

[Is it possible to get a break in an insurance crisis?](#)

Redheaded Blackbelt

Everyone knows that California, like many other states, is in the midst of an insurance crisis. The pressing questions are: what can property owners do to bring costs down; and is there help on the horizon?

On the eve of the season's first atmospheric river, dozens of Laytonville residents made their way to Harwood Hall for a forum about how they could navigate the insurance quagmire. The Mendocino County Fire Safe Council, the Department of Insurance, and United Policyholders, a non-profit consumer rights and education organization, sent representatives to take questions and offer information. Attendees learned that, under the terms of a 2022 regulation called Safer From Wildfires, they can be eligible for insurance discounts if they create defensible space around their homes and take steps to make their structures more fire-resistant. And, since one of the risk factors in a fire is how well the neighbors have prepared to meet disaster, Firewise and Fire Risk Reduction Communities also come in for a break. With insurance harder and more expensive to obtain, it's more essential than ever not to lose your home.

The California Department of Insurance is rolling out its Sustainable Insurance Strategy, an agreement it says could go into effect by the end of the year. The DOI cannot compel companies to do business anywhere, but if the current plan succeeds, insurance companies that have left the state might be enticed to start writing policies in wildfire-prone areas again. The plan is currently under review by the Office of Administrative Law.

Rural areas have been especially hard hit by insurance non-renewals. Mendocino County is one of 28 counties in the state that the Department of Insurance has designated a "distressed area," meaning that insurance companies have rated more than 20% of the properties at high or very high risk of wildfire. Top insurance companies like Allstate, State Farm and Farmers have at times stopped writing new policies in California. This leaves the FAIR Plan, originally intended as the insurance of last resort, as the only available option for many people. The FAIR plan is a high-risk pool that only covers basic fire protection

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for people who can't find another option. It is bare bones and usually more expensive than traditional insurance. Within Mendocino County, Laytonville's is one of the zip codes deemed especially distressed, with a FAIR Plan penetration rate of 15% or more.

Durriya Syed, an outreach analyst with the DOI, told attendees that the Commission requires transparency so that property owners can request that their insurers provide them with their fire risk score. This may help them get a clearer idea of what they need to do to mitigate against fire. Still, sometimes the decision about whether or not to insure a property is made by the reinsurance market, the entities that insure the insurance companies, which seems to mean that even the insurance companies cannot always be sure which policies they want to insure will be approved.

The DOI hopes that its Sustainable Insurance Strategy will bring about significant changes in how insurance is calculated. Currently California requires insurance companies to use historical data to determine risk. That means companies cannot use catastrophic modeling, which incorporates estimates predicting future risk based on expectations about the effects of climate change or the likelihood of wildfire in a particular area. The DOI wants insurers to commit to insuring more properties in high-risk areas, in exchange for being allowed to use catastrophic modeling, which the industry believes is more accurate. These models are the focus of a new strategy group chaired by Cal Poly Humboldt Dean of the College of Natural Resources Eric Riggs. The group plans to provide Insurance Commissioner Ricardo Lara with its recommendations about the catastrophic models in April 2025. The new strategy would also require insurance companies that use the models to take into account wildfire mitigation actions, like home hardening and defensible space. Companies that don't meet their obligations under the plan could be prevented from using catastrophic modeling in the future. The DOI believes its plan will improve the situation but does not expect it to be a quick fix.

In the meantime, homeowners complain that their insurance sometimes costs more than the mortgage; that increases can be substantial every year; and that they've been denied coverage in spite of all their best mitigation efforts. Annie Barber, of United Policyholders, advises rigorous documentation of all communications with insurance representatives. Follow up all conversations with an email, she urged. Make sure you have a record of your belongings. Develop a thorough understanding of the value that's placed on the loss of use if your home burns down. She encouraged renters to insure their belongings, in case they lose them in a disaster. A Tubbs fire survivor herself, Barber's research includes personal experience. She strongly advocated finding a local insurance broker who will be an aggressive ally in

finding the best deal — though the best deal may still be somewhat grim, in the midst of an insurance crisis.

The Mendocino County Fire Safe Council also recommends visiting both wildfireprepared.org for information about which steps the insurance industry recommends to protect your home; and the home hardening video series on its own www.firsafemendocino.org webpage. If you'd like to learn how to protect your home from wildfire, which could eventually earn you an insurance discount, you can schedule a free property assessment from the Mendocino County Fire Safe Council. You're encouraged to get your neighbors involved, so inspectors can assess a few homes in one day. This is a non-judgmental, non-binding, non-regulatory, risk-free educational experience where you can also learn about opportunities for free or reduced-cost defensible space work. For more information, call (707) 462-3662 or email admin@firesafemendocino.org.

For a full recording of the insurance forum at Harwood Hall, you can go to the Mendocino County Fire Safe Council's Facebook page.