

[The Observer: Moratorium issued on wildfire insurance cancellations](#)

The Ukiah Daily Journal

Really good news regarding insurance companies cancelling homeowner policies in areas devastated by wildfires.

California Insurance Commissioner Ricardo Lara on Thursday, Dec. 5, issued a mandatory one-year moratorium on insurance companies non-renewing policyholders — helping at least 800,000 homes in wildfire disaster areas in California.

Lara's action is the result of Senate Bill 824 — ironically, authored last year by Lara while serving as state senator — 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 last January. The California Insurance Commissioner has been an elected office position in California since 1991. Prior to that time, the Insurance Commissioner was appointed by the Governor.

Because the homeowner insurance crisis extends beyond the wildfire perimeters and impacts residents statewide, Lara went a step further and called on insurance companies to voluntarily cease all non-renewals related to wildfire risk statewide until December 5, 2020, in the wake of Governor Gavin Newsom's declaration of statewide emergency due to fires and extreme weather conditions. The Commissioner said a statewide moratorium would allow time 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, as an increasing number of homeowners struggle to find coverage," Lara explained. "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."

The mandatory one-year moratorium covers more than 800,000 residential policies in ZIP Codes adjacent

to recent wildfire disasters. 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. “At United Policyholders we are doing all we can to help consumers deal with this situation and we thank Commissioner Lara for authoring the moratorium bill and agreeing to take further action with a statewide voluntary moratorium.”

Following Newsom’s emergency declarations in October, the Department of Insurance partnered with CAL-FIRE and the Governor’s Office of Emergency Services to identify wildfire perimeters and adjacent ZIP codes within the mandatory moratorium area. Today’s 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 were dropping an increasing number of residents 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 (“WUI”) where wildfires are most likely to occur.

A Tale Of Two Counties’ Pot Enforcement

A reader sent me a web link to a Modesto Bee story about how Stanislaus County in California’s Central Valley hopes to discourage illicit marijuana cultivation by imposing a \$1,000-a-day fine per illegal plant. According to the Bee, the Board of Supervisors approved amendments to the county’s marijuana ordinance last month creating a new administrative citation process. The fines take effect on Dec. 19 but do not apply to the six pot plants allowed under state law.

Under the county’s plan, an illegal 3,000-plant operation that didn’t remove all its illicit plants in a day could face a \$3 million fine. The Stanislaus sheriff’s department hopes the hefty fines will do more to dissuade illegal growers than the current threat of state misdemeanor fines.

According to the code amendments, the \$1,000-per-day fine will be assessed between the time a citation is issued and the growers remove the plants from the site.

For a 3,000-plant operation, the fines could literally amount to more than \$90 million over a 30-day period. Failure to remove 3,000 plants in a day could result in a \$3 million fine, or \$9 million if the plants are not removed in the required three-day abatement period.

“This is going to put some teeth in what we are trying to accomplish,” Stanislaus County Board Chairman Terry Withrow said.

The Sheriff’s Department targeted numerous cultivation sites in the past year, but charges were misdemeanors under state law and officials believe that is not enough to dissuade black market growers. Sheriff Jeff Dirkse noted that deputies shut down a west Modesto illegal grow with thousands of plants in April and returned to the same property in September, finding 3,000 plants.

“For us to use the search warrant process takes many manhours and there is not a lot of teeth behind it,” Dirkse said. “We hope that with the administrative process, we will be able to abate more illegal grows) more efficiently and effectively.”

The Stanislaus get tough policy stands in stark contrast to Mendocino County Sheriff Tom Allman’s hands-off dictum on unlicensed grows.

Allman recently announced a non-intervention policy that in effect nullifies Mendocino County’s pot ordinance. Responding to a “60 Minutes” interviewer’s question about why law enforcement doesn’t arrest unlicensed growers whose product is presumably pipelined to the black market, Allman explained that “If I took someone in front of a jury for growing 1,000 plants illegally —no permits, no anything— I am telling you there is no way in hell I’m gonna get a conviction on cultivation of marijuana. Marijuana on its face is part of our social fabric. But if that same grower was stealing water and using pesticides and rodenticides and taking water from the river, that jury’s going to hang them.”

Needless to say, these are two entirely different approaches to administration of local pot regulatory frameworks. I prefer Allman’s approach because it will quicken the death of a fatally flawed pot ordinance that has resulted in creating total chaos in licensing marijuana cultivation and the destabilization of economies in unincorporated areas where 75 percent of the population lives and works.

The only criticism I’m aware of regarding Allman’s policy is from some of the less than the 10 percent of growers who have applied for permits and already paid fees, in some instances ranging from \$50,000 upwards.

As one North County cultivator put it, “Why didn’t the Sheriff tell us he wasn’t going to do this raid and arrest unlicensed growers) before I spent \$15,000 that is not refundable. Is anybody going to fix that?” Jim Shields is the Mendocino County Observer’s editor and publisher, and is also the long-time district manager of the Laytonville County Water District. Listen to his radio program “This and That” every Saturday at 12 noon on KPFN 105.1 FM, also streamed live: <http://www.kpfn.org>)