

State Farm not renewing 30K homeowners insurances in CA, including in high fire risk areas

ABC 7 News

The state's largest home insurer says a new wave of non-renewals is about to hit parts of the Bay Area hard, including wildfire-devastated zip codes in the North Bay.

"It's frustrating because we did everything we were asked to do and beyond and it cost us a lot of money," said Lisa Frazee.

Santa Rosa homeowner Lisa Frazee knows the slogan, "Like a good neighbor, State Farm is there," but she doesn't believe it.

"It feels like State Farm broke their promise," Frazee added.

Lisa lost her family home in the 2017 Tubbs wildfire, it would take years to rebuild.

"It's not for insurance purposes, I don't want my home to burn again, didn't want to go through all that," said Frazee.

So they rebuilt, exceeding fire safe standards with defensible space and more.

"This is fireproof paint on here, we put up metal beams, not wood," said Frazee.

Inside, She says about 80% of the walls are made of concrete.

"They're basically as close to fireproof as you can get," and Frazee.

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She says, during the build, State Farm gave its approval but on Monday – came an email her homeowners policy was not being renewed.

“They basically said, sorry, State Farm made a blanket decision because of your location, you’re out,” Frazee added.

Starting this summer, up to 30,000 California policy holders may be dropped by the state’s largest insurer, including zip codes in high-risk fire areas.

“We were told in the beginning as long as we didn’t drop them during rebuild, they would carry us,” Frazee added.

Lisa says she never got that agreement in writing. And the chances of an appeal on the non-renewal are slim.

“It’s frustrating State Farm wont even come to the table and talk to us,” said Frazee.

In a statement, the company said,

“State Farm General takes seriously our responsibility to maintain adequate claims-paying capacity for our customers and to comply with applicable financial solvency laws. It is necessary to take these actions now.”

Nonprofit insurance advocates says they’re being flooded with calls from homeowners facing non-renewals looking for advice about next steps.

“In the big picture, we recommend people connect with a broker who has access to more policies and companies,” said Annie Barbour from United Policyholders.

Meantime, Lisa is searching for another carrier to insure her new home.