

[Insurance ‘re-underwriting’ is on the rise in California. Here’s how I fought State Farm and won](#)

San Francisco Chronicle

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That sounded positive enough — until I read that if my husband and I didn’t comply, including installing a new roof (at an average local cost of \$16,051), the company would “non-renew” us.

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Our State Farm letter said our roof must be replaced “as evidenced by the granular loss and worn shingles.” We were also directed to trim landscaping around the house and trim some overhanging tree limbs.

We figured we could do the landscaping ourselves and hire a tree-trimmer for less than \$700.

The roof was another matter.

We had already replaced nearly all of it during the past 10 years. Sara Lopez, president of our contractor, McLeran Roofing in San Rafael, assured us it was in good condition and made with fire-resistant, Class A composition shingles. What’s more, our home in San Anselmo is not in a high-risk zone for fires,

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according to Cal Fire maps.

So why was State Farm telling us to spend \$16,000 that we didn't have?

I called our longtime insurance agent, expecting support. After all, "like a good neighbor," he sends us holiday cards every year. While waiting to hear back, like any good Boomer, I took my complaints to Facebook and Nextdoor, where I received lots of comments like: "We are in the same boat. Redoing our roof next month."

Of course, I support fire safety and doing anything I can to protect the life savings embedded in our home. Yet anecdotal and press reports warned me we could do everything State Farm demanded and still lose coverage.

Amy Bach, executive director of United Policyholders, a consumer advocacy group in San Francisco, suggested a reason for the increasing trend.

"It's not only that climate change is increasing natural-disaster risk; it's also that insurers are buying aerial imaging and risk-scoring tools that are making it too easy to put existing customers in the discard file," she said. "They're taking away the human look at a property and replacing it with a number."

Bach and other experts say they believe that increasingly risk-averse insurance companies are targeting older homes like ours (built in 1948) because, on average, they'll have more — and riskier — old-fashioned plumbing and wiring.

Our agent promised to fight for us but said he couldn't guarantee that, even if we did everything they asked, we would be reinsured. (Such a promise would give us grounds to claim a breach of contract.) Instead, he asked for copies of our roof-repair invoices and evidence of our roof's condition.

We paid \$350 for an inspection that echoed Lopez's assessment. Our agent then told us he had aerial photos of moss growing on it.

"You need to remove that moss," he said.

"You don't need to remove that moss," retorted Lopez, who said it wasn't harmful, whereas power-

washing to remove it could actually damage our shingles.

Our agent countered that the Bad Cop underwriters wouldn't appreciate us challenging their diktat. So, we paid a guy \$500 to power wash the roof, even as I worried it would all be for naught.

In January, the same month we got that State Farm letter, a San Diego law firm filed a homeowners' class-action suit against Liberty Mutual, claiming the firm canceled policies after flawed drone inspections falsely reported issues such as algae, mildew or mold.

"People would challenge the reports and Liberty would send an 'engineering report' with aerial photos," said plaintiffs' attorney Michelle Meyers. "Then people would get their roofs power-washed and Liberty would still maintain the non-renewal."

What should we do? I asked Meyers.

"You have to challenge the non-renewal and at the same time, unfortunately, keep looking for new insurance," she said. "You don't want to get dropped because all the insurance companies talk to each other. ... You need to show you've taken steps either to comply or show them the evidence that it's not needed."

Joel Gumbiner, a San Rafael attorney who helps clients fight insurance firms for coverage, confirmed that insurance companies are legally free to non-renew for almost any reason. They just have to give you 75 days notice and it has to be when your policy is due for renewal.

"The bottom line is we don't have a law on the books to force companies to insure someone they don't want to," Bach said.

Her organization has recently lobbied for legislation to require insurers to notify policyholders of problems, give them time to fix them, and then, if the problems are fixed, renew.

In the meantime, Bach advises policyholders to "be tenacious. Send pictures and documents from third-party experts." She said at least two insurance firms, Mercury and CSAA, have accepted certificates of fire safety from the Insurance Institute for Home and Business Safety as a basis to renew policies.

If all else fails, Bach says, ask for assistance from the California Department of Insurance, which occasionally works.

Still, with Meyers' dark scenario in mind, I started checking out our options, should State Farm finally drop us.

They weren't great.

State Farm, which stopped writing new policies in California in 2023, isn't the only big insurer trying to wind down. Two Farmers Insurance Group subsidiaries and Amguard are quitting altogether.

A broker recommended we turn to the FAIR plan, California's fire-risk insurer of last resort, and supplement that limited and pricey plan with one from a small, unaccredited firm called Bamboo. Both providers get terrible reviews. Meanwhile, I heard from friends who said they were now paying as much as \$10,000 annually for insurance.

A couple of weeks ago, however, after three months of stress, our agent emailed that our efforts had sufficed — at least for another year or two. In the meantime, State Farm (which paid its CEO a record \$24.4 million in 2022) seemed closer to getting an "emergency" 17% rate hike.

I suppose it's all part of our dreadful new normal.

The escalating fire risks from our world's increasing negligence about climate change are playing havoc with all our old assumptions, including the one where insurance firms, "like a good neighbor," competed for customers rather than scheming to drop them. While I'm grateful to our agent for helping us hang on, I fear that from now on, his holiday cards will simply remind me how the vestiges of courtesy that once held us together are going up in flames.