United Policyholders™
Roadmap to Preparedness Program

How to Shop When You've Been Dropped (buying home insurance in crisis conditions)

United Policyholders
April 19, 2022

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About United Policyholders (UP)

- A 501(c)3 national not-for-profit organization with a Platinum Guidestar rating
- 30 year track-record of excellence and expertise in disaster recovery
- A trusted information resource and respected voice for insurance consumers in all 50 states
- Not for profit…not for sale
- Funded by donations and grants

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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.*

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Expert panel

Amy Bach: Consumer Advocate and UP Co-Founder, SF, CA

Tony Cignarale, Deputy Commissioner, CA DOI, LA, CA

Phil Irwin, Insurance Agent, El Dorado Hills, CA /CFP Rep.

Ruth Stroup, Insurance Agent, Oakland, CA

John E. Wheatley, Insurance Agent, Santa Rosa, CA

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Home insurance in brush/rural/WUI areas has become hard to find and expensive

- Homeowners are being non-renewed/dropped by insurance companies they've been with for decades.
- Name brand insurers may not be an option, coverage through a "non-admitted"/"surplus lines co is available but has risks.
- Coverage through the CA Fair Plan is available.
- You can pair a Difference in Conditions policy to fill CFP gaps.
- The Insurance Commissioner, UP and many others are working to fix the problem and provide shopping help on the limited available options.
- Some insurers are starting to reward individuals in communities that are actively working to reduce wildfire risk.

Despite limited options and high prices, be prepared, not scared:

- Aim to insure your home for its replacement value, compare deductible options
- Shop diligently, ask good questions, take good notes
- Include building code compliance
- **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

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Learn the Lingo

Dropped/Nonrenewed: Your insurance company no longer wants to insure your home when the current contract expires (usually a one year term).

Cancelled: Your insurance company can cancel your insurance if you do not pay your insurance bills or lie to them about the condition of your home.

Difference in Conditions ("DIC") Insurance that can fill gaps in a CA Fair Plan policy.

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

CA Guarantee Assn. (CIGA): Pays claims of admitted insurers that run out of money.

Protection Class: 10 categories insurers use to evaluate your city/town. Considers fire department, water supply, alarm/communication systems.

Risk Score: A number assigned to your home's wildfire risk level by a modeling system produced by a private company, generally not an insurer.

Where can you turn for help?

- Local, independent agent/broker
- Local captive agent
- MatchUP Insurance Finder: www.uphelp.org/MatchUP
- CA Dept. of Insurance website www.insurance.ca.gov
- The California Fair Plan www.cfpnet.com

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Did your insurer give you *less than* 75 days notice?

- 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 or destroyed* 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.

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Did your insurer disregard an applicable non-renewal moratorium?

Total losses (disaster only): 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)

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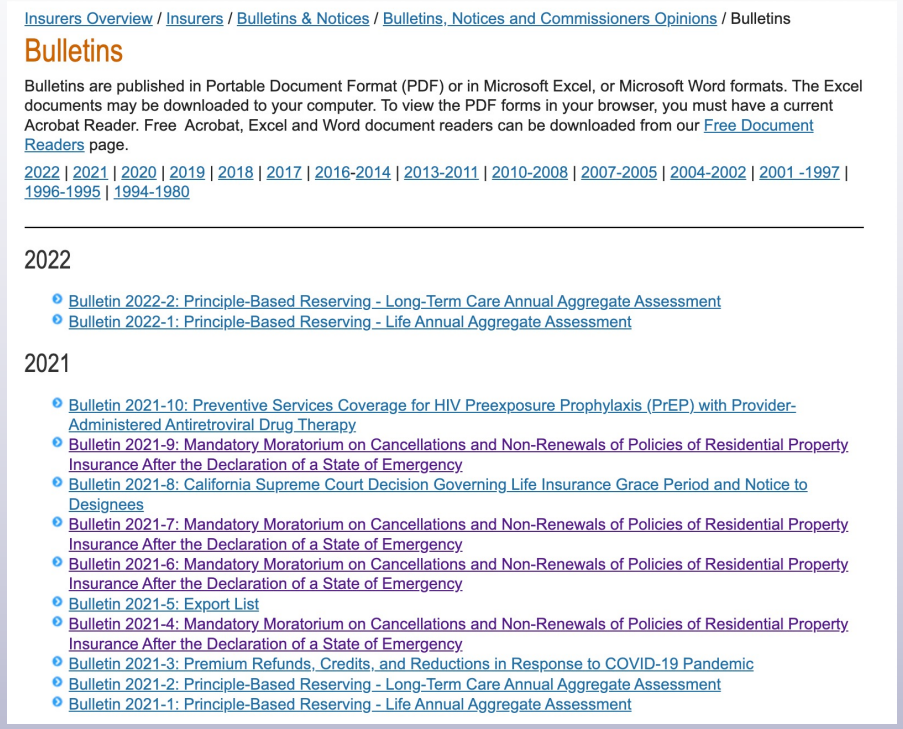
You may be in an area where a non renewal moratorium is in effect

- Alpine
- Amador
- Butte
- El Dorado
- Kern
- Lake County
- Lassen
- Mendocino
- Nevada
- Placer
- Plumas
- Shasta
- Siskiyou
- Tehama
- Trinity
- Tulare
- Tuolumne



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.

2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016-2014 | 2013-2011 | 2010-2008 | 2007-2005 | 2004-2002 | 2001 -1997 | 1996-1995 | 1994-1980

2022

- Bulletin 2022-2: Principle-Based Reserving - Long-Term Care Annual Aggregate Assessment
- Bulletin 2022-1: Principle-Based Reserving - Life Annual Aggregate Assessment

2021

- Bulletin 2021-10: Preventive Services Coverage for HIV Preexposure Prophylaxis (PrEP) with Provider-Administered Antiretroviral Drug Therapy
- Bulletin 2021-9: Mandatory Moratorium on Cancellations and Non-Renewals of Policies of Residential Property Insurance After the Declaration of a State of Emergency
- Bulletin 2021-8: California Supreme Court Decision Governing Life Insurance Grace Period and Notice to Designees
- Bulletin 2021-7: Mandatory Moratorium on Cancellations and Non-Renewals of Policies of Residential Property Insurance After the Declaration of a State of Emergency
- Bulletin 2021-6: Mandatory Moratorium on Cancellations and Non-Renewals of Policies of Residential Property Insurance After the Declaration of a State of Emergency
- Bulletin 2021-5: Export List
- Bulletin 2021-4: Mandatory Moratorium on Cancellations and Non-Renewals of Policies of Residential Property Insurance After the Declaration of a State of Emergency
- Bulletin 2021-3: Premium Refunds, Credits, and Reductions in Response to COVID-19 Pandemic
- Bulletin 2021-2: Principle-Based Reserving - Long-Term Care Annual Aggregate Assessment
- Bulletin 2021-1: Principle-Based Reserving - Life Annual Aggregate Assessment

CDI Bulletins with adjacent zip codes can be found at insurance.ca.gov

4 Bulletins issued for July – October 2021 wildfires still in effect

Start shopping ASAP

And try not to take it personally…

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Why did you get non-renewed?

- Open or past claim?
- Was there a stated reason?
- Were you given the chance to mitigate and get reconsideration?
- Property condition issues (inspection revealed…)
- Carrier leaving state
- Risk Score
  - Fuels, Access, Slope

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Panel questions:

How can I find out what my home's risk score is?

Is there anything I can do to improve my home's risk score?

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What data are insurers accessing?

- Risk models/scoring tools (FireLine, CoreLogic, Zesty…)
- Aerial/drone footage
- CLUE database (your claims w/ any insurer)

Access your CLUE report:

- Call 866-897-8126 to request your CLUE report by phone
- Email LexisNexis: documents@lexisnexisrisk.com
- Mail a request form to: LexisNexis Risk Solutions Consumer Center, P.O. Box 105018, Atlanta, GA 30348-5108

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How UP is helping:

- Shopping tools, annual webinars like this one, links, partners, and publications that help homeowners find insurance options
- Ongoing data collection through our ongoing California Home Insurance Survey
- UP's **Wildfire Risk Reduction and Asset Protection Project** **www.uphelp.org/wrap** Advocacy for statewide mitigation standards, financial assistance, inspection and certification programs
- Work at the state and federal levels to advance mitigation and insurance support/reward programs across the country

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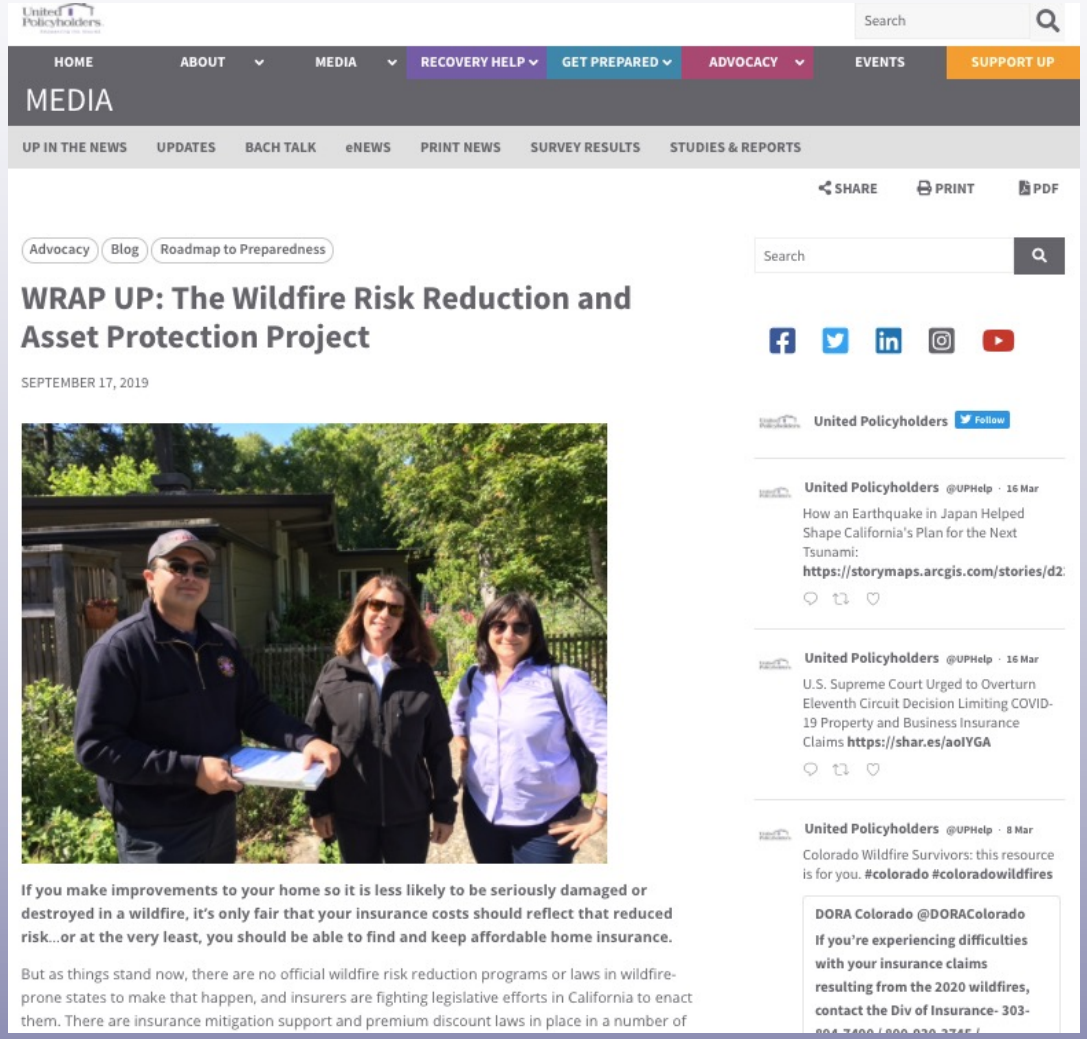
When insurers incentivize and reward individual and community wildfire risk reduction, we all win



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www.uphelp.org

California Home Insurance Survey

www.uphelp.org/CAhomeSurvey

If you were dropped by your home insurer in recent years, or your rates have gone up (or not) we want to hear from you.

This survey is being conducted by the insurance consumer nonprofit United Policyholders***. We are collecting data on California home insurance costs and availability***. The data collected will help households and communities find good insurance options in order to be prepared for and rebound after disasters. Thank you for your participation.

California Department of Insurance

RICARDO LARA
Insurance Commissioner

Search

Need help with insurance? Call us.
Call 800-927-4357 (HELP)
Se Habla Español

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Consumers / Types of Insurance / Home/Residential Insurance

Home/Residential Insurance

Shop Around

Whether you are interested in purchasing, reviewing or replacing homeowners, renters, condominium or mobile home insurance, it is important to shop and compare insurance products just like you would when shopping for any other important consumer purchase. Since residential insurance often protects your largest financial investment, plan on spending some time to conduct a search of the insurance marketplace.

The California Department of Insurance (CDI) provides several information guides, tips and tools to help you understand home/residential insurance so that you can make the best decision for your situation. If you do not find the information you need, we invite you to call our Consumer Hotline for assistance. Our dedicated insurance experts are available to assist you.

Top Ten Tips for Finding Residential Insurance	Residential Insurance Company Contact List	Compare Premiums
Homeowners Coverage Comparison Tool	Find an Agent or Broker	List of Carriers Offering DIC Policies
Consumer Complaint Study	Insurance Company Profiles	Residential Informational Guides

What If I Can't Find Insurance?

Translate this page with Google Translate

- Consumers
- File a Complaint
- Check License Status
- Types of Insurance
  - Automobile
  - Homeowner/Residential
  - Life And Annuity
  - Long-Term Care
  - Medicare Supplement
  - Pet
  - TNC Ridesharing
  - Workers' Compensation
  - Compare Premiums
  - Information Guides
- Health Insurance Information
- Company and Agent/Broker Information
- Laws & Regulations
- Virtual Viewing Room
- Dealing with Catastrophes
- Administrative Hearings and Public Programs
- Cannabis and Insurance

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Help resources from the CA Dept. of Insurance

Insurance Finder Tool:

https://interactive.web.insurance.ca.gov/apex_extprd/f?p=400:50

Chart of insurers offering discounts/rewards:

https://www.insurance.ca.gov/01-consumers/105-type/95-guides/03-res/Insurers-Currently-Offering-Discounts.cfm

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How CDI is helping:

- Enforcing the 75 date required notice
- Issuing moratorium notices, enforcing
- Disapproving excessive insurer rate increase requests
- Dialoguing with insurers on a regular basis
- Working to improve CFP options

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How agents/brokers are helping:

- Assisting and educating consumers
- Keeping United Policyholders informed
- Actively seeking reliable, non-standard, non-admitted insurer options
- Better understanding CFP and DIC options

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Current snapshot from UP volunteer agent/brokers:

Admitted/licensed/CIGA

State Farm

CA Fair Plan

Farmers

Foremost – Owned by Farmers

Stillwater – random areas of approval

Travelers – Zip code selective

American Modern – Selective

Pacific Specialty – very hit or miss. Seems they have closed many zip codes down

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Non-admitted/Surplus/Specialty

Atain - 3M max coverages combined. 10% ERC, pricey

Guard - (Berkshire Hathaway) will take high value homes w/100ft of defensible space. Pricey

BigFoot - getting pickier. Broker/MGA

Lloyds -

Scottsdale -

Lexington - will write under certain conditions (150-200ft brush clearance, road width, etc) 30% wildfire deductible

Heritage - An option, conservative on ITV and pricey

Acceptance Casualty/Occidental -

KW Specialty -

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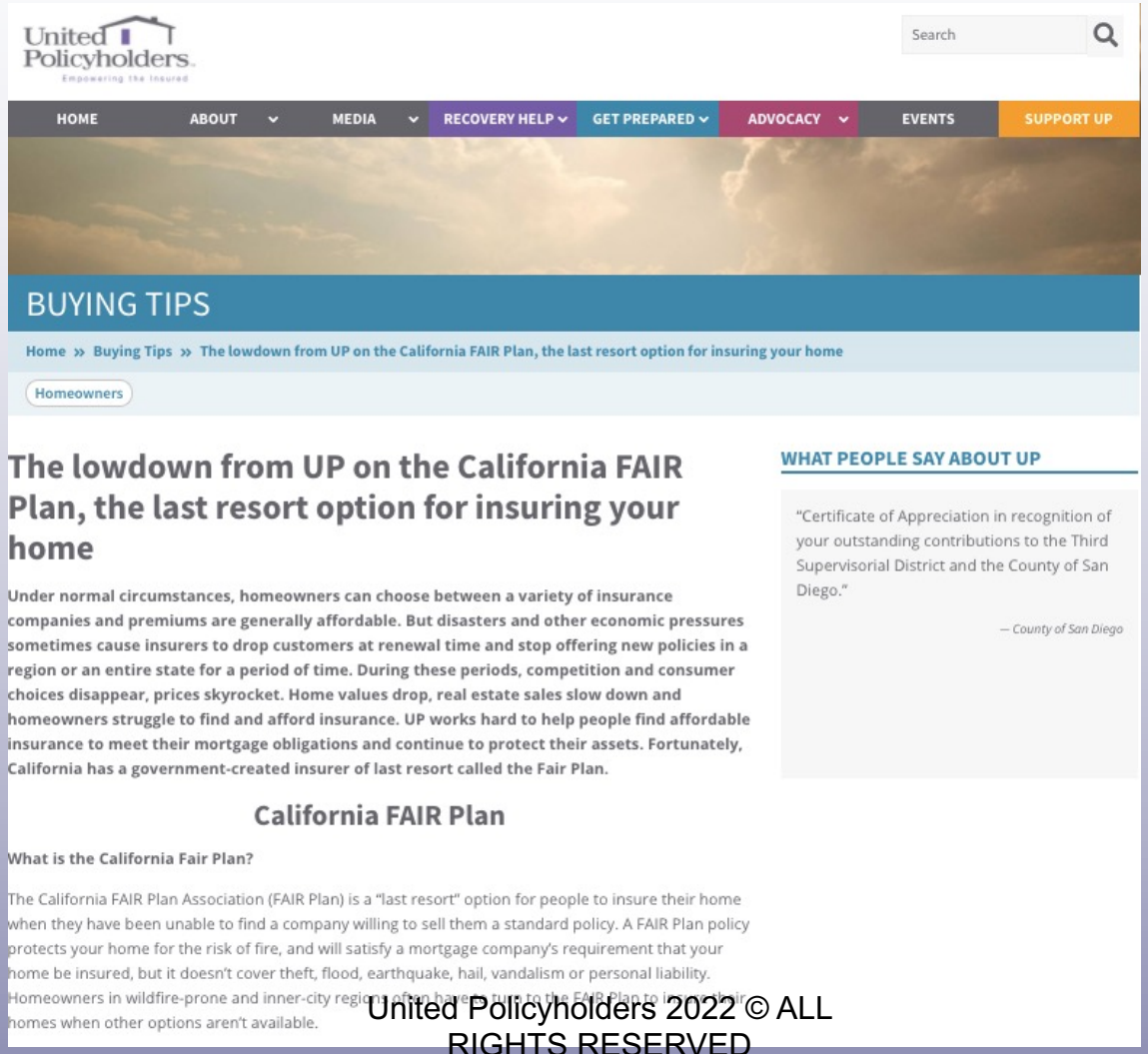
CA FAIR PLAN – Insurer of last resort

www.uphelp.org/CFP



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About the FAIR Plan

The FAIR Plan writes **basic property insurance**, including fire coverage, for homeowners who cannot obtain it from a traditional insurance carrier.

The FAIR Plan is often a temporary **safety net** for homeowners, established to ensure **all homeowners have access** to fire insurance when other insurers won't provide it.

The FAIR Plan is a **private association comprised of all insurers licensed to write property insurance in California**. the FAIR Plan is overseen by a Governing Board that includes the California Insurance Commissioner and insurance company executives.

How does the FAIR Plan work?

The FAIR Plan will **insure any home in California**, if:

- It's in insurable condition
- It has not been vacant for more than a year
- No illegal activities take place at the property

The FAIR Plan will cover a property **regardless of its wildfire exposure**.

The FAIR Plan is required by law to issue policies with **actuarially sound rates sufficient enough to cover risk exposure** and anticipated losses.

New Enhancements from The FAIR Plan

Following the passage of Senate Bill 11 last year, the FAIR Plan began offering a **farm policy product** for farmers and vintners, filling a critical gap in the insurance marketplace.

The FAIR Plan is **increasing commercial coverage limits** effective May 1, to $8.4 million for commercial property.

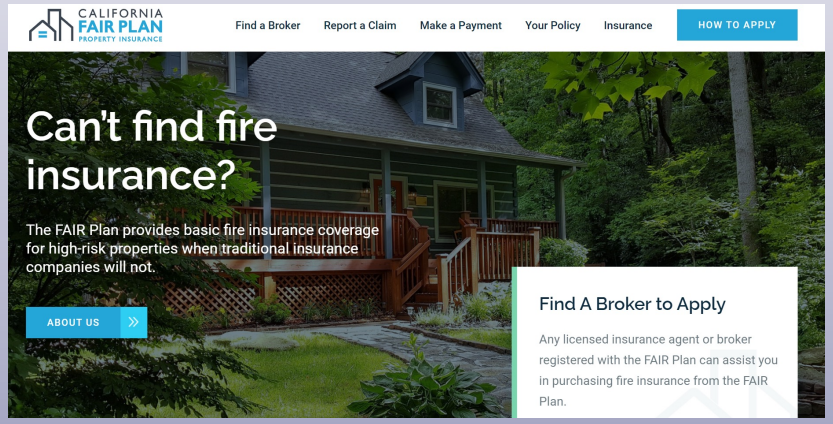
CALIFORNIA FAIR PLAN PROPERTY INSURANCE

Getting Covered by the FAIR Plan

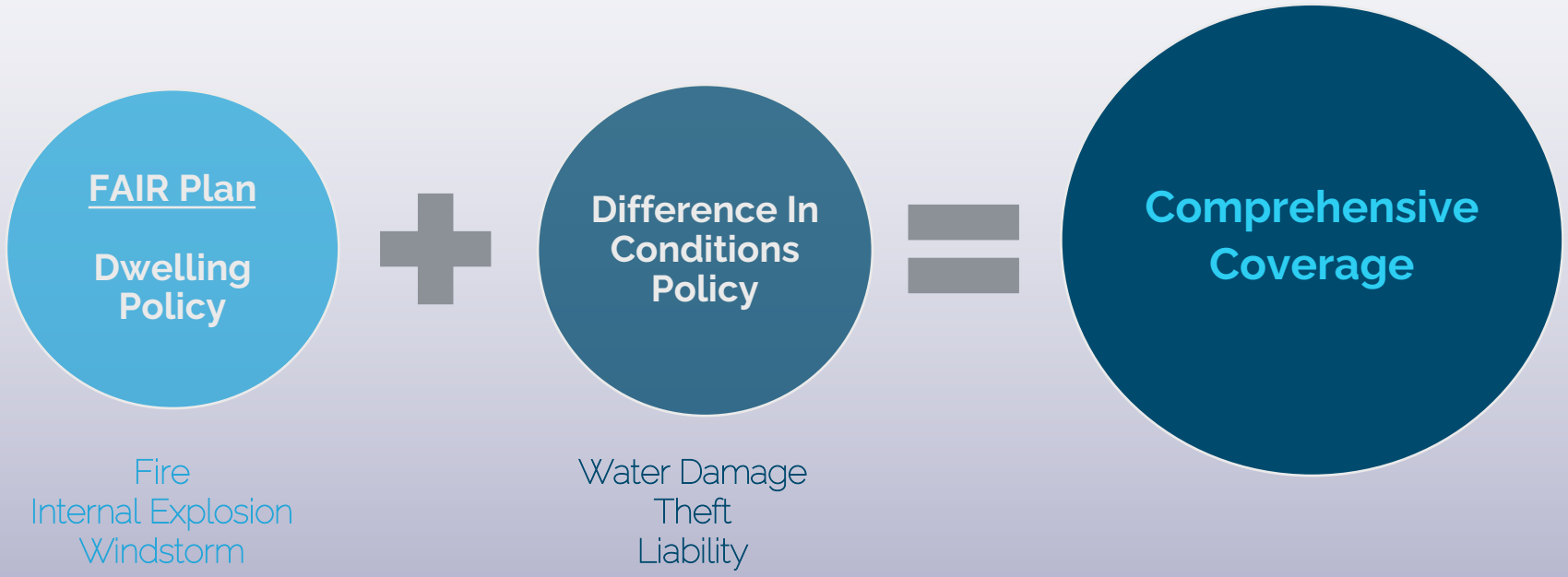
Shop around for a policy through a traditional insurance carrier before purchasing a policy through the FAIR Plan.

Check out the California Department of Insurance's website (insurance.ca.gov) to find insurers that write Difference-in-Conditions policies and other property insurers that may cover your home.

Contact your existing insurance agent/broker for support in getting FAIR Plan coverage, or use the FAIR Plan's Find a Broker tool on our website (cfpnet.com)



FAIR Plan Can be Part of Comprehensive Coverage



CA Fair Plan Add-On Options

- Extended coverage for windstorm or hail, explosion, riot, vehicles
- Vandalism
- Add **Replacement Cost Coverage**
- **Contents:** you have to specifically add extended coverage and/or vandalism for contents
- Optional increase of **Fair Rental Value** (up to 20%)
- Optional Increase **Code Upgrade Coverage** (up to 10%)
- Optional - add 5% for **Debris Removal** coverage
- Optional increase of **Other Structures** coverage

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DIC / Supplemental Policy

- What's covered?
- What's excluded?
- Is it a Replacement Cost or Actual Cash Value Policy?
- Go over scenarios
- Get a few quotes on DIC policies, compare what is covered
- Bundled discount?

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Panel questions:

How can a consumer tell if an agent is up to speed on current or new options?

Is it ever safe to insure through a non-admitted/surplus lines co. or a brand you've never hear of?

How can a consumer tell if an agent/broker is looking out for their best interests or just wanting to earn a commission?

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How can a consumer tell if a non-admitted/surplus lines company is financially strong?

consumers.ambest.com

Register (free), Search

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

Panel question: What is the LASLI list @ www.insurance.ca.gov and can I use it when shopping?

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Panel questions:

When or how can bundling benefit a homeowner?

How can a consumer tell if the Fair Plan really is the only or best option?

How can a consumer tell if an agent is recommending Fair Plan just so they can keep the business/sell a D.I.C.?

Agent qualifications

- Integrity
- Access to markets
- Active in the market (pro active)

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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.

(Example: 2,000 sq foot home X $400 psf would require $800,000 Coverage A limit)

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What matters:

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

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Common sub-limits and caps

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Panel questions:

For a household on a budget, is it better to adjust your Coverage A limit upwards or buy an extended replacement coverage rider?

Same question as to building code upgrade coverage?

Which of the optional riders are most cost effective in terms of most coverage for least $

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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 %?
- ❑ Does this policy contain a ***wildfire deductible?***

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Tips to save money:

- Seek out a ***pro-active*** insurance agent/broker
- Do as much mitigation as you can
- 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 and diligently

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Unusual options only to be considered due to current circumstances

- ACV only (senior with a paid-for home)
  - Homes w/high appreciation
  - No way homeowner would want to rebuild
- Reduced PP coverage
- Reduced LOU coverage

Question for panel: What if homeowner has a reverse mortgage?

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Panel question:

Are there any other tips you have for consumers shopping for home insurance in the current marketplace?

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UP Agent/Broker Volunteers

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

SoCal

Karl Susman – Karl@susmaninsurance.com

NorCal

Phillip Irwin – pirwin@cfpnet.com, CFP Public Relations Representative

Ruth Stroup – ruth@stroupins.com

John Wheatley - JWheatley@redwoodcu.org

Shirley Brown - shirley.brown@davidshaffer.com

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PLEASE take our survey!

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United Policyholders
Empowering the Insured

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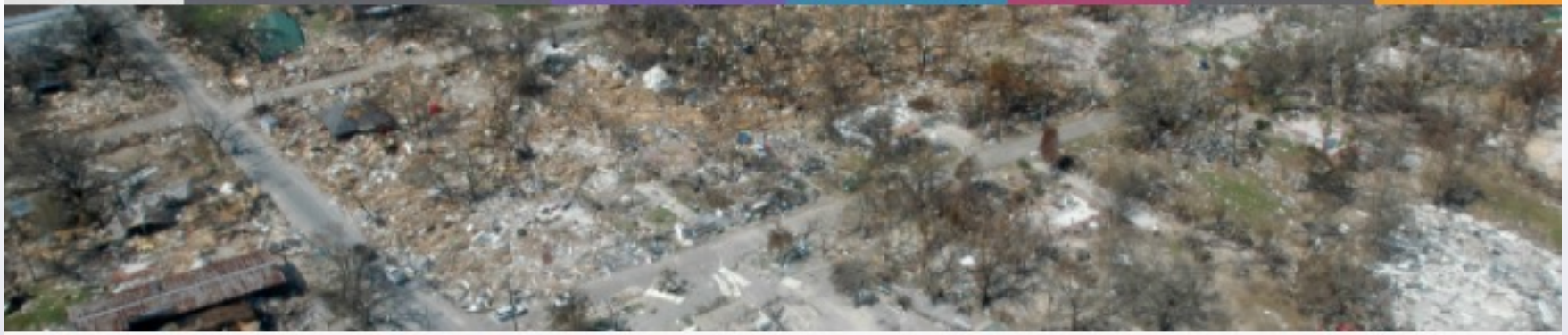

We've got your back when insurance matters

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.

info@uphelp.org

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