



Navigating and resolving California's property insurance crisis

California Assembly Public Hearing
Wildfire Insurance: Risk, Resiliency & Recovery
Monday, October 9, 2023
City of Santa Rosa, City Council Chambers
100 Santa Rosa Avenue, Santa Rosa, CA

About United Policyholders (UP)

- A 501(c)3 not-for-profit organization with a Platinum Guidestar rating and a national corps of professional and disaster survivor volunteers
- 32 years of advocating for fair sales and claims practices and helping solve problems that impede policyholders' ability to be indemnified through insurance products.
- Working in coordination with insurance regulatory agencies, public officials and stakeholders
- A trusted information resource and respected voice for insurance consumers in all 50 states
- Funded by donations and grants
- Based in CA, active nationwide

Our Three Programs

- Roadmap to Recovery[®]
 - *Helping individuals and businesses solve insurance coverage and claim problems.*
- Roadmap to Preparedness[®]
 - *Increasing disaster preparedness by promoting savvy shopping, inventorying and insuring property to value, and mitigation*
- Advocacy and Action
 - *Advocating for insurance consumers in courts of law, legislative and other public policy forums, and in the media.*

Amy Bach, UP Executive Director



- Co-founder, United Policyholders,
- Leading the Roadmap to Recovery®, Roadmap to Preparedness and Advocacy and Action programs since 1995
- A professional insurance consumer advocate since 1984
- Official Consumer Representative, National Association of Insurance Commissioners
- Member, Federal Advisory Committee on Insurance (US Treasury)
- Architect of the UP WRAP initiative

A complex crisis

Insurer actions in response to increased wildfire risk associated with climate change, risk scoring, drone imagery and a hard reinsurance market are crushing property owners in regions throughout CA and creating an imperative to innovate

- Severely limited options outside the Fair Plan, resulting coverage gaps
- Sharply increased premiums
- Increase in policyholders insuring with lightly regulated entities not in CIGA
- Insurers slow to reward/recognize risk reduction through renewals, discounts
- Incomplete/less discount than indicated revised rate filings

Evolving priorities

- Prior to 2016, UP's Roadmap to Preparedness messaging focused on helping consumers avoid being underinsured and create a home inventory to avoid extra post-loss claim challenges
- Our focus shifted in 2016 to:
 - Working with producers and CDI to help consumers shop for **any** affordable available option outside the CFP, DIC and surplus lines education
 - Identifying long term strategies to sustain a private market, restore competition
 - Coordinating with stakeholders to identify effective risk reduction approaches
 - Strengthening and improving residual market options

Bottom line re: consumers

- In brush-heavy regions and areas impacted by past wildfires, home ins options are *very* limited, premiums have doubled/tripled. Condo HOAs, fixed income households are particularly suffering.
- More people are opting to “go bare” or increase debt via LPI or insure w/a non-admitted not protected by CIGA
- The first mandated insurance discounts for mitigation were recently approved for the Fair Plan
- Working with a pro-active insurance agent/broker is a necessity
- California FAIR Plan is the fallback option, consider a DIC
- Avoiding underinsuring your assets is still very important
- A recent announcement by Gov. Newsom and Ins. Comm’r Lara brings hope for restored options outside the Fair Plan

UP to date shopping help

Dropped by your home insurer? Where to go for help in California

If you have been dropped by your home insurance company, please take our short, confidential survey.

If you are one of the many Californians whose insurance company had notified you they will not be renewing a policy on your home, don't panic, but start shopping ASAP. [In California your insurer must give a minimum of 75-days notice before your policy expires.](#) You likely will need at least that much time to find a replacement policy you can afford.

In most parts of the state, you still have buying options and insurance companies are still competing for your business. But if you live in a brush-heavy or forested area that's been hit by recent wildfires, it may be hard to find a company willing to insure your home. When you find a replacement policy, it will probably cost more but provide less protection than your old policy. It may be through a "non-admitted" insurer.* These types of companies are picking up customers that "admitted" (well-known brand) insurers are dropping.

Dropped by your home insurer?

Act Promptly

Know Your Rights & Get Help

Shop Around

Compare Prices

Last Resort

Briefing on the Current Home Insurance Market in California

Tuesday, October 3, 2023
5:30pm PT

zoom - registration required

Butte County Homeowners

WATCH VIDEO

A consumer-facing webinar on keeping your home protected when insurance options are limited and expensive

THIS WEBINAR COVERED:

- The current California home insurance marketplace
- What to do if you are "dropped" (non-renewed)
- What you can do to keep your insurance affordable
- Insuring your home through the CA Fair Plan
- Wildfire risk reduction actions that may qualify you for insurance discounts

RESOURCES

- [Updated Home Insurance Shopping Tips](#)
- [Home Insurance Shopping Help](#)
- [CA Home Insurance Survey](#)
- [SLIDE DECK: Briefing on the Current Home Insurance Market in California](#)

United Policyholders is here to help you shop and deal with this unfortunate situation, and we are working on initiatives to fix it. To learn more about the reasons why so many insurance companies are reducing the number of homes they're insuring in parts of California, visit our Advocacy and Action section.

Keeping Your Home Protected When Insurance Options Are Limited and Expensive

A United Policyholders R2P Webinar
October 27th, 2022

Watch on

1) TRY AND GET YOUR INSURER TO REVERSE ITS DECISION AND RENEW YOU**

Contact your current insurance company and ask them if there are improvements you can make to your home that will qualify you for a renewal. Give them your best arguments for keeping you as a customer. If you bought your expiring policy through an agent, ask him/her to go to bat for you with the company.

Contact your local fire department, Fire Safe Council or elected officials and find out if there is an inspection, fire risk reduction certification or brush clearing assistance program available in your area.

What are the current rules?

- Insurer must give 75 days notice before non-renewing
- Gov't can't force a private insurer to insure your home
- CA Fair Plan must “take all comers” (w/a few exceptions) and give a discount to those who are Safer From Wildfires
- Insurer must tell you your Risk Score, provide an appeal
- Insurance pricing must be prior approved, not excessive or unfairly discriminatory
- Admitted insurers must give mitigation discounts (approval pending)

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, CIGA/not

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.

4 main types of ins. co

- Admitted/licensed
- Non-admitted/licensed
- Gov't sponsored (CA Fair Plan, CEA)
- Forced/Lender-placed

@ www.uphelp.org : Understanding different types of insurance companies

Admitted/licensed Covered by the CA Insolvency Protection Fund

CA Fair Plan, Travelers, Safeco, The Hartford, USAA, CSAA, American Modern,
American Family, Nationwide, Mercury, Progressive, Aegis

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

Farmers Restricted

State Farm Restricted

Allstate Restricted

Nationwide Restricted

Examples of “Non-admitted”/Surplus insurance companies

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

BigFoot – Very picky Broker/MGA

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

First Capital

Northlight (Allstate)

Resources for checking on the financial strength of a brand you've never heard of

consumers.ambest.com

Register (free), Search

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

List of Approved Surplus Line Insurers
(LASLI)

www.insurance.ca.gov

<https://www.insurance.ca.gov/01-consumers/120-company/07-lasli/lasli.cfm>

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Installment payments

May not be an option for new policies, may be an option for renewals post 6 months

Not an option with non-admitteds

Some brokers/agencies will help w/premiums financing for some clients

Status?

Reduce risk, improve your chances

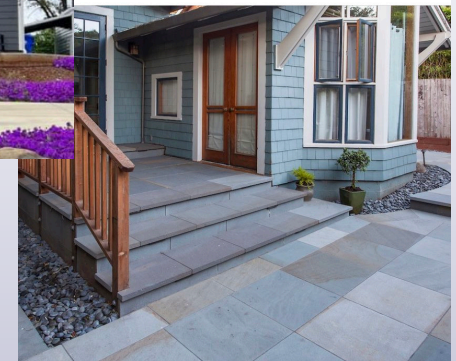


Improve Your Home's Chances of Surviving a Wildfire

- Have a Class A fire rated roof
- Install screens to keep embers out
- Gutters should be kept clear of leaves and needles
- Clear plants so there's 5 feet of space around your home
- Remove all combustible materials from under and near decks
- Prune branches near the home
- If wood fencing touches your home, replace at least 5 ft. of it with metal
- To get help with the above, visit the WRAP Resource Center: www.uphelp.org/wrap



firesafe_marin



Fences and Gates

Use noncombustible materials



Ongoing monitoring and contributing to solving CA's property insurance crisis

Please take our...

www.uphelp.org/CAhomeSurvey

The data collected will help us help you.

THANK YOU!!!

Stakeholders are connected and moving forward through
UP's "WRAP" group
(Wildfire Risk Reduction and Asset Protection Project)

2+ years of monthly convenings of stakeholders, firefighting pros, community-based risk reduction advocates, public officials and agencies, fire scientists and insurance sector reps working together to:

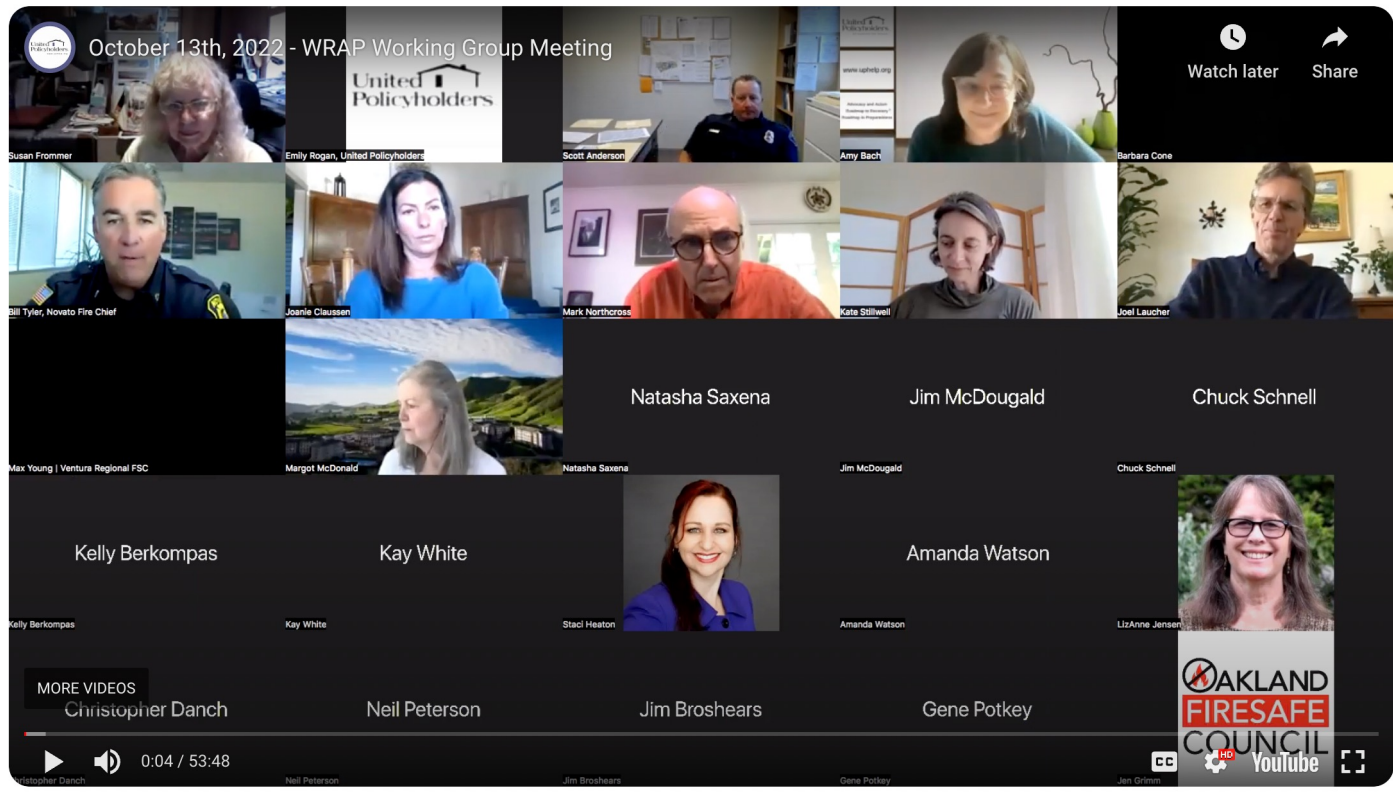
- Reduce wildfire risk and restore home insurance availability and affordability in WUI and other regions
- Increase financial and technical assistance options for property owners to make risk reduction improvements, build community engagement
- Secure insurance incentives and rewards for property owners that proactively reduce wildfire risk

visit: www.uphelp.org/WRAP

October 13th, 2022 - WRAP Working Group Meeting

YouTube 

YouTube · United Policyholders · Oct 11, 2022



The screenshot shows a Zoom meeting grid with 15 participants. The participants are arranged in a grid, with some names visible below their video feeds. The names are: Susan Frommer, Emily Rogan, United Policyholders, Scott Anderson, Amy Bach, Barbara Cone, Bill Tyler, Novato Fire Chief, Joanie Clausen, Mark Northcross, Kate Stillwell, Joel Laucher, Max Young | Ventura Regional FSC, Margot McDonald, Natasha Saxena, Jim McDougald, Chuck Schnell, Kelly Berkompas, Kay White, Staci Heaton, Amanda Watson, LizAnne Jensen, Christopher Danch, Neil Peterson, Jim Broshears, Gene Potkey, and Jen Grimm. The video player interface at the bottom shows a progress bar at 0:04 / 53:48, a volume icon, and a 'MORE VIDEOS' section. The 'OAKLAND FIRESAFE COUNCIL' logo is visible in the bottom right corner of the video player.

OES funded WRAP resource center

The screenshot shows a web browser displaying the website for the WRAP - Ventura County resource center. The browser's address bar shows the URL: uphelp.org/advocacy/wrap-initiative/wrap-ventura-county/. The website features a navigation menu with options like LOG OUT, MY QUESTIONS, ASK AN EXPERT, FORUMS, and a search bar. Below the navigation, there are tabs for HOME, ABOUT, MEDIA, RECOVERY HELP, GET PREPARED, ADVOCACY, EVENTS, COMMUNITY, and SUPPORT UP. The main heading is "WRAP - VENTURA COUNTY", followed by a breadcrumb trail: Home » Advocacy » WRAP: Wildfire Risk Reduction and Asset Protection Initiative » WRAP - Ventura County. Five circular icons represent key services: "Get Started Here", "Mitigation Grants & Free Resources", "Mitigation Help For Hire", "WRAP Members", and "Insurance Help". A section titled "VENTURA COUNTY" includes a map of the county and a paragraph describing the Ventura County Wildfire Collaborative (VCWC) and its members.

United Policyholders
LOG OUT MY QUESTIONS ASK AN EXPERT FORUMS Search

HOME ABOUT MEDIA RECOVERY HELP GET PREPARED ADVOCACY EVENTS COMMUNITY SUPPORT UP

WRAP - VENTURA COUNTY

Home » Advocacy » WRAP: Wildfire Risk Reduction and Asset Protection Initiative » WRAP - Ventura County

- Get Started Here
- Mitigation Grants & Free Resources
- Mitigation Help For Hire
- WRAP Members
- Insurance Help

VENTURA COUNTY

WRAP

Ventura County is home to the Ventura County Wildfire Collaborative (VCWC), consisting of Ventura County Resource Conservation District, Ventura Regional Fire Safe Council, Ojai Valley Fire Safe Council, Bell Canyon Fire Safe Council, Ventu Park Fire Safe Council, Oak Park Fire Safe Council, and a private industry partner, Jensen Hughes (see the Fire Safe Councils tab below). The VCWC is working on county-wide goals, including

More Firewise communities, certified inspectors



SIGN IN

CART (0)

TRAINING & CERTIFICATION

Training & Certification	
Training by topic	+
Training by type	+
Certification	-
Choose your program	-
Certified Electrical Safety Compliance Professional	
Certified Electrical Safety Technician	+
Certified Wildfire Mitigation Specialist	+

[Training & Certification](#) / [Certification](#) / [Choose your program](#) / Certified Wildfire Mitigation Specialist

Certified Wildfire Mitigation Specialist



The NFPA Certified Wildfire Mitigation Specialist Program (CWMS) was created in 2017 after discussions with fire service and forestry professionals at the federal, state, and local levels.

The CWMS credential offers professionals whose work involves wildfire hazard mitigation, the ability to demonstrate that they understand hazard mitigation measures, planning and preparedness strategies, public education practices, and wildland fire science. Gain the recognition you deserve as an expert in your field with this specialist certification.

The goals of this program are to:

- Recognize and provide evidence of knowledge of hazard mitigation, planning & preparedness, public education, and fire science concepts associated with the wildland/urban interface
- Enhance professionalism
- Ensure a uniform, fair process for certification that is accessible to everyone who is eligible
- Ensure proficiency in the use of NFPA codes and standards
- Facilitate success for those seeking certification
- Promote professional development through continuous learning



Live Chat

Fire depts performing a critical role

October 13th, 2022 - WRAP Working Group Meeting

Wildfire Mitigation Specialist Team

Focusing on the most important things you can do to make your home less likely to ignite during a wildfire.

Services Offered:

- Complete home evaluations
- Home Hardening Grants
- Vegetation Management Grants ("defensible space")
- **5355 Total Home Evaluations Completed**



MORE VIDEOS

12:17 / 53:48

CC HD YouTube

Bill Tyler, Novato Fire Chief

Increased mitigation funding

Español >

[Fire Safe Councils](#) [Defensible Space Project](#) [Fuels Reduction Projects](#) [Wildfire Fuel Mapper](#) [Chipping](#) [Donate](#)

NAPA FIREWISE



Menu

Napa County wins \$37.5 million wildfire prevention grant

Posted on September 6, 2023

September 1, 2023

Napa Valley Register – Barry Eberling

Napa County has hit a fire protection jackpot of sorts – it will receive a \$37.5 million federal grant for fuel reduction and other wildfire prevention efforts.

“This grant will empower us to take significant strides in safeguarding our community for future generations, especially in the face of impending wildfires,” Board of Supervisors Chair Belia Ramos said in a news release.

Christopher Thompson of the Napa Communities Firewise Foundation on Thursday called the grant “critical” to further fuel reduction efforts.

Money is coming from the Building Resilient Infrastructure and Communities program overseen by the Federal Emergency Management Agency. The county must provide an additional 25% match, or more than \$9 million.



[READ MORE](#)

Wildfire Fuels Mapper Reports

Download your personal Wildfire Fuels Mapper Report to better understand your land, reduce fuels, and protect your community. Visit the Napa County Wildfire Fuel Mapper website today for maps, reports, and information to help reduce wildfire hazard.

Updates to the reports are in progress and that maps will be available for download in mid September.

[GET YOUR CUSTOM MAP REPORT](#)

Apply for Funding to Manage Vegetation on Your Property to Create Defensible Space

We have grant funding to help you afford the cost of managing vegetation to reduce wildfire risk to residential buildings. We are reimbursing residents for 50% of the cost of new qualifying defensible space projects, up to a maximum of \$3,500 per property. This cost share reimbursement program is available to Napa County residents in or near High and Very High Fire Hazard



Privacy - Terms

Cost-sharing, innovation

October 13th, 2022 - WRAP Working Group Meeting

Novato Fire Matching Grants Disbursements year to date (FY20-22)

Number of grants	Grant Types	Monies granted to residents	Amounts invested by residents
343	Home Hardening Up to \$5000 each	\$1,039,263	\$3,847,666
532	Vegetation Dspace Up to \$1000 each	\$414,336	\$1,292,186
11	Defensible Space Vegetation Homeowner Associations	\$40,500	\$166,484
886	Totals	\$1,494,099	\$5,306,336

886 MORE VIDEOS

19:47 / 53:48

CC HD YouTube

Bill Tyler, Novato Fire Chief

Firewise, Fire Safe

Wildfire training and certification



Contact us

E-bikes and e-scooters

Staying safe



Teaching tools

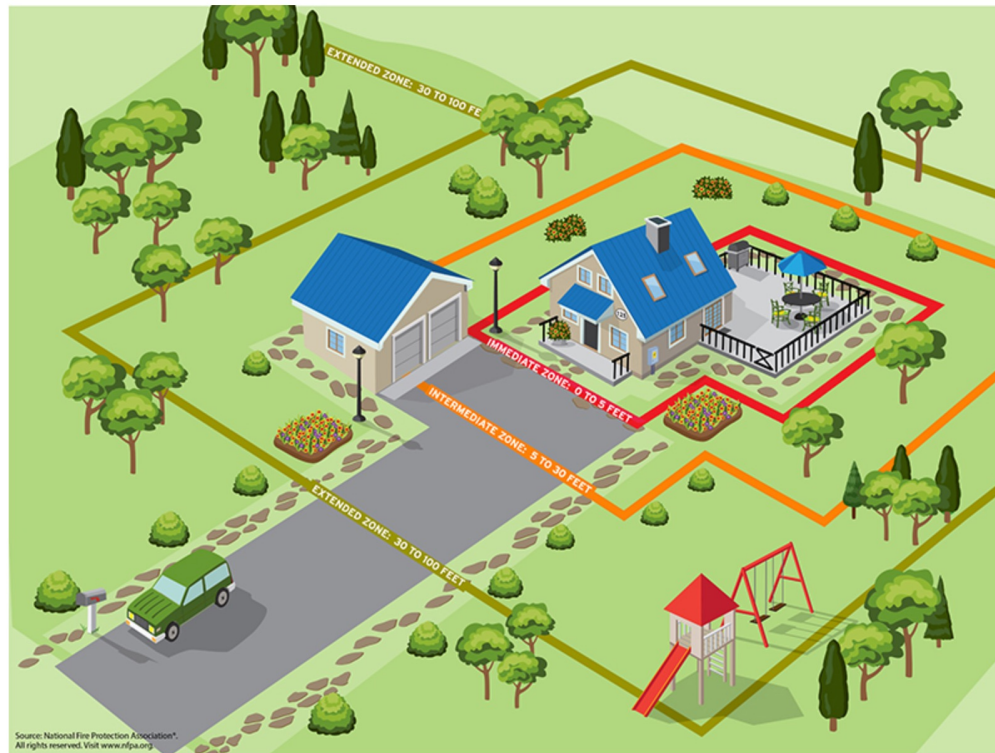


Connect with us



What is the Home Ignition Zone?

The concept of the home ignition zone was developed by retired USDA Forest Service fire scientist Jack Cohen in the late 1990s, following some breakthrough experimental research into how homes ignite due to the effects of radiant heat. The HIZ is divided into three zones.



Rewards to incentivize mitigation

- Reduced risk/Structures less likely to burn
- Premium discounts
- Improved risk score = more options
- Non-renewal protections/guarantees



About ▾

Wildfire Prepared Solutions ×

Homeowner Resources ▾

Professional Resources ▾

Get Started

You Are Not Powerless Against Wildfire.

Based on the latest wildfire mitigation science, this program guides you through the steps necessary to protect your home and offers a designation for those who meet program requirements.

- 📄 Wildfire Prepared Home Overview
- ⊕ Wildfire Prepared Home Plus Overview
- ★ Get Started

Get Started

Designation Process

1 Confirm Eligibility & Take Required Actions

Class A fire-resistant rated roof
Noncombustible gutters
Roof downspouts clear of downspouts
Ember resistant vents
Vertical noncombustible

2 Apply for a Designation

Person using a laptop

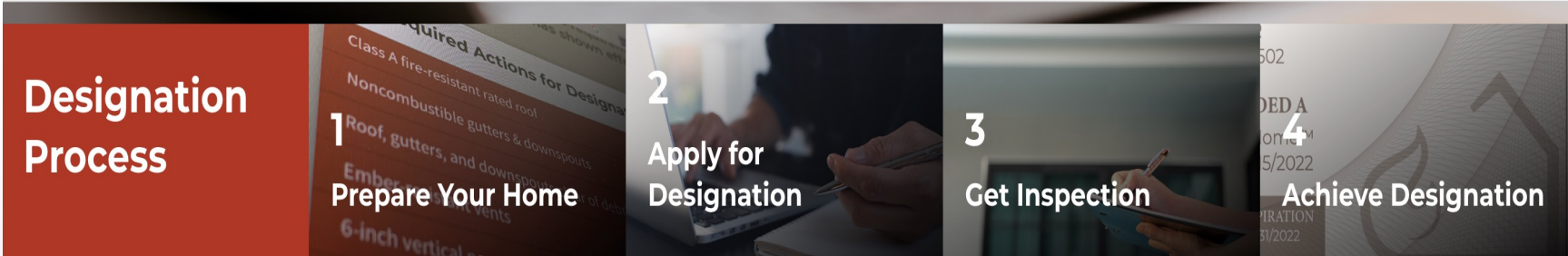
3 Get an Inspection

Person writing on a clipboard

4 Achieve Designation

502
DED A
ome™
5/202
IRATION
31/20





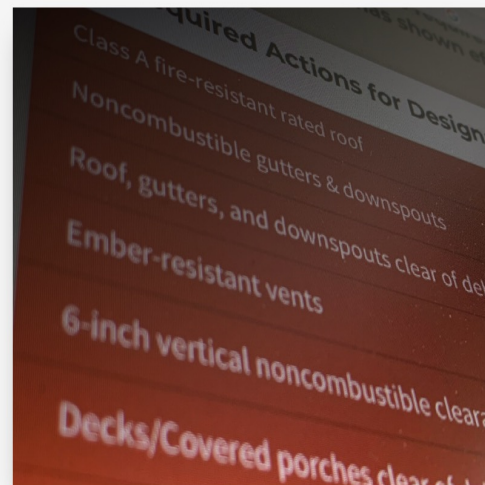
1. Prepare Your Home

View/Download the [Homeowner Guide \(pdf\)](#) and complete the checklist of mitigation actions required before applying for a designation.

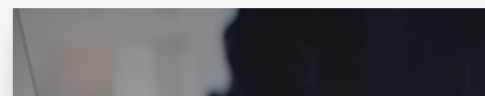
*Note: To achieve a Base designation, you must take **all actions** required for that designation. To achieve a Plus designation, you will need to complete all Base level and all Plus level mitigation actions.*

Need help with your home/property? Use our [Homeowner Assistance page](#) to find resources available in your area.

Get Homeowner Guide



2. Apply for Designation



CA Progress

- CDI regulations set standards for rating plan adjustments
- Consistent standards (WRAP, Safer From Wildfires and IBHS Wildfire Prepared Home)
- Significant increases in funding for wildfire risk reduction
- Cal OES funded WRAP Resource Center
 - Aggregate and disseminate info re: available risk reduction grants and technical help (Fire Safe, Firewise, COPE, etc.)
- Increase in insurers voluntarily offering rewards/support
- More vendors offering risk reduction services
- Increased understanding of brush management/firefighting strategies that save structures

Challenges remain

- CA Fair Plan products and processes need improvement
 - Commercial limit increase to \$20M *per location* – Condo HOAs need *per building*
 - Co-insurance problem
 - Tension to avoid growing CFP
- Insurer reluctance to recognize risk reduction in rates and UW
- Resistance to 5' defensible space/Community-wide engagement in risk reduction
- Significant risks associated w/allowing insurers to use CAT models and pass along reinsurance costs to phs
- Decades of development in WUI regions
- Climate change's overall impact on P/C sector
- Enormous power of reinsurers to impact availability and affordability

How has the CA legislature helped with the crisis?

Empowered the Governor/Commissioner to declare a state of emergency and put non-renewal moratoriums in place

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)

Total losses (disaster only): Can't drop for 24 months

CA Ins. Code 675.1(a)

New concept: CA State Bill 672

SECTION 1. Article 4 (commencing with Section 2090) is added to Chapter 2 of Part 1 of Division 2 of the Insurance Code, to read:

Article 4. Guarantee Issue for Wildfire Safe Homeowners

2090. (a) An admitted insurer that offers residential property insurance in this state shall not refuse to offer or sell residential property insurance to an applicant whose property meets the best practices for wildfire building hardening and property-level mitigation, as defined in Section 2644.9(d)(1)(B) of Title 10 of the California Code of Regulations.

(b) If Section 2644.9(d)(1)(B) of Title 10 of the California Code of Regulations is repealed, subdivision (a) shall be satisfied using best practices for wildfire building hardening and property-level mitigation as defined in Section 2644.9(d)(1)(B) of Title 10 of the California Code of Regulations at the time of repeal.

Potential solutions

- Enhanced resources for DOI to review rate change applications and continue preventing excessive profits
- Low interest state loan guarantee for Fair Plan and CEA that will reduce their obligation to buy reinsurance
- Development of a public CAT model/benchmark as a yardstick for private models
- Extending current self-insurance pooling option that's currently accessible to municipalities to property owners/communities.

Questions?

Email info@uphelp.org, amy.bach@uphelp.org

Visit www.uphelp.org