastically,” said Laucher, the United Policyholders advocate. The insurance commissioner is “hoping that giving up some affordability is going to achieve availability,” he said.

The fire risk that insurers have to consider may continue to rise over time. Climate change has made catastrophic wildfires more destructive and more frequent, and the trend is expected to intensify as global temperatures increase.

Where can I get more information about obtaining, keeping and affording homeowners insurance?

- [Tips for finding residential insurance](#)
- [The California FAIR plan website](#)
- [File a complaint with the California Department of Insurance](#)
- [Fire Safe Council of Santa Cruz County](#)
- [Watch the full recording of the Scotts Valley panel](#)

Read more

- [How to find home insurance in the Santa Cruz Mountains](#) — July 28, 2023