

[New insurance laws: Will they help homeowners?](#)

KTVU Fox 2

What we know:

As the struggle with cost, availability of policies with adequate coverage at a price that doesn't break homeowners' backs continues, there has been progress and movement, but insurers still maintain the upper hand.

Perhaps the most important change for homeowners is that the state will create its own wildfire catastrophe fire risk computer model to check against rates charged by insurers' own secret computer models.

"Right now, consumers have no window into why fire models charge them what they do or decide they're uninsurable," said Carmen Balber of Consumer Watchdog.

Why? Because insurers' models do not have to account for risk improvements made by homeowners or utilities. "We want to make sure that the models that they're using don't exaggerate risk, don't overstate risk and cause rates to be higher than they should," said Amy Bach of United Policyholders.

Another big change: two state legislators will sit on the board of the FAIR Plan, California's insurer of last resort.

"But, they're not allowed to vote and all of their proceedings are private. They will have no influence over any decision the FAIR Plan makes; for example, to not pay the smoke claims that fire survivors submit," said Consumer Watchdog's Balber.

"There's going to be a lot more accountability and a lot more transparency coming. By putting people in that room, we can be sure that they're actually going to follow what they're supposed to be doing," said

Karl Susman, a southern California insurance broker.

“I would like to see the consumer member of the board have a vote and to see the legislative member have a vote,” said United Policyholders Amy Bach.

More Changes

Another change: insurers must pay 60% of a homeowner’s personal property coverage limit even if they don’t have an inventory list of all their personal property and contents. “You’re gonna be able to get up to \$350,000, without having to itemize anything,” said insurance broker Susman.

Those with a provable list can get 100%. Another new rules extends wildfire cancellation and non-renewal moratoriums protections to businesses, not just homeowners in disaster zones. “Extending the non-renewal moratorium protections to businesses that are in the vicinity of where there’s been a disaster is really important,” said Ms. Bach.

The legislature has also created a fund to help individuals and communities do things to mitigate and reduce wildfire losses.

“Everybody from the insurance companies to homeowners agree, if we harden our homes, we make them less fire-prone, they’re less likely to burn down,” said Balber. “We need a lot more of this. I would love to see low interest loans available at large scale for people to be able to do things to harden their homes,” said Susman.

As yet, insurers have not agreed to provide discounts or coverage to those who harden their homes. Nor are they required to stop cancellations, non-renewals or even sell any policies at all.