

Guiding consumers through current home insurance affordability and availability challenges

NAIC 2024 Spring Meeting, Phoenix, Arizona

HOW TO QUALIFY FOR THOSE DISCOUNTS

FOR THE WILDFIRE HARDENING – PROTECTING THE STRUCTURE DISCOUNT
THE PROPERTY MUST MEET ALL OF THE FOLLOWING QUALIFICATIONS



The dwelling must have a Class-A Fire Rated Roof (meaning composition shingle, stone, concrete or clay tile, or metal)



6 inches at the bottom of all exterior walls must be made of non-combustible material



Vents must be ember and fire resistant (wire mesh covering)



Windows must be double paned

10% DISCOUNT



Dropped by your home insurer? Steps to take in California

Act Promptly

Read the paperwork from your insurer. Contact them and ask if there are home improvements you can make that will get them to reverse their decision to drop you. Note: The non-renewal notice must be sent to you 75 days before the policy expires. www.uphelp.org/droppedca

STEP 1

Know Your Rights & Get Help

If you believe that you are being non-renewed in violation of the law, file a "Consumer Complaint" with the California Department of Insurance www.insurance.ca.gov/01-consumers

STEP 2

Shop for Options

Work with a good agent to find all options including "non-admitted" insurers. Watch UP shopping help videos and use CDI tools: www.uphelp.org/cainsurancehelp

STEP 3

Be Prepared to Pay More, Avoid Cutting Coverage

Aim to insure your home for what it would cost to rebuild it and the risks you face in your area. Keep good notes of your conversations. Avoid being in the 1/3 of homes in the US that are underinsured. www.uphelp.org/checkup

STEP 4

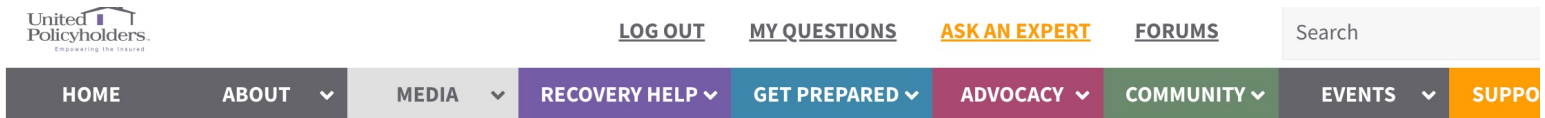
Last Resort

The California FAIR Plan (CFP) offers basic fire protection if you can't find a "regular" company to insure you. Consider pairing a CFP policy with a "difference in conditions" policy to fill gaps in what CFP policies don't cover. www.uphelp.org/CFP

STEP 5

UP: A 32 year old 501(c)(3) insurance consumer non-profit

Our website, programming, volunteers and guidance help
over 500,000 people each year



underscores a larger issue that...



FEBRUARY 6, 2024

Oklahoma insurance rates increase again – proposed legislation could help

Many families in Oklahoma have been opening up their mail to find notices that their insurance rates have gone up again, sometimes by hundreds of dollars. Frustrated drivers and homeowners have to find ways to budget for the added and unwanted cost. "Oklahoma has been...



FEBRUARY 6, 2024

Storms in California hit homeowners already facing an insurance crisis

The storms pummeling California this week hit a part of the US already being battered by a home insurance crisis. Insurance costs in much of California have become exceedingly high, with some insurers abandoning the market, unwilling to take on the risk presented by the...



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UP Goals:

Help property owners keep their assets protected through policies that meet reasonable expectations of coverage

Advance/increase mitigation support and insurance rewards (premium discounts, renewal assurances)

Monitor the home insurance marketplace, gather data

Contribute to problem-solving, sound public policy, innovation, solutions



Standard tips:

- **Comparison shop based on coverage, not just price.**
- **Use shopping tools your state DOI offers**
- **Request a list of all discounts the insurer offers, ask for those you qualify for.**
- **Bundle your home, auto and/or umbrella policies with one insurance company.**
- **Insure your dwelling for replacement cost value.**
- **If feasible, buy gap filler products (including peril-specific policies flood and earthquake damage).**
- **Increase your deductible, avoid filing small claims.**

UPdated tips for current conditions:

- **Start shopping right away**
- **Get help from a professional agent or broker**
- **Reduce risk/mitigate**
- **Understand your deductible options**
- **Find out your risk score, correct errors**
- **Consider all types of insurer options**
- **Supplement as feasible**
- **Trim coverage**

Start shopping right away

As soon as you get a non-renewal notice, start shopping – don't procrastinate

- CA law requires 75 days notice
- CO law requires 60 days notice
- NAIC model law 720 re: non-renewals requires 30 days



Get help from a professional agent or broker

Seek out an experienced, pro-active insurance agent or broker.

If an agent or broker tells you your only option is a residual market plan, check with at least one other agent or broker.

- **Captive vs. Independent**
- **Surplus/Non-Admitted/Excess/Surplus**

Reduce risk/Mitigate

Do as much mitigation as you can to reduce the risk of your home being damaged or destroyed in a severe weather event.

Seek out programs in your community that offer mitigation help and/or grants.

Provide your insurer with documentation of completed mitigation steps and/or your community's risk reduction activities.

Raise your deductible, (use caution)

Get quotes for different deductible levels and make an informed decision:

A higher deductible reduces your premium.

Too high a deductible means your insurance won't cover even a moderate-sized claim.

Do your best to understand how a policy with a wind, and/or roof deductible impact available benefits.

Find out your Risk Score, correct errors

Ask in writing for your risk score, appeal if its based on inaccurate info

Can a consumer change their risk score?

“If a policyholder appeals a score and presents evidence, the insurance carrier can easily request a change to the relevant information, such as the year of construction for a property. The updated score is then automatically generated and made available in the UI, along with an audit trail of any changes made. This functionality not only streamlines the appeals process, but also helps carriers in scenario planning” Zesty A.I.

<https://zesty.ai/news/californias-new-wildfire-risk-regulations-your-top-10-questions-answered>

Consider all options

If you can't find a name brand insurer willing to insure your home, options include residual market plans and non-admitted (surplus lines) companies

- Non-admitted (no form and rate regulation or guarantee fund), check financial strength**
- Find an agent who is knowledgeable re: residual market details, options**

Supplement as feasible

**If a last resort insurance plan is your only option,
consider supplemental policies to fill gaps.**

- Difference in conditions**
- Extra challenging with today's prices**

Trim coverage

Reduce/eliminate coverage you can live without (e.g. high dollar limits on Contents, Other Structures)

- NOT Dwelling limits (Underinsurance risk)
- Feasible? (many carriers include automatic coverages)

How can an insurance agent/broker help me?

- **Put in the time to find the best available options.**
- **Find options that are only available through a broker.**
- **Help you make good decisions.**
- **Tailor your coverages to your specific situation and needs.**
- **Help you understand pros and cons and options offered by non-standard (“non-admitted” “excess/surplus”) companies and/or government-sponsored last resort insurance programs.**
- **Some insurance brokers/agencies offer premium financing plans.**



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.

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Thank you!

Committee members and meeting
attendees for your time and attention

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