

Liberty Mutual company Safeco drops condo coverage and renters insurance

Fox 2 KTVU

Another major insurance company is trimming its risk by refusing to sell more insurance to multifamily developments. The insurance commissioner promised a more stable and affordable market, but what we have right now are cross currents, contradictions, and chaos.

Safeco is a branch of Liberty Mutual and California's fourth-largest home insurance company. They filed papers with the California Department of Insurance stating that it would stop selling condo policies.

It comes just days after Farmers, the second-largest California insurer, said it will start selling condo policies and renter's policies again.

It also comes just days before the California insurance commissioner issues new insurer-friendly regulations.

"Under the reforms we're putting in place, insurance companies, in order to utilize these tools like modeling, they have to write more policies. That's the change, and we'll enforce that through our rate authority," said California Deputy Insurance Commissioner Michael Soller.

"That was a lie. His rules do not require that," said Consumer Watchdog Harvey Rosenfield, who wrote voter-passed Proposition 103, which kept insurance available and relatively affordable while California insurers profited for more than 30 years.

"Insurance companies say they want to sell insurance, but, do they really? Do they really want to do business?" asked Rosenfield.

In fact, while saying Liberty/Safeco remains committed to California, in "corporate speak," Liberty



justified its actions this way: “We are simplifying and focusing our product investments, targeting core lines of business while reducing our menu of product offerings.”

And, starting in 2026, the company says it will not sell or renew any rentals, condos, motorcycles, motor homes, travel trailers, antique autos and classic car policies. Anyone with a less-than-good driver rating will be dropped.

Amy Bach, executive director of consumer group United Policyholders, says this: “The Insurance Commissioner has given a lot of concessions to insurers.

They made their case to him. He’s given them the main items on their wish list, and now it’s time for them to step up and do their part and start writing again.”

As a rule, less competition generally leads to higher which, in insurance. Swapping one insurer for another does little to foster competition in a skyrocketing market sorely lacking in competition.