

Panel to tackle state fire insurance crisis Dec. 8

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California's insurance crisis and what can be done about it is the focus of a panel discussion set for Sunday, Dec. 8, from 2 to 4 p.m. at the Ojai Retreat & Inn, 160 Besant Road.

The wildfire insurance coverage panel, organized by the Ojai Valley Fire Safe Council, will feature representatives from the Institute of Business & Home Safety, United Policyholders, UCSB and OVFS.

"Obviously, the looming questions are why are we having this crisis and what can we do about it?" said Fire Safe Council Executive Director Christopher Danch. "What can be done as individual landowners and what can be done as a community to help solve the problem?"

In recent years, hundreds of thousands of homeowners have been dropped from their insurance policies, with companies citing the growing risk of wildfires, the high cost of rebuilding homes, and state regulations hurting their businesses.

Since 2017, the risk profile of wildfire has changed for insurance companies, who based rates on prior claims history, resulting in uncertainty on how to project risk, Danch told the Ojai Valley News.

Companies saw their reserves hit hard since catastrophic wildfires in 2017 and 2018, where insurers paid billions of dollars in claims, Danch said.

In addition, the cost to replace a home destroyed by wildfire has changed drastically in California, according to Danch. "Home-rebuilding costs have skyrocketed," he said. "Where homes cost \$100 a square foot to build, now they cost \$600 to rebuild, and that's very difficult for a company to deal with."

Goals of the panel discussion, according to Danch, are to "walk away with a better understanding of the

problem and approaches that we as individuals and as a community can undertake. The bad news for everybody is that I don't see any quick fix happening," he said.

Danch plans to ask the panel to comment on alternatives to the private, for-profit insurance system in place today. "Under our current system of private companies doing this, is this going to solve the problem? My own feeling is it's not," he said.

Along with Danch, the expert panel features:

- Mark Vaughn with the Insurance Institute of Business & Home Safety, who will address real-world wildfire-mitigation measures that the average homeowner can achieve.
- Andrew Plantinga, a professor of environmental science and management at UCSB, whose research has focused on the economics of land use, climate change and forests.
- Joel Laucher, a consumer advocate with United Policyholders, a nonprofit that helps insureds work through an array of insurance issues.

The panel will be moderated by Ojai Mayor-Elect Andy Gilman, who leads the nonprofit Agora Foundation.