

[New rules help CA homeowners with insurance](#)

ABC 7 News

SACRAMENTO, Calif. (KGO) — If a disaster strikes, is your home fully insured? New rules are now in effect to make sure you're covered. 7 On Your Side's Michael Finney explains.

You pay for insurance for years, hoping to never need it. Then, there's a disaster and that's when many find out they haven't bought enough insurance. "People, so often, after they have a large loss, find out they have less insurance than they thought they had or they come up against an exclusion that they had no idea was in their policy," Amy Bach with United Policyholders said.

To help homeowners from being underinsured, the California Department of Insurance has put in place new rules. Bach heads up United Policy holders and says insurance brokers and agents don't have to help you come up with an insurance figure, but if they do, those numbers must be based on reality.

"If your agent or broker gives you a number and says this is how much dwelling protection you need, how much insurance you need on your home, they can't just pull that number out of thin air. They actually have to do a calculation," she said.

The new rules say brokers and agents must be trained and the training needs to be ongoing. Now, the good brokers and agents are already doing much of this, however, the industry as whole is not thrilled with being held to the new standards.

"People that are selling you the insurance really don't want to be responsible for making that recommendation and if push comes to shove, and it turns out that they were wrong, then they are off the hook legally and you're left holding the bag thinking wait a minute. I relied on this person. What is the commission for?" Bach explained.

There is a lawsuit by the insurance companies to overturn the rules, but at this point, they are still in effect.