This woman’s insurer ended her policy after a wildfire, but a law still protected her.

Insurance News Net

Hanne Rickers had been expecting the letter, but it was still awful to see it. The stuffy language of an insurance company belied the real consequences of the two-page notice:

“Your property does not meet our wildfire eligibility guidelines,” Grange Insurance Association wrote to her on April 26. “We will not renew this policy when it expires.”

Switching homeowners policies after a wildfire can leave Californians paying two to three times more money for equivalent coverage — and, despite state interventions, some insurers are pulling back from writing policies in fire-prone areas. Rickers is currently paying about $906 a year to safeguard her cherished blue house in Shasta Valley; she’d gotten a previous quote saying that if she switched policies, she’d have to pay almost $3,000.

She knew exactly how much she stood to lose because this wasn’t the first time Grange had tried to drop her. In 2021, they’d sent a similar letter shortly before a June 24 lightning strike on the slopes of nearby Mount Shasta ignited the Lava Fire, which burned 26,000 acres in just over two months.. When she got that 2021 notice, she said, “I was freaking out.”

But after the governor declared a state of emergency over the fire on July 16, she was temporarily protected by a 2018 law that stops insurers from dropping homeowners in wildfire areas for one year after an official state of emergency declaration. She breathed a sigh of relief. She had one year’s respite.

Then, like clockwork, she got the letter this May telling her that she’d be uninsured as of July 27, just 11 days after the yearlong moratorium expires.

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Source: https://uphelp.org/this-womans-insurer-ended-her-policy-after-a-wildfire-but-a-law-still-protected-her/ Date: September 11, 2026

Rickers wrote to The Bee on May 21 asking what homeowners should do. “Luckily, I am able to pay the higher premium,” said Rickers, who is retired. But, she said, “It’s a lot of people in California that have no fire insurance. … I really feel for a lot of folks.”

Unbeknownst to Rickers or, apparently, her insurer, her home remains protected by the law. The Bee inquired about Rickers’ situation with a Department of Insurance official, who revealed that someone in her position probably should not have gotten the notice of nonrenewal in the first place.

The law, passed as Senate Bill 824, doesn’t just prevent insurers from canceling or not renewing a policy during the year after a state of emergency declaration but also prevents companies from giving notice of the end of a policy. Since insurers are required to give 75 days’ notice to policyholders, the protections really extend a year and 75 days from the emergency date.

Insurers’ misunderstanding of the 2018 law could affect hundreds of California ZIP codes that were faced with fire. While the law won’t protect homeowners forever, it could buy some people more time if they received a nonrenewal notice in error.

And this reporter’s probe suggested that Rickers is not the only Californian to receive an improper early notice. When The Bee described the Department of Insurance’s position — that no notice could be given during the yearlong period — an industry leader said, “I don’t think that’s true.”

Mark Sektnan, a vice president at the trade organization American Property Casualty Insurance Association, had interpreted the law differently. Sektnan, who serves as liaison for the organization’s state government relations in California, said, “I don’t recall that there’s any prohibition against communicating during the moratorium.”

The Bee shared with Sektan the Department of Insurance bulletin stating that for a year after the state of emergency in certain ZIP codes, “no admitted or non-admitted insurer shall issue a notice of cancellation or nonrenewal, for any policies of residential property insurance due to wildfire risk.”

“So the way you’re reading that is,” Sektnan said, “there can be no communication during that, in essence, blackout period?”

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That is, indeed, how the Department of Insurance intended the regulations to be understood. Deputy Insurance Commissioner for Communications and Press Relations Michael Soller confirmed the reading.

After her first conversation with The Bee, Rickers began speaking with the Department of Insurance about investigating her case. Like Sektnan, she wasn't aware of the regulations' effect on notices.

"Insurance is confusing," Soller said. "We urge people to contact us."

Think you received a nonrenewal notice in error?

The Department of Insurance provides clear information on its website explaining which ZIP codes are protected by moratoriums, and when those moratoriums end. Consumers can report insurers they believe unfairly canceled or declined to renew their policy to the state by calling 800-927-4357 or visiting insurance.ca.gov.

Expensive options await when insurance does end

Although it's likely that Grange will be obligated to extend Rickers' coverage for another year given that her policy expires within 75 days of the end of the moratorium, she anticipates that the company will cut ties with her eventually; she wrote to The Bee to ask what homeowners should do when that happens.

Some insurers may step in to cover these homes.

"Just because a policy is not renewed by insurer number one doesn't mean that there isn't coverage out there with other companies," Sektnan said. "Now, it could cost more because it can more accurately reflect the risk of that individual property than the initial policy did." The industry representative said that the higher costs "reflect the risk of writing property insurance in a state like California, with climate change and wildfire danger that we've seen over the last several years."

Deputy Insurance Commissioner Soller said it's not all bad news for consumers. He told The Bee in a statement that the latest data shows that nonrenewals have dropped 10%. Additionally, he said, the FAIR Plan — the state-mandated safety net program that provides bare-bones fire insurance — has increased its maximum payouts for homeowners from $1.5 million to $3 million under Insurance Commissioner Ricardo Lara. And, as The Sacramento Bee reported last year, some of California's largest insurance

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companies have returned to wildfire-risk areas.

But these improvements in the market aren't enough to help everyone, leaving them with options such as a more costly insurer that takes on higher-risk clients or, as a last resort, a FAIR Plan policy.

State law requires companies that sell property insurance in California to participate in the FAIR Plan, with larger companies covering a larger percentage of clients' losses. But the coverage, said Kevin Hoppin, a partner at the Woodland-based insurance agency Wraith, Scarlett & Randolph, is both expensive and "very watered-down." The policies only cover wildfire losses. To get coverage equivalent to a typical plan, consumers have to buy additional insurance from another carrier.

Rickers found that out last year. When she applied to the FAIR Plan, the quote was nearly $1,900 a year, and she would have had to pay almost $3,000 total to maintain her level of coverage.

Efforts to bring down fire insurance premiums

State officials recognize homeowners' struggles and have made efforts to ease their burden. The 2018 moratorium law, which was sponsored by Lara when he was a state senator, saves consumers from having to deal with losing their insurance right after a traumatizing fire; it potentially staves off insurers' post-catastrophe panic as well.

Lara also spearheaded a program called "Safer from Wildfires" that leads communities in fire-prone areas to proactively reduce risk in an effort to lure insurers back. Unfinalized state regulations would force insurers to incentivize homeowners for reducing fire risk. The Department of Insurance has also tried to make the FAIR Plan provide better coverage, but the orders have stalled in an ongoing lawsuit brought by insurance companies.

None of these solutions is final.

That said, the regulations — which may be finalized this summer — would help many consumers in fire-prone areas save money on premiums. And they're already making an impact. Deputy Insurance Commissioner Soller told The Bee that so far, "17 insurance companies representing 40% of the insurance marketplace have answered Commissioner Lara's call to offer wildfire mitigation discounts, up

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from just 7% of the market when he took office three years ago."

And consumers may be able to negotiate for a renewal with their plans if they institute precautionary measures, such as clearing brush and installing sprinkler systems. Some communities have formal inspections or certifications through local fire departments or Fire Safe Councils — these inspections or certifications can help homeowners in talks with their carrier.

Still, Amy Bach, the executive director of the insurance consumer advocacy nonprofit United Policyholders, told The Bee that between sophisticated risk-prediction technologies and the rapidly worsening effects of human-induced climate change, insurers are panicking.

Initially, Bach said, insurers dropping Californians in areas at risk of wildfires "was a small-scale problem." But then with a series of disasters — including the 2017 Thomas fire in Ventura and Santa Barbara Counties, the 2018 Woolsey Fire in Los Angeles and Ventura Counties, and the 2018 Camp Fire in Butte County that killed 85 people and destroyed virtually the entire town of Paradise — "what was an isolated problem in the Sierra Foothills communities ballooned into a statewide problem."

Hoppin, the insurance agent, said that previously, insurance underwriters would "zoom in on a property and say, 'OK, what's their defensible space? Keeping their brush down around their property, what are the chances of wildfire happening at that specific location?' … Now, it's like, they're going out to some 10-, 15-, 20-mile radius in Google Earth and just doing a big circle around an area and saying, 'We don't want anything in that area anymore.'"

Out in Shasta Valley, Rickers has apparently landed in one of those circles and is on the brink of losing her property insurance. Her manufactured home sits on five acres, on a road that was evacuated for a week during the 2021 Lava Fire. But she loves the place, surrounded by mountains. "I call it a worthless piece of land," she said, "but it is priceless."

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