

State addresses insurance issues

Big Bear Grizzly

Homeowners who have faced difficulty renewing home insurance policies can breathe a little easier for now. On Dec. 5, state insurance commissioner Ricardo Lara issued a mandatory one year moratorium on insurance companies not renewing policyholders, helping at least 800,000 homes in wildfire disaster areas in California. The commissioner's action is the result of Senate Bill 824, authored last year to give temporary relief from nonrenewals to residents living near a declared wildfire disaster.

This is the first time the department has invoked the new law, which took effect in January 2019.

Because the homeowner insurance crisis extends beyond the wildfire perimeters and affects residents statewide, Lara went a step further and called on insurance companies to voluntarily cease all nonrenewals related to wildfire risk statewide until Dec. 5, 2020. This comes in the wake of Governor Gavin Newsom's declaration of a statewide emergency because of fires and extreme weather conditions. A statewide moratorium provides all California homeowners, renters and businesses peace of mind, and allows time for stakeholders to come together to work on lasting solutions, help reduce wildfire risk and stabilize the insurance market.

"This wildfire insurance crisis has been years in the making, but it is an emergency we must deal with now if we are going to keep the California dream of home ownership from becoming the California nightmare," Lara said. "As communities across California continue to recover from wildfires and natural disasters, insurance companies are critical partners in helping our communities rise up," said Sonoma County supervisor James Gore. "The inability to obtain insurance after disaster strikes impacts home values and tax revenues for emergency services that help ensure the integrity of California communities."

The mandatory one year moratorium covers more than 800,000 residential policies in ZIP codes adjacent to recent wildfire disasters under the bill, also known as the Wildfire Safety and Recovery Act. While existing laws prevents nonrenewals for those who suffer a total loss, the new law established protection for those living adjacent to a declared wildfire emergency who did not suffer a total loss — recognizing for the first time in law the disruption that nonrenewals cause in communities following wildfire disasters. "Home insurance is not a luxury — it's a necessity," said Amy Bach, executive director of United



Policyholders. “Yet for hundreds of thousands of Californians it’s become almost impossible to find and afford. This puts people between a rock and a hard place, and communities up and down the state are hurting. At United Policyholders we are doing all we can to help consumers deal with this situation.” For more information, visit the California Department of Insurance website at www.insurance.gov or call the consumer hotline at 800-927-4357.

The information presented in this publication is for general informational purposes and is not a substitute for legal advice. If you have a specific legal issue or problem, United Policyholders recommends that you consult with an attorney. Guidance on hiring professional help can be found in the “Find Help” section of www.uphelp.org. United Policyholders does not sell insurance or certify, endorse or warrant any of the insurance products, vendors, or professionals identified on our website.

Source: <https://uphelp.org/state-addresses-insurance-issues/> Date: December 18, 2025