



# How to Survive the Home Insurance Crisis: *Keeping Your Home Protected When Options Are Limited*

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# About United Policyholders

- Founded in 1991 in CA, operating nationwide
- A non-profit source of info and advocacy
- Expertise in insurance (buying, claims, legal)
- Supported by donors, grants and volunteers
- A respected voice for consumers in courts, legislatures and public policy forums
- A trusted source for the media
  - [www.uphelp.org/media](http://www.uphelp.org/media)

# Our Three Programs

- **Roadmap to Recovery™**
  - *Helping people and businesses solve insurance problems that can arise after disasters.*
- **Roadmap to Preparedness**
  - *Helping people and businesses be disaster prepared and shop wisely for insurance to protect their assets*
- **Advocacy and Action**
  - *Representing the interests of policyholder in courts of law, legislative and other public policy forums, and in the media.*

# Be Prepared Not Scared:

- Buy the right kind and amount of insurance [“Insure to value” and “know your stuff”]
- **Inventory your assets**
- Scan important documents and store offsite
- Take steps to “harden” your home and create defensible space
  - Install attic vent screens
  - Clear bush/debris
  - Install fire retardant materials on home and property
  - [www.uphelp.org/wrap](http://www.uphelp.org/wrap)

# Home insurance for many Californians has become very hard to find and expensive

- Homeowners are being non-renewed/dropped by insurance companies they've been with for years
- Name brand insurers are not an option in many cases, unknown brands are ok if financially strong
- UP is working with partners to fix the problem and providing shopping help on the limited available options
- Coverage through the CA Fair Plan is available

# How is UP helping?

- Education
  - Webinars, publications, social media, presentations w/partners (CDI, CalFire, OES, Community Associations)
- Advocacy (State and National)
  - Pushing for insurers to support and reward risk reduction
  - Legislation

# United Policyholders' **Wildfire Risk Reduction and Asset Protection ("WRAP")** initiative aims to improve the conditions underlying the crisis

- 1) A coalition of FSCs, Firefighters, stakeholders working **to set standards for risk reduction** that insurers will accept and reward
- 2) Incentivize homeowners to pro-actively reduce wildfire risk by making it easier for them keep their homes insured.
- 3) Restore home ins. availability and affordability in WUI areas or strengthen CFP so it's a better option

For more information,  
visit: [www.uphelp.org/WRAP](http://www.uphelp.org/WRAP)

# Restoring affordable/available home insurance requires a statewide wildfire risk reduction program & CFP/insurer engagement.

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HOME ABOUT MEDIA RECOVERY HELP GET PREPARED ADVOCACY EVENTS SUPPORT UP

MEDIA

UP IN THE NEWS UPDATES BACH TALK eNEWS PRINT NEWS SURVEY RESULTS STUDIES & REPORTS

SHARE PRINT PDF

Advocacy Blog Roadmap to Preparedness

## WRAP UP: The Wildfire Risk Reduction and Asset Protection Project

SEPTEMBER 17, 2019

If you make improvements to your home so it is less likely to be seriously damaged or destroyed in a wildfire, it's only fair that your insurance costs should reflect that reduced risk...or at the very least, you should be able to find and keep affordable home insurance.

But as things stand now, there are no official wildfire risk reduction programs or laws in wildfire-prone states to make that happen, and insurers are fighting legislative efforts in California to enact them. There are insurance mitigation support and premium discount laws in place in a number of

United Policyholders @UPHelp · 16 Mar  
How an Earthquake in Japan Helped Shape California's Plan for the Next Tsunami:  
<https://storymaps.arcgis.com/stories/d2>

United Policyholders @UPHelp · 16 Mar  
U.S. Supreme Court Urged to Overturn Eleventh Circuit Decision Limiting COVID-19 Property and Business Insurance Claims <https://shar.es/aolYGA>

United Policyholders @UPHelp · 8 Mar  
Colorado Wildfire Survivors: this resource is for you. #colorado #coloradowildfires

DORA Colorado @DORAColorado  
If you're experiencing difficulties with your insurance claims resulting from the 2020 wildfires, contact the Div of Insurance- 303-804-7400 / 800-820-3745 /



***Dropped/Non-renewed:*** Your insurance company no longer wants to insure your home when the current contract expires.

***Difference in Conditions*** (“DIC”) An insurance product that fills gaps in CA Fair Plan policies.

***Admitted/Non-Admitted:*** Two kinds of insurers. Fully or Lightly regulated. Many unfamiliar home insurers are Non-Admitted.

***CA Guarantee Ass’n (CIGA):*** Pays claims of admitted insurers that run out of money.

# Your rights if you are “dropped”

- Your insurer must give you at least **75** days notice before your policy expires.
  - If you live in a wildfire adjacent zip code your insurer must renew you for **one year** when it comes up for renewal after the fire
  - If your home was *damaged* by a wildfire your insurer must renew you **for two years**
- If your insurer gives you the legally required amount of notice and isn't discriminating against you, they are free to drop you.

# Limits on insurers ability to drop

Total losses: Can't drop for 24 months

CA Ins. Code 675.1(a)

Homes in and adjacent to zip codes where  
state of emergency has been declared:  
Can't drop for 12 months

CA Ins. Code 675.1(b)(1) and (2)

# You may be in an area where non renewals are temporarily limited

- Vacaville
- Guerneville
- Bonny Doon/Santa Cruz
- Point Reyes
- Napa
- Sonoma/Healdsburg
- Monterey
- Big Sur

[Insurers Overview](#) / [Insurers](#) / [Bulletins & Notices](#) / [Bulletins, Notices and Commissioners Opinions](#) / [Bulletins](#)

## Bulletins

Bulletins are published in Portable Document Format (PDF) or in Microsoft Excel, or Microsoft Word formats. The Excel documents may be downloaded to your computer. To view the PDF forms in your browser, you must have a current Acrobat Reader. Free Acrobat, Excel and Word document readers can be downloaded from our [Free Document Readers](#) page.

[2021](#) | [2020](#) | [2019](#) | [2018](#) | [2017](#) | [2016-2014](#) | [2013-2011](#) | [2010-2008](#) | [2007-2005](#) | [2004-2002](#) | [2001-1997](#) | [1996-1995](#) | [1994-1980](#)

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### 2021

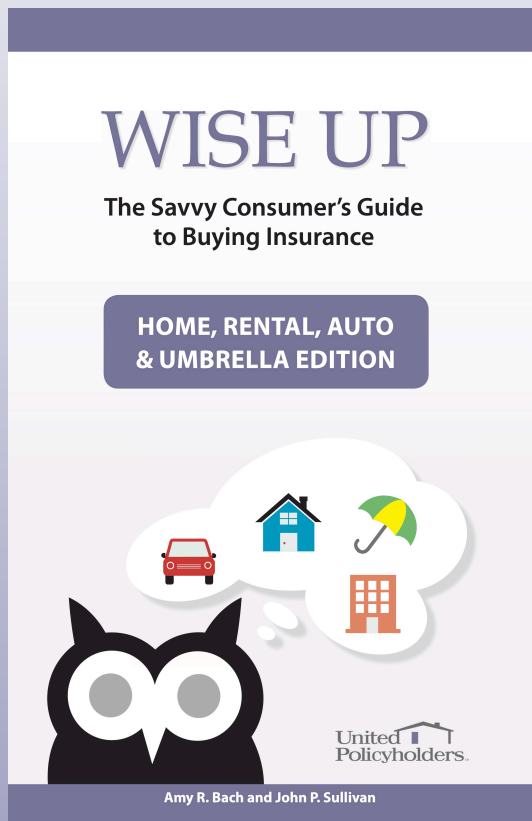
- [Bulletin 2021-03 - Premium Refunds, Credits, and Reductions in Response to COVID-19 Pandemic](#)
- [Bulletin 2021-02: Principle-Based Reserving - Long-Term Care Annual Aggregate Assessment](#)
- [Bulletin 2021-01: Principle-Based Reserving - Life Annual Aggregate Assessment](#)

### 2020

- [Bulletin 2020-13: Mandatory Moratorium on Cancellations and Non-Renewals of Policies of Residential Property Insurance After the Declaration of a State of Emergency](#)
- [Bulletin 2020-12: Mandatory Moratorium on Cancellations and Non-Renewals of Policies of Residential Property Insurance After the Declaration of a State of Emergency](#)
- [Bulletin 2020-11: Mandatory Moratorium on Cancellations and Non-Renewals of Policies of Residential Property Insurance After the Declaration of a State of Emergency](#)
- [Bulletin 2020-10: Filing Procedures for Compliance with the Provisions of the Terrorism Risk Insurance Program Reauthorization Act of 2019](#)
- [Bulletin 2020-9: Clarification of California Law on Derivatives](#)

**CDI Bulletins with adjacent zip codes can be found at [insurance.ca.gov](https://insurance.ca.gov)**

# Shopping help from UP: [www.uphelp.org/dropped](http://www.uphelp.org/dropped)



## Dropped by your home Insurer?

### Steps to take

For more information, see [uphelp.org/droppedCA](http://uphelp.org/droppedCA)

#### Act Promptly

Read the non-renewal notice and try to find out why you're being non-renewed. Note: In California, the notice must be sent to you 75 days before the policy expires.

STEP

01

#### Know Your Rights & Get Help

If you believe that you are being non-renewed in violation of the law, file a complaint with the California Department of Insurance. They need to know what's going on. [www.insurance.ca.gov](http://www.insurance.ca.gov)

#### Shop Around

Depending on who you talk to, you may have other insurance options. An independent agent will usually sell multiple companies and if yours is non-renewing you, they may be able to place you with another. [www.uphelp.org/matchUP](http://www.uphelp.org/matchUP)

STEP

02

#### Compare Prices & Coverage

When shopping around, be sure that whatever you end up with provides you with the same or better coverage than you had before. Check if you are underinsured. [www.uphelp.org/checkup](http://www.uphelp.org/checkup)

#### Last Resort

The California FAIR Plan offers basic fire protection if you can't find a "regular" company to insure you. "Regular" insurers will write you a "difference in conditions" policy to plug in the gaps in the FAIR Plan policy. [www.uphelp.org/CFP](http://www.uphelp.org/CFP)

STEP

03

STEP

04

STEP

05

United Policyholders.  
Roadmap to Preparedness Program

# Shopping Help:

- Independent agent/broker
- MatchUP Insurance Finder:  
[www.uphelp.org/MatchUP](http://www.uphelp.org/MatchUP)
- CA Dept. of Insurance website  
[www.insurance.ca.gov](http://www.insurance.ca.gov)

# UP Agent/Broker Volunteers

Consumer-oriented agent/broker advisors keep UP informed on the CA home insurance market

## SoCal

Karl Susman – [Karl@susmaninsurance.com](mailto:Karl@susmaninsurance.com)

## NorCal

Phillip Irwin – [phil@cfpnet.com](mailto:phil@cfpnet.com)

David Shaffer – [David@davidshaffer.com](mailto:David@davidshaffer.com)

Brian Trouette – [Brian@Trouette.com](mailto:Brian@Trouette.com)

# Please complete our short survey

If you were dropped by your home insurer in recent years, we want to hear from you.

[www.uphelp.org/CAsurvey](http://www.uphelp.org/CAsurvey)



Info from brokers participating in “Match UP”  
[www.uphelp.org/matchup](http://www.uphelp.org/matchup)

- **Atain** 3M max coverages combined
- **Guard** (Berkshire Hathaway) will take high value homes w/100ft of defensible space. Pricey
- **BigFoot** (Non admitted) getting pickier.
- **Lloyds** and **Scottsdale** are still writing.
- **State Farm** is picking up new customers
- **Lexington** will write under certain conditions (150-200ft brush clearance, road width, etc)
- **Heritage** An option, conservative on ITV and pricey

- **Foremost** – Owned by Farmers, small
- **Stillwater** – random areas of approval in the Santa Clarita valley when everyone else declines
- **Travelers** – Now writing house by house (maybe)
- **American Modern** – Unlikely
- **Pacific Specialty** – very hit or miss. Seems they have closed many zip codes down

If you go w/a non-admitted, are they financially strong?

[www.consumers.ambest.com](http://www.consumers.ambest.com)

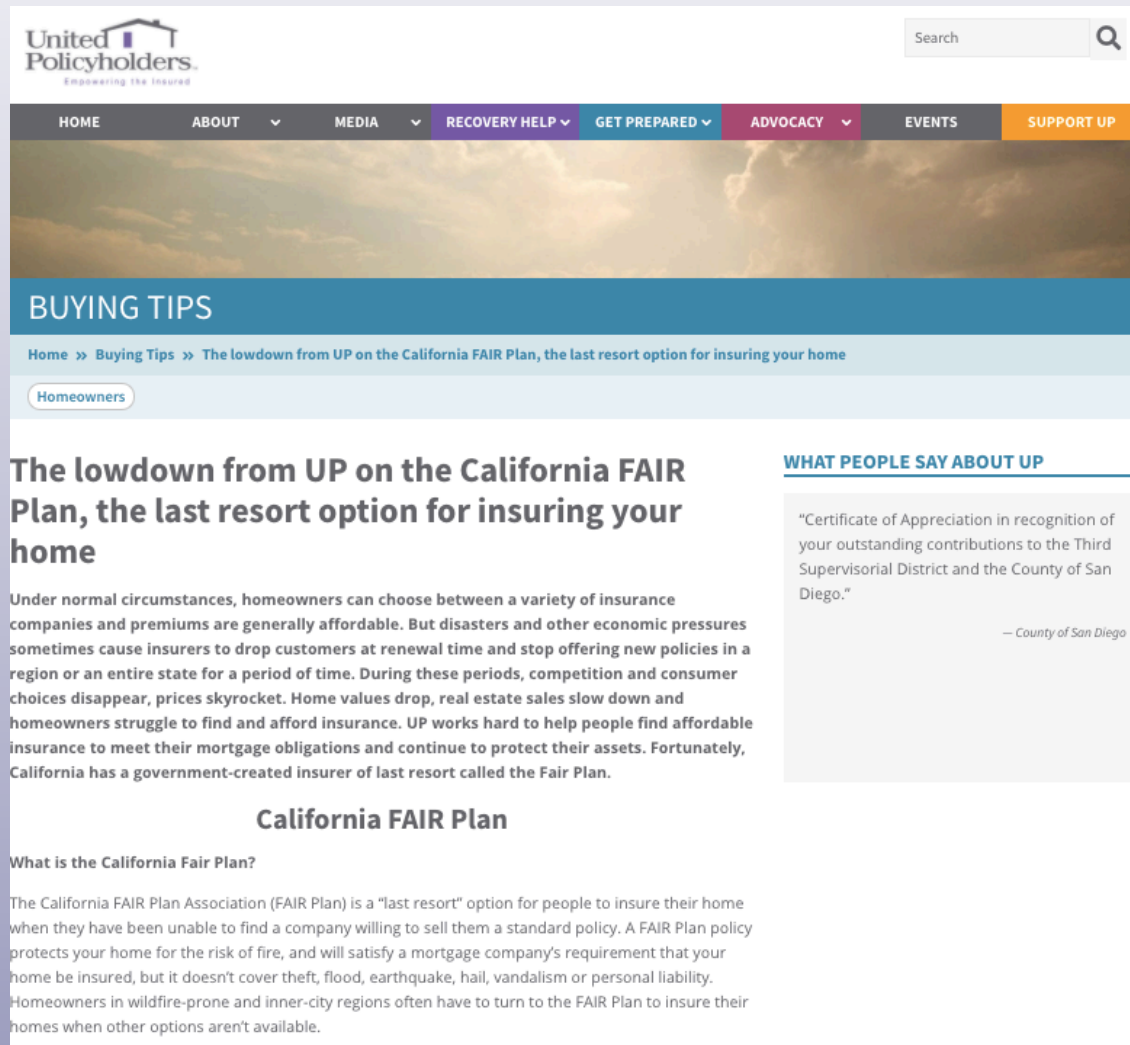
Register (free), Search

OR, call 1(800) 424-2378 M-F 8:30-4:30 EST

Check the LESLI list (ask your broker to check)

# CA FAIR PLAN – Insurer of last resort

## www.uphelp.org/CFP



The screenshot shows the United Policyholders website. The header includes the logo and a search bar. The navigation menu has links for HOME, ABOUT, MEDIA, RECOVERY HELP, GET PREPARED, ADVOCACY, EVENTS, and SUPPORT UP. The main content area features a banner for 'BUYING TIPS' with a breadcrumb trail: Home » Buying Tips » The lowdown from UP on the California FAIR Plan, the last resort option for insuring your home. A 'Homeowners' filter is visible. The article title is 'The lowdown from UP on the California FAIR Plan, the last resort option for insuring your home'. The text explains that under normal circumstances, homeowners can choose between various insurance companies, but during economic pressures, insurers may drop customers, leading to a shortage of policies and skyrocketing prices. UP works to help people find affordable insurance to meet their mortgage obligations. California has a government-created insurer of last resort called the Fair Plan. A quote from the County of San Diego praises UP's contributions. The section 'WHAT PEOPLE SAY ABOUT UP' contains the quote. Below the article is a section titled 'California FAIR Plan' with a sub-section 'What is the California Fair Plan?' which explains that the FAIR Plan is a 'last resort' option for people unable to find a standard policy, covering fire risk and satisfying mortgage requirements, but not theft, flood, earthquake, hail, vandalism, or personal liability. Homeowners in wildfire-prone and inner-city regions often turn to the FAIR Plan when other options are unavailable.

United Policyholders  
Empowering the Insured

Search

HOME ABOUT MEDIA RECOVERY HELP GET PREPARED ADVOCACY EVENTS SUPPORT UP

## BUYING TIPS

Home » Buying Tips » The lowdown from UP on the California FAIR Plan, the last resort option for insuring your home

Homeowners

### The lowdown from UP on the California FAIR Plan, the last resort option for insuring your home

Under normal circumstances, homeowners can choose between a variety of insurance companies and premiums are generally affordable. But disasters and other economic pressures sometimes cause insurers to drop customers at renewal time and stop offering new policies in a region or an entire state for a period of time. During these periods, competition and consumer choices disappear, prices skyrocket. Home values drop, real estate sales slow down and homeowners struggle to find and afford insurance. UP works hard to help people find affordable insurance to meet their mortgage obligations and continue to protect their assets. Fortunately, California has a government-created insurer of last resort called the Fair Plan.

#### California FAIR Plan

##### What is the California Fair Plan?

The California FAIR Plan Association (FAIR Plan) is a "last resort" option for people to insure their home when they have been unable to find a company willing to sell them a standard policy. A FAIR Plan policy protects your home for the risk of fire, and will satisfy a mortgage company's requirement that your home be insured, but it doesn't cover theft, flood, earthquake, hail, vandalism or personal liability. Homeowners in wildfire-prone and inner-city regions often have to turn to the FAIR Plan to insure their homes when other options aren't available.

#### WHAT PEOPLE SAY ABOUT UP

"Certificate of Appreciation in recognition of your outstanding contributions to the Third Supervisorial District and the County of San Diego."

— County of San Diego

Karl Susman  
Susman Insurance Agency

No matter which insurer  
you end up with...

Your Dwelling “Coverage A” limit should be enough to replace your home with one similar size and features.

Ask local builders what the psf cost of new construction is, multiply that by the amount of your living space. (2000 sq foot home X \$400 psf would require \$800,000 Coverage A limit)

# Aim to insure your assets to their replacement cost value

- 15 minutes isn't enough time to calculate a home's replacement cost but that is common
- Nobody knows your home better than you
- 2/3 of US homes are underinsured
  - Agents focus on making the sale
  - Consumers focus on price
- Most people never know b/c total losses are rare
- Oral promises by insurance reps that you're fully covered are useless if you can't prove them later. Ask for email confirmation
- Basic policies exclude many risks and cap specific items. Add-ons are often a bargain

# What matters:

- Replacement coverage over ACV
- Extended replacement coverage
- Building Code Upgrade coverage
- Adequate structure and ALE limits
- Extra for art, jewelry, business property, guns
- Know what's excluded/limited: Flood, EQ, Mold, Earth Movement
- Debris removal/demolition
- Deductible



# Home Insurance Check UP

## *Questions to ask an ins. agent*

- Will this policy cover the **cost of rebuilding** my home to its pre-loss condition?
- What causes of loss are **not covered**?
- Will my insurance cover the cost to upgrade electrical, plumbing and other **building codes upgrades** if I have to make repairs or rebuild my home?
- For how long will my **temporary rent and related expenses** be covered while my home is being repaired or rebuilt after a loss?
- What items are subject to **limits or exclusions** and for which of these limits or exclusions should I consider adding coverage?
- What are my options for insuring my **home-based business** property and operations?
- What **discounts** do you offer and how do I qualify for them?
- How much can I save if I increase my **deductible**? Flat or %?



# Common sub-limits and caps



# Do you want the “BIG ONE” (EQ) covered?

- Do the math
- Check your individual risk (temblor.net)
- Can you afford to retrofit
- Up to 20% off premiums if you do
- Apply for EQ BRACE + BOLT program
- Check often (down from 2k+)

The screenshot displays a 'Homeowners Choice' policy configuration interface. At the top, it shows a home icon, the title 'Homeowners Choice', and a question mark icon. Below this, it lists 'ZIP Code: 94114' and 'Effective Policy Start: 2020'. On the right side, there is a semi-circular progress indicator and the text 'Estimated Monthly Premium: \$140.25' and 'Annual Premium: \$1683.00'. A link for 'EN ESPAÑOL' is visible. The main content area consists of several sections, each with a question and a slider or radio button control:

- SELECT YOUR DWELLING DEDUCTIBLE:** A slider ranging from 25% to 5%, with a value of 10% selected.
- WOULD YOU LIKE TO INCREASE YOUR BUILDING CODE UPGRADE COVERAGE?:** A slider ranging from \$10K to \$30K, with a value of \$20,000 selected.
- WOULD YOU LIKE TO ADD MASONRY VENEER COVERAGE?:** Radio buttons for 'NO' (selected) and 'YES'.
- HOW MUCH PERSONAL PROPERTY COVERAGE WOULD YOU LIKE?:** A slider ranging from NONE to \$200K, with a value of \$75,000 selected.
- WOULD YOU LIKE A SEPARATE PERSONAL PROPERTY DEDUCTIBLE?:** A slider ranging from NO to 5%, with a value of 10% selected.
- WOULD YOU LIKE TO ADD COVERAGE FOR BREAKABLE ITEMS?:** Radio buttons for 'NO' (selected) and 'YES'.
- HOW MUCH LOSS-OF-USE COVERAGE WOULD YOU LIKE?:** A slider ranging from NONE to \$100K, with a value of \$15,000 selected.

# Tips to save money:

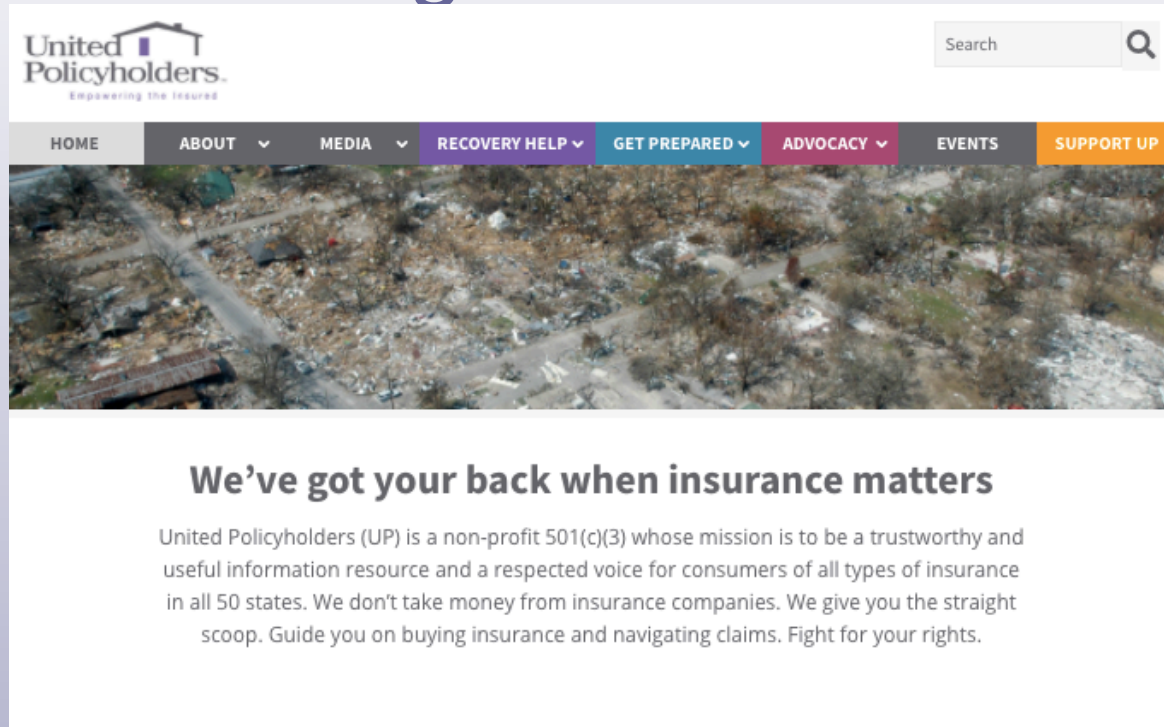
- Raise your deductible
  - While shopping ask for a quote with different levels of deductible: \$1,000, \$2,500, \$5,000
  - A higher deductible will reduce your premium and you will be less likely to file a small claim
- Don't pay for more coverage than you need. (Contents, Other Structures)
- Shop patiently



# Bundling has pros and cons

- If your home insurance is with an admitted company that also insures cars, see if there is a discount for moving your cars over.
- Is a captive agent finding you the best option or just offering you all they have to keep your business? Ask an independent broker for a second opinion on your home and auto before you bundle.

# Put in the time to research, coverage is available



The screenshot shows the top portion of the United Policyholders website. At the top left is the logo for United Policyholders, featuring a house icon and the tagline "Empowering the Insured". To the right is a search bar with a magnifying glass icon. Below the logo and search bar is a horizontal navigation menu with several items: HOME, ABOUT (with a dropdown arrow), MEDIA (with a dropdown arrow), RECOVERY HELP (with a dropdown arrow), GET PREPARED (with a dropdown arrow), ADVOCACY (with a dropdown arrow), EVENTS, and SUPPORT UP. Below the navigation menu is a large aerial photograph of a disaster-stricken area, showing extensive debris and damaged structures. Underneath the photograph, the text reads: "We've got your back when insurance matters". Below this headline is a paragraph of text: "United Policyholders (UP) is a non-profit 501(c)(3) whose mission is to be a trustworthy and useful information resource and a respected voice for consumers of all types of insurance in all 50 states. We don't take money from insurance companies. We give you the straight scoop. Guide you on buying insurance and navigating claims. Fight for your rights."

United Policyholders

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