

## **New California regulations provide wildfire insurance discount in some cases**

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SACRAMENTO, Calif. – The California Department of Insurance has issued new regulations that require homeowners insurance companies to incorporate discounts into their rates for customers and communities that seriously reduce their wildfire risk. Enormous rate increases and massive cancellations have plagued consumers for the last four years.

Under California's new rules, insurance companies will have 180 days to calculate rates and discounts that rewards homeowners and businesses based on their actual risk. "You know, the fact that insurers didn't sue to block them is great news," said Amy Bach of consumer advocacy group United Policyholders. "To get as many people as possible involved in reducing wildfire risk which is sort kind of the real heart of the problem. Things have to be done and people have to be rewarded for doing them," said Bach.

Long time independent insurance broker David Shaffer, who sells policies from many insurance companies, says it's tougher than ever to get customers insurance at any price. "It hasn't gotten any easier. In fact, it's even more difficult today than it was three years ago to write home insurance," said Shaffer.

Nothing is guaranteed, even to agents, until the insurer assesses the home's wildfire risk, including questionnaires that want details never asked for before. "We need to ask you several pages of questions before the underwriter will even let us know where your home is located to insure it. And, I've talked to even my existing clients about doing work around their homes to mitigate the fire risk and, to my surprise, I get pushback," said Shaffer.

And, entire communities have to get on board to clean up vegetation and harden structures against fire. "One person can do all the work around the house, but if their neighbors aren't doing the same. I don't

see anything in the regulations that will force insurance companies to have to provide insurance for that one homeowner,” said Shaffer. “Get more hands on deck to solve a really complicated problem,” said Bach.

Another complication: wildfires put climate warming greenhouse gases into the atmosphere. A just released UCLA climate study found, California wildfires emitted so much carbon in 2020 alone, wiped out all the Golden State’s greenhouse gas reduction gains from 2003 to 2019; 16 years gone.