



California Home Insurance Update: The good, the bad and the ugly

Emily Rogan, Senior Program Officer, United Policyholders

Tuolumne Fire Safe Council, Living With Fire: 3/14/26

About United Policyholders

- 501(c)3 nonprofit organization
Tax ID # 94-3162024 (Platinum Guidestar Rating)
- A voice and an information resource for consumers in all 50 states
- A 35 year track-record and subject matter expertise in insurance and disaster recovery
- Not for profit...not for sale
- Funded by donations and grants
- A volunteer corps with personal and/or professional expertise in disaster recovery and insurance

Our Three Programs

- Roadmap to Recovery[®] (R2R)
 - *Helping individuals and businesses navigate the insurance claim process after disasters*
 - *2025 LA Wildfires*
 - *2024 Mountain Fire, Franklin Fire, Park Fire*
- Roadmap to Preparedness (R2P)
 - *Increasing insurance and disaster preparedness by sharing lessons learned by disaster survivors*
 - *2025 LISTOS California Grant for WRAP Resource Center (Wildfire Risk Reduction and Asset Protection Project)*
- Advocacy and Action
 - *Standing up for consumers in courts of law, legislative and other public policy forums, and in the media*
 - *Strengthening laws to protect policyholders and provide disaster survivors more flexibility*



Empowering the insured and improving loss recovery for over 30 years

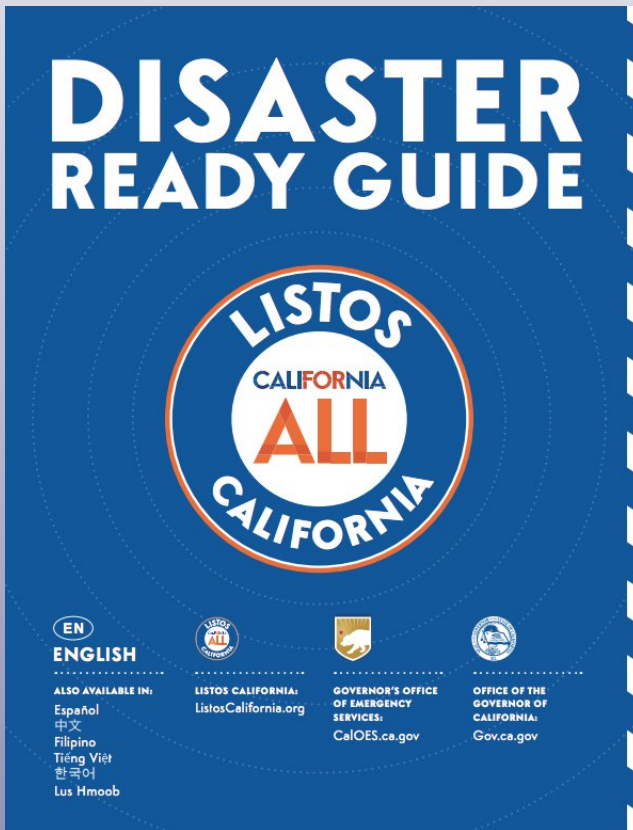




Get Ready

Get Your Disaster Ready Guide

www.listoscalifornia.org/resources



SAFETY STEPS FOR ANY DISASTER



1. Get alerts to know what to do. 
2. Make a plan to protect your people. 
3. Pack a Go Bag with things you need. 
4. Build a Stay Box for when you can't leave. 
5. Help friends and neighbors get ready. 

2

Preparedness Action Steps

1. Do your best to stay insured! - if shopping for replacement coverage - avoid being underinsured.
2. Inventory your assets
3. Digitize important documents and store offsite
4. Take steps to reduce your risks
 - Harden your home
 - Create defensible space

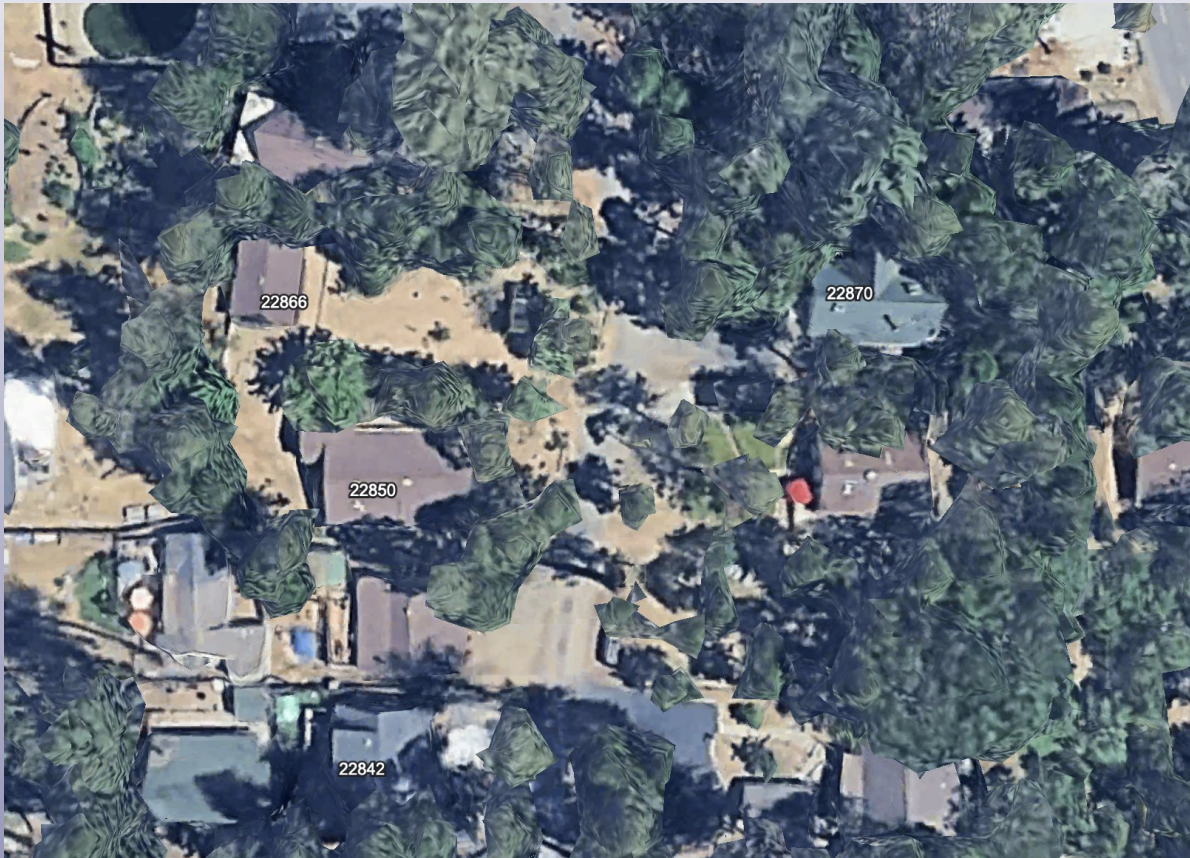
CA home insurance landscape

- The new normal: having to pay more attention to and more money for your home insurance
- Options are few, prices are high
- Insurers are being much pickier; older homes, roofs in disrepair, homes with galvanized pipes, knob and tube wiring and multiple claims are on the “no” list
- More homeowners are having to turn to the CA Fair Plan or a Surplus Lines insurer to find coverage.
- It’s still important to try and insure your home for replacement value and buy Extended Replacement Cost and Building Code Upgrade coverage.
- Some households w/out mortgages are dropping their insurance (“going bare”).
- The CDI’s Sustainable Insurance Strategy is on track, despite the LA wildfires, to improve availability

Underlying causes

- Risk scoring systems, aerial images, AI and data mining have magnified risks and scared insurers/reinsurers
- Inflation, a hard reinsurance market, insurer discontent with regulatory process
- Increased wildfire risk due to drought conditions associated w/climate change and increased habitation in WUI areas.

Aerial photos are a big factor in non-renewals.
UP is sponsoring legislation to protect consumers



The Sustainable Insurance Strategy

- A multi-part regulatory initiative announced in Fall 2023 aimed at restoring availability
- Insurers are no longer required to base rates only on historical data, can now use forward looking models
- Insurance companies must increase coverage in wildfire-prone regions toward a goal of matching 85 percent of their statewide market share if they want to base their rates on models
(Tuolumne County Included)
- Insurers can pass along a portion of reinsurance costs
- When the FAIR Plan lacks adequate funds to cover claims, it can assess its member companies, those companies can request the Commissioner's approval to collect temporary supplemental fees from their policyholders to recoup up to 50% of amounts assessed
- Models and rates must recognize/account for mitigations/risk reduction
- Consumers can access their Risk Score and appeal if unfair

What lies ahead

- Now that insurers are getting the regulatory changes and rate increases they want, *availability* should improve
- Comm'rs regulation will help people in “distressed areas”
- *Affordability* will only improve through
 - Increased mitigation (risk reduction) community-wide
 - Insurers competing again for your business
 - Continued rate regulation by the DOI to ensure fairness/prevent excessive rates (premiums)

The Lingo

Dropped/Nonrenewed: Your insurance company will not renew your policy or continue insuring your home when the current policy expires (usually a one year term).

Cancelled: Your policy is being cancelled mid-term (usually for unpaid premium)

California Fair Plan: Our state's insurance plan of last resort, a fallback option

Difference in Conditions ("DIC") Insurance that fills 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.

Risk Score: A number assigned to your home's wildfire risk level by a company that sells risk scoring systems to insurance companies. Verisk, Core Logic, FireLine

Dropped by your Insurer?

- Start shopping right away
- Ask about your Risk Score, appeal errors
- Get help from an experienced, pro-active insurance agent
- Ask good questions, keep good notes
- If the Fair Plan is your only option, aim for add-ons if affordable, **keep shopping** even after your Fair Plan policy is in place
- Be prepared to make risk reduction home improvements

United Policyholders
Roadmap to Preparedness Program

LISTOS CALIFORNIA

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

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

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

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

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

For more information and guidance, visit:
www.uphelp.org/droppedCA

What are the current rules?

- Insurance companies are free to pick and choose their customers as long as they give existing customers **75 days notice** before non-renewing/dropping them.
- More homeowners are having to turn to the CA Fair Plan or a Surplus Lines insurer to find coverage.
- Non-renewal moratoriums are in place in wildfire-impacted counties.
- Insurers must adjust their rating plans to give discounts for risk-reduced homes.
- The CA Fair Plan (an “involuntary” association of private insurers) is a last resort option that offers up to \$3M in coverage (but no liability, water or wind protection)

Reasons an insurer may say no

- Losses/claims w/in the past 3-5 years (you or previous owner of home)
- Age of home
- Age of roof
- Galvanized pipes
- Knob and Tube wiring
- Pool
- Trampoline
- Value of home
- Monthly quota imposed on the agency you buy through
- The insurers business objectives/# of homes in the area they're currently insuring

Risk Scores are a big deal

Know your risk, know your rights

Insurance companies must provide a detailed **wildfire risk score** for your property

- When you apply for a policy
- Before a renewal or non-renewal of your policy
- Anytime you have completed a mitigation measure on your property and request the score
- Including how you can lower that score

You have a **right to appeal** the score if you believe it is inaccurate

If the appeal is denied, the Department of Insurance can help at **800-927-4357** or **insurance.ca.gov**

- Numerical label on the household
- Replacing human judgement
- Early stages of transparency/consumer access and appeal process
- Very impactful re: availability and affordability
- CDI instituted disclosure regulations and appeal process: 800-927-4357

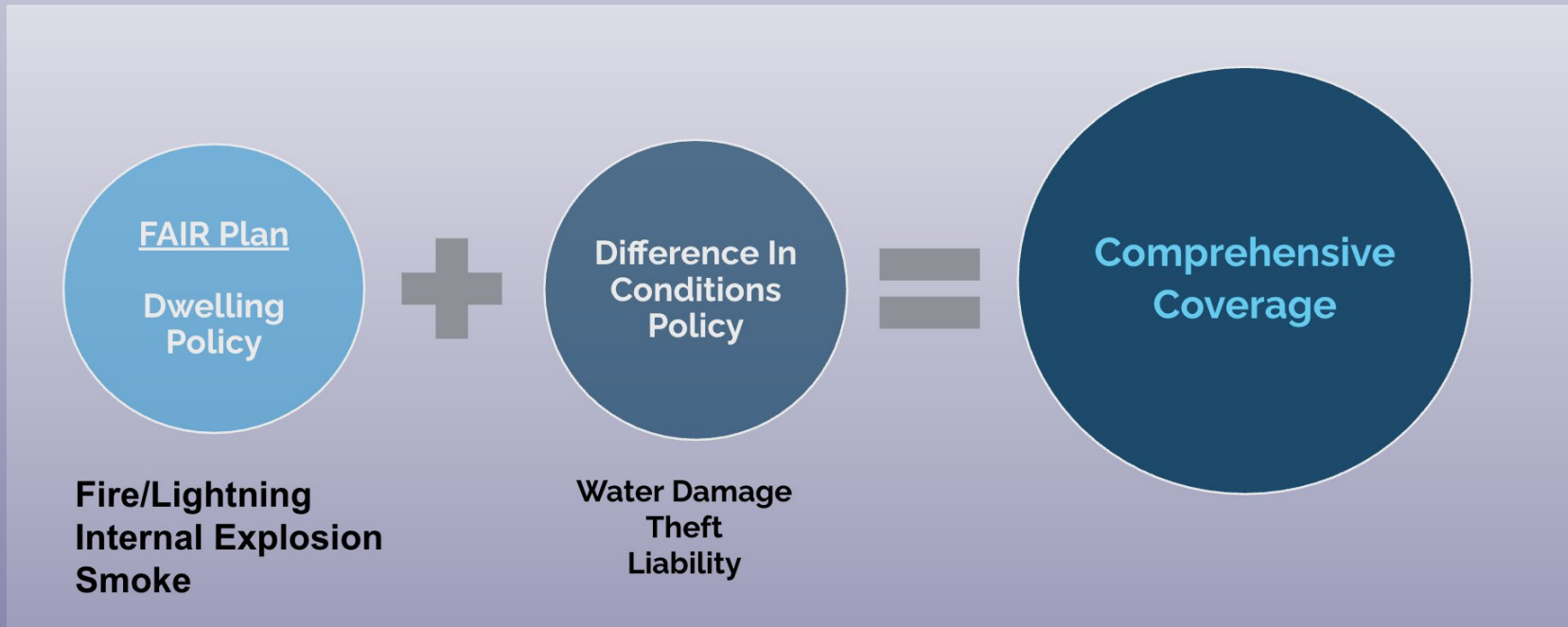
Checking on the financial strength of an insurer you've never heard of

- An experienced surplus lines broker/agent
- A.M. Best Ratings <https://ratings.ambest.com/>
- B+ or better
- List of Approved Surplus Line Insurers (LASLI)
<https://www.insurance.ca.gov/01-consumers/120-company/07-lasli/lasli.cfm>
(not completely up to date)

4 main types of ins. co

- Admitted/licensed
- Non-admitted/Surplus/Excess
- Gov't created (CA Fair Plan - \$3 Million Max on Dwelling)
- Forced/Lender-placed (loan amount only)

[Understanding different types of insurance companies](#)



CA Fair Plan Add-On Options

- Extended coverage for windstorm or hail, explosion, riot, vehicles
- Vandalism
- Extended dwelling coverage
- **Replacement Cost Coverage: (Dwelling and 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

California FAIR Plan Association
DWELLING INSURANCE POLICY DECLARATIONS

California FAIR Plan PROPERTY INSURANCE www.cfpnet.com 3435 Wilshire Blvd. # 1200 Los Angeles, CA. 90010 (800) 339-4099

TRANSACTION TYPE Endorsement

YOUR INSURANCE BROKER
NAPA, CA 94558
PHONE NUMBER [REDACTED]

ENDORSEMENT EFFECTIVE DATE 09/15/2020

POLICY NUMBER CFP 2536902 01

POLICY PERIOD 10/19/2019 To 10/19/2020
12:01 a.m. at the property location

INSURED NAME AND MAILING ADDRESS [REDACTED]

PROPERTY LOCATION [REDACTED]

IMPORTANT NOTICE TO INSURED

The FAIR Plan does not estimate the cost to rebuild your home, or the cost of labor and materials in your (or any other) area, or determine the appropriateness of the coverage you select. Instead, those are your responsibilities. However, we are required by law to tell you that, "The limit of liability for this structure (Coverage A) is based on an estimate of the cost to rebuild your home, including an approximate cost for labor and materials in your area, and specific information that you have provided about your home."

RATING INFORMATION

YEAR BUILT	OCCUPANCY	# OF UNITS	CONSTRUCTION TYPE	DEDUCTIBLE
1960	OWNER	1	FRAME	\$5000

COVERAGE AND PREMIUM INFORMATION

In case of loss we cover only that part of the loss which exceeds the deductible shown. We provide only those coverages, endorsements and perils shown below as (✓). These are brief summary descriptions; please read the entire policy for details. Ask your broker for assistance if you wish to obtain information about coverages you have not purchased.

COVERAGES, LIMITS, PERILS AND PREMIUMS

SELECTED COVERAGES	LIMITS	PERILS INSURED AGAINST	PREMIUM
<input checked="" type="checkbox"/> A - Dwelling	\$ 645,000	<input checked="" type="checkbox"/> Fire or Lightning, Internal Explosion and Smoke Damage	\$ 2,307
<input type="checkbox"/> B - Other Structures	\$ 0	<input type="checkbox"/> Extended Coverages	\$ 136
<input checked="" type="checkbox"/> C - Personal Property	\$ 75,000	<input checked="" type="checkbox"/> Vandalism or Malicious Mischief	\$ 0
<input checked="" type="checkbox"/> D - Fair Rental Value	\$ 50,000		
<input checked="" type="checkbox"/> Ordinance or Law Coverage	\$ 64,500		
<input checked="" type="checkbox"/> Debris Removal (additional)	\$ 15,000		
<input checked="" type="checkbox"/> Dwelling Replacement Cost	INCLUDED		
<input checked="" type="checkbox"/> Inflation Guard	INCLUDED		
<input checked="" type="checkbox"/> Personal Property Replacement Cost	INCLUDED		
<input type="checkbox"/> Fences	\$ 0		
<input type="checkbox"/> Permitted Incidental Occupancy	\$ 0		
<input type="checkbox"/> Plants, Shrubs and Trees	\$ 0		
<input type="checkbox"/> Outdoor Radio and TV Equipment	\$ 0		
<input type="checkbox"/> Awnings	\$ 0		
<input type="checkbox"/> Signs	\$ 0		
<input type="checkbox"/> Improvements, Alterations and Additions	\$ 0		
Total Annual Premium			\$ 2,443

Premium subject to change at Renewal

THIS IS NOT A BILL

Progress

Learn more at: www.uphelp.org/wrap

- Some insurers are agreeing to insure or renew homes that have gotten an IBHS Wildfire Prepared Home certification
- The Fair Plan gives a discount to homes in Firewise communities that meet the Safer From Wildfires standards



News Releases

Mercury Becomes First Major Insurance Company to Return to Paradise California as City's Rebuilding Efforts Gain Momentum

Innovative City Planning and State Officials' Leadership Pave the Way for Mercury Insurance to Begin Offering Homeowners Coverage to Paradise Residents in the Wake of Catastrophic Wildfire

Under Commissioner Lara's Sustainable Insurance Strategy (SIS), six insurance companies, including four of the state's top homeowners carriers – Farmers, Mercury, CSAA, USAA, Pacific Specialty, and California Casualty – have announced they are staying and growing in parts of the state affected by wildfires. In fact, SIS-related homeowners filings for Mercury and CSAA were approved by the Department last month, with Mercury committing to increase its policy count by more than 38,000 new policies in the long-term, starting with more than 6,000 new policies over the next two years, and CSAA committing to continued new business writing in the state with longer-term plans to support moving homeowners off of the FAIR Plan in a measured and sustainable way.

1/9/26 CDI Press Release

“Regardless of whether they receive a non-renewal notice for wildfire risk, CSAA Insurance Group customers are eligible to keep their California homeowners insurance policy for at least three years if they achieve and maintain a Wildfire Prepared Home certification and continue to meet all other underwriting requirements.”

NBC Bay Area, Feb. 2025

The Institute for Business and Home Safety Wildfire Prepared Home program certification: *Challenging but feasible for some*

Being **Safer from Wildfires** Can Help With Your Insurance



Safer from Wildfires is a ground-up approach to wildfire resilience with the goal of saving money on your insurance. Following these steps can help you save money on your insurance.



Safer from Wildfires was created by an interagency agreement between the California Department of Fire, Commissioner Ricardo Lara and the emergency response team of Governor Gavin Newsom's administration. Learn more at wildfireprepared.org

Experts are in general agreement

WILDFIRE PREPARED — A PROGRAM OF IBHS —

ADDITIONAL REQUIREMENTS FOR PLUS

- ✓ Cover gutters.
- ✓ Enclose eaves.
- ✓ Install noncombustible siding.
- ✓ Upgrade windows & doors.
- ✓ Upgrade to a noncombustible deck.
- ✓ Move accessory structures at least 30 feet away.
- ✓ Remove parallel fencing.

BASE REQUIREMENTS

ROOF

- ✓ Ensure the roof covering is Class A fire-rated & maintained clear of debris.
- ✓ Choose noncombustible gutters & downspouts.

BUILDING FEATURES

- ✓ Install flame- and ember-resistant vents or 1/8-inch metal mesh over vents.
- ✓ Ensure 6-inch vertical noncombustible clearance at the base of exterior walls.
- ✓ Clear & maintain the underdeck area; enclose low-elevation decks.

0-5 FOOT NONCOMBUSTIBLE ZONE

- ✓ Establish a **0-5 foot noncombustible zone** around the home and decks; remove overhanging branches; replace combustible fences within 5 feet.

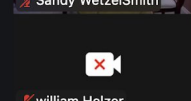
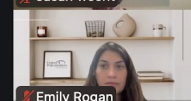
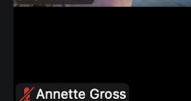
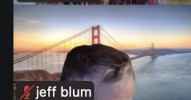
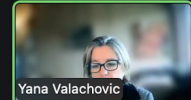
5-30 FOOT DEFENSIBLE SPACE ZONE

- ✓ Maintain yard with spaced vegetation, structures, & other connective fuels; clear debris; remove firewood.
- ✓ Move structures at least 10 feet away & maintain a 0-5 foot noncombustible zone around them.

“Zone 0” soon to be a statewide requirement

Status and timeline update

- Board of Forestry and Fire Protection has a **committee** focused on Zone 0 (three members that include the Board’s chair)
 - Monthly meetings since March 2025
 - Thousands of public comments
- Paused in December for work on the economic analysis and the guidance document, expect an update in **March and public meetings in April and May.**
- We anticipate a **final version** this spring that will support trees in Zone 0 (with ladder fuels managed), remove wooden combustibles (gates and mulch), and address vegetative fuels.



Affordability strategies

- Find out what discounts are available, ask for those you qualify for
- Bundle home, auto, umbrella policies with one insurer if possible
- Work with a *pro-active* insurance agent/broker
- Raise your deductible
 - While shopping ask for a quote with different levels of deductible: \$2,500, \$5,000, \$10,000, \$20,000
 - A higher deductible will reduce your premium and you will be less likely to file a small claim
- Look into how reducing/eliminating coverage you can live without (High limits on contents, Other Structures) will impact premium
- Mitigate: Harden your home, create defensible space and give your insurer proof (invoices, photos, documentation)
- Don't file small claims, do what you can to improve your risk profile (install a moisture sensor, alarm...)

What about Renters Insurance

- A bargain compared to most kinds of insurance, even automobile – often less than \$20 a month
- The best way to make sure you will have cash to replace your belongings if a fire or covered natural disaster damages or destroys your things
- Loss of use/ ALE will cover your short-term housing
- Covers fire, theft and many other causes of loss
- It may be required by your landlord
- Can often be bundled with your car insurance

Yes it's worth it...

(even if a lender isn't requiring it)

- Insurance money -- not charitable or government aid -- is the #1 source of money that helps people rebuild and recover after a disaster.
- FEMA money is *needs-based* and the maximum grant is \$42k. Average ~ \$5k.
- SBA loans are low interest but must be repaid.
- Charitable aid generally covers basic needs – not the cost of rebuilding a home.

Help us continue to monitor and contribute
to solving CA's property insurance crisis

Please take and encourage your neighbors
to take our...

www.uphelp.org/CAHomeSurvey

The data collected will help us help you.

THANK YOU!!!

HOME INSURANCE SHOPPING HELP (CALIFORNIA)

KEEPING YOUR HOME PROTECTED WHEN INSURANCE OPTIONS ARE LIMITED AND EXPENSIVE >

If you live in an area where it's hard to find a company that will insure your home, shop diligently and work with a pro-active agent who is current on all available options, including the CA Fair Plan. Here are a list of UP publications to help you to help you navigate finding insurance in a challenging marketplace:

- > **SLIDE DECK: Keeping Your Home Protected When Insurance Options are Limited and Expensive**
- > **Dropped by your home Insurer? Where to go for help in California**
- > **Understanding different types of insurance companies**
- > **The lowdown from UP on the California FAIR Plan, the last re**
- > **Picking a good insurance agent or broker**
- > **How to check an insurer's financial strength**
- > **Home Insurance Check UP**
- > **What to do about "CLUE"?**
- > **Home Insurance Buying Tips**
- > **Wildfire Mitigation Help**

PREVIOUS CA SHOPPING HELP WEBINARS AND VIDEOS

UP hosts shopping help webinars twice a year to help California homeowners find replacement coverage after being dropped by their insurer. Watch the most recent webinar for information and advice on shopping for insurance in a challenging marketplace below. For previous webinars visit our [YouTube Channel](#).



6/11/24 Home Shopping Help Webinar (95 minutes)



Home Insurance Shopping Tips (3 minutes)



Home insurance tips to stay protected and be a savvy consumer! (3 minutes)



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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