

State Farm, Allstate not accepting new homeowner policies over California wildfire risk

NBC Bay Area

Insurance companies like State Farm and now Allstate are not accepting new homeowner policies due to California's wildfire risk.

There will be no change to existing policy holders, but it will be tough for people looking for new coverage.

An industry expert said the changes did not happen overnight. The damage from wildfires in recent years throughout the state has forced insurance companies to rethink and lobby for raising existing premiums, with the worst yet to come.

"I think Californians do need to buckle their seatbelts," United Policyholders Executive Director Amy Bach said. "I think we are going to be seeing some higher, even higher home insurance rates, but I think to a certain degree it's unavoidable with the current circumstances."

"2017, we had the North Bay fires, Tubbs and Atlas fires. 2018, we had the Thomas Fire, we had the Woolsey Fire and then we had the Camp Fire up in Paradise. It was like the hits kept coming over the last few years and steadily many of the brand name insurers have stopped selling new policies," Bach continued.

Bach provided the following tips: choose an agent who is well versed in your different options, make your home as risk-averse as possible, particularly to wildfire, and explore resources, including FAIR, which is state-sponsored bare bones home insurance.

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Source: <https://uphelp.org/state-farm-allstate-not-accepting-new-homeowner-policies-over-california-wildfire-risk/> Date:

November 23, 2024