

[New rule aims to help California homeowners dropped by insurance companies over wildfire risk](#)

Press Democrat

Rita Tanner noted that she did much of what state officials have asked of California homeowners to better fireproof their homes. She and her husband put on a new fire-resistant roof in January and have cleared the defensible space around their home along Calistoga Road in Santa Rosa.

But that wasn't enough.

She was informed by her insurance carrier a month ago that it was not going to renew the policy she has had for five years, even though she hasn't filed a claim. Tanner has not been able to find another company that would sign her up even as she worked with an insurance broker.

Her only option has been the state FAIR plan, which is the state's insurer of last resort. The new premium will cost about \$6,000 more than what she is currently paying, and she will also have to get supplemental coverage for circumstances such as theft and liability because the state plan covers only catastrophic losses.

"It's very frustrating," Tanner said told The Press Democrat. "We had Cal Fire come out even a couple of years ago, they went through the whole property and they gave us an A-plus (grade) on it."

Other Sonoma County residents are likely to find themselves in similar situations as carriers readjust their risk models and drop consumers, especially those who live in more rural areas like Tanner. That action comes as the county has now gone a full year past a moratorium imposed by state Insurance Commissioner Ricardo Lara, which had prevented carriers from dropping coverage of 164,516 Sonoma County homeowners who were affected by or living close to the 2020 Walbridge and Glass fires.

The state does little to track how many homeowners lose coverage specifically because of wildfire risk, but anecdotally those in the industry say the numbers forced into the FAIR plan are growing in Sonoma County.

“This has been going on for two-plus years,” said Vince Ginocchio, an insurance agent at Sadler and Co. in Santa Rosa, who said he has received hundreds of calls like Tanner’s over that time period.

FAIR plan policies are still a relatively small number locally, accounting for about 0.8% of all residential policies written in Sonoma County in 2020, according to Michael Soller, spokesman for the state Department of Insurance.

Statewide the number is less than 3% of the market, with the most affected area being along the fire-prone Sierra foothills.

There were 689 county residents who signed up for the FAIR plan in 2020, the last year such numbers are available, according to the department. Another 517 renewed their FAIR policies that year for an overall total of 1,206 homeowners. In 2015, there were a total of 164 FAIR plan policies in all of Sonoma County.

Against that backdrop, Lara last week unveiled new rules that require carriers to provide discounts to consumers and businesses who take steps to mitigate their wildfire risk. They also will have to consider actions taken by a local community to reduce such threats, such as clearing overgrowth of plants along a corridor. The regulations, which are expected to go into effect next month, also will give policyholders the right to obtain their wildfire risk score from their carrier and appeal a negative decision made by the company.

In a statement, Lara said the regulation “will help more Californians find insurance they can afford.”

Amy Bach, executive director of United Policyholders, a San Francisco-based consumer advocacy group, said an increase in FAIR plan numbers was expected after the moratorium expired. But Bach said she was encouraged that the new rules would help curb the nonrenewals.

“If we get through this season without a megafire ... the market will definitely loosen up,” Bach. “Right now, my guess is that insurers basically had their calendars set for when the moratorium expired.”

Soller said the department hopes to get a better understanding in the future on why companies issue nonrenewals. But it is also focusing on encouraging companies under the new rules to offer incentives for homeowners who take mitigation steps. “We’re expecting discounts now across the board from all companies,” he said. “This is the first (rule) of its kind anywhere in the country.”