

[State bans insurers from dropping policies in fire areas](#)

Gold Country Media

Helping at least 800,000 homes in wildfire disaster areas in Northern and Southern California, Insurance Commissioner Ricardo Lara issued a mandatory one-year moratorium on insurance companies non-renewing policyholders Thursday. The action is the result of Senate Bill 824 in order to give temporary relief from non-renewals 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.

Lara called on insurance companies to voluntarily cease all non-renewals related to wildfire risk statewide until Dec. 5, 2020, in the wake of Governor Gavin Newsom's declaration of statewide emergency due to fires and extreme weather conditions.

"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, as an increasing number of homeowners struggle to find coverage," Lara said. "I am calling on insurance companies to push the pause button on issuing non-renewals for one year to give breathing room to communities and homeowners while they adapt and mitigate risks, give the Legislature time to work on additional lasting solutions, and allow California's insurance market to stabilize."

While existing law prevents non-renewals 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 non-renewals cause in communities following wildfire disasters.

"Home insurance is not a luxury — it's a necessity. 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," said Amy Bach, executive director of United Policyholders.

The bulletin includes seven of the 16 wildfires within state-declared emergency areas, and Cal Fire is working to identify perimeters for the remaining nine fires, which the Department of Insurance will

announce in a separate bulletin.

In August, the Department of Insurance released data revealing insurance companies are dropping an increasing number of residents in areas with high wildfire risk. The number of non-renewals rose by more than 10 percent last year in seven counties from San Diego to Sierra. The number of consumers covered by the Fair Plan — California’s insurer of last resort — has surged in areas with high wildfire risk.

According to the U.S. Forest Service, more than 3.6 million California households are located in the wildland urban interface where wildfires are most likely to occur.

No later than June 1 the Fair Plan will expand its coverage to offer a full homeowners policy in addition to its current limited fire-only policy. By April 1, the Fair Plan will increase the Dwelling Fire combined policy limit from \$1.5 million to \$3 million, in recognition of higher home values. By Feb. 1 the Fair Plan will offer a monthly payment plan without fees and allow people to pay by credit card or electronic funds transfer without fees.

The Department of Insurance’s website has a list of zip codes that are included in the moratorium, which covers the 16 wildfire disasters affected by Newsom’s emergency declarations: 46 Fire, Eagle, Easy, Getty, Glen Cove, Hill, Hillside, Kincade, Maria, Reche, Saddle Ridge, Sandalwood, Sky, Tick, Water, and Wolf fires

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