

What to do if your California homeowners insurance company drops you

Press Democrat

As more and more insurance companies quit doing business in California, many local residents are facing sky-high premiums or even the daunting task of finding new home insurance.

Here's some advice from experts on getting property insurance and keeping costs down.

Organizations like United Policyholders and the Department of Insurance have tips and resources to help homeowners shop for coverage and challenge nonrenewal.

The Department of Insurance experts can answer questions, including about nonrenewal notices via phone at 800-927-4357 or online chat at insurance.ca.gov. The department maintains public data on wildfire and insurance and a database of home insurers on its website.

Before settling for the California FAIR Plan, make sure to exhaust all other options, experts say. The California Department of Insurance maintains a contact list of all residential insurance providers in the state. For those who are forced into the state's last resort insurance, continue to shop around every few months since carrier calculations and policy offerings change.

In terms of bringing down prices, raising a policy deductible can lower the premium. It's additionally worth thinking twice before filing small claims since that could lead to higher premium costs.

It's also important to take advantage of new rules that require insurance companies to offer discounts to policyholders who take steps to reduce wildfire risk on their properties. Don't hesitate to ask questions or ask about cost-saving opportunities. When people apply for a policy and before renewal or nonrenewal, insurers are also newly required to provide an explanation of the company's wildfire risk score for the home in question, a score that customers can improve on or appeal.

The California Department of Insurance and CAL FIRE provides guidance on wildfire resilience steps that can help protect properties and lead to insurance savings: bit.ly/3MxG5ai.

For those considering foregoing insurance altogether, note that mortgage insurers will place a coverage to protect their loan amount and will bill the property owner for that. For homeowners who own their houses outright, experts caution to weigh the decision to carry no insurance carefully given that even if a fire is unlikely, it could mean financial ruin if it does happen. In some cases, it may make more sense to sell and move.