



Shopping for home insurance in a challenging marketplace

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United Policyholders
www.uphelp.org

May, 2020

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About United Policyholders

- Based in the Bay Area, operating nationwide
- A non-profit source of info and advocacy
- Expertise in insurance (buying, claims, legal)
- Supported by donors, grants and volunteers
- A trusted source for the media
 - <http://uphelp.org/news/up-in-the-news>
- A respected voice for consumers in courts, legislatures and public policy forums

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.*

Many Californians are experiencing a home insurance availability and affordability crisis

- Name brand insurers are dramatically reducing their market share
- UP is working with partners to fix the problem
- UP is offering shopping help on the limited available options

Learn the Lingo

Your home insurance is likely a 1 year contract.

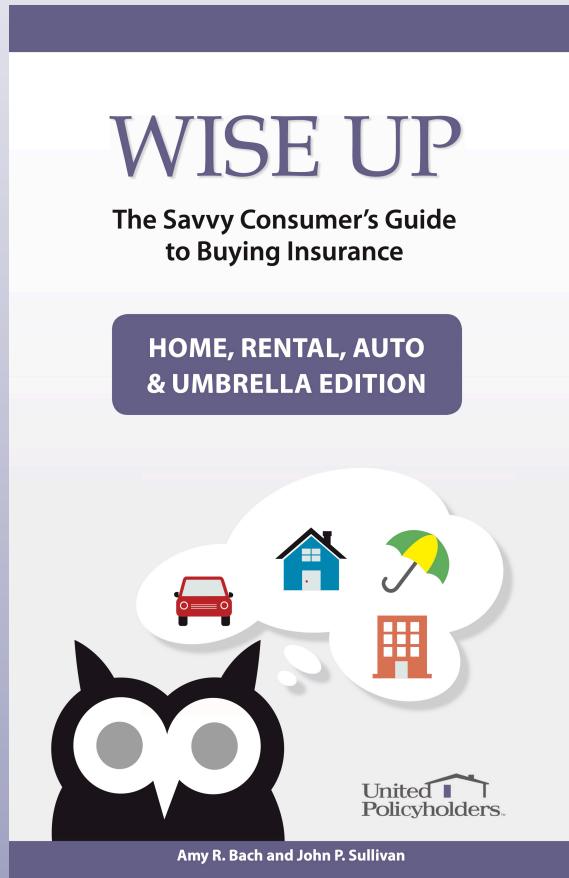
Dropped: Your insurance company no longer wants you (your home) as a customer when the current contract expires.

Cancelled: Your insurance company cancels your insurance contract mid-term because you did not pay your premium on time or another reason.

Shopping help from UP

www.uphelp.org/dropped

Print, not online



Dropped by your home Insurer?

Steps to take

For more information, see uphelp.org/droppedinCA

Act Promptly

Read the non-renewal notice and try to find out why you're being non-renewed. Note: the notice must be sent to you 45 days before the policy expires.

STEP
01

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.

STEP
02

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.

STEP
03

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.

STEP
04

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.

Visit www.cfpnet.com for more information

STEP
05

United
Policyholders
Roadmap to Preparedness Program

Your rights if you are “dropped”

- Your insurer must give you at least **45** days notice before your policy expires.
 - After July 1, 2020 they must give you 75 days.
 - 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.
- Try and get them to reconsider

CDI Moratorium

2019 Kincade Fire adjacent zip codes:

95404, 95403, 95492, 95448, 95425, 94515,
95461, 95441, 94928, 95409, 95401, 95407,
95405, 95451, 94574, 95446, 95436, 95467,
94951, 95442, 95445, 95457, 94508, 95421,
95452, 95449, 94567, 95439, 94576, 95426

Shopping Help:

- Independent agent/broker
- MatchUP Insurance Finder:
<https://www.uphelp.org/match-home-insurance-shopping-help>
- CA Dept. of Insurance Shopping Tools



Need help with insurance? Call us.

Call 800-927-4357 (HELP)

Se Habla Español

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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?

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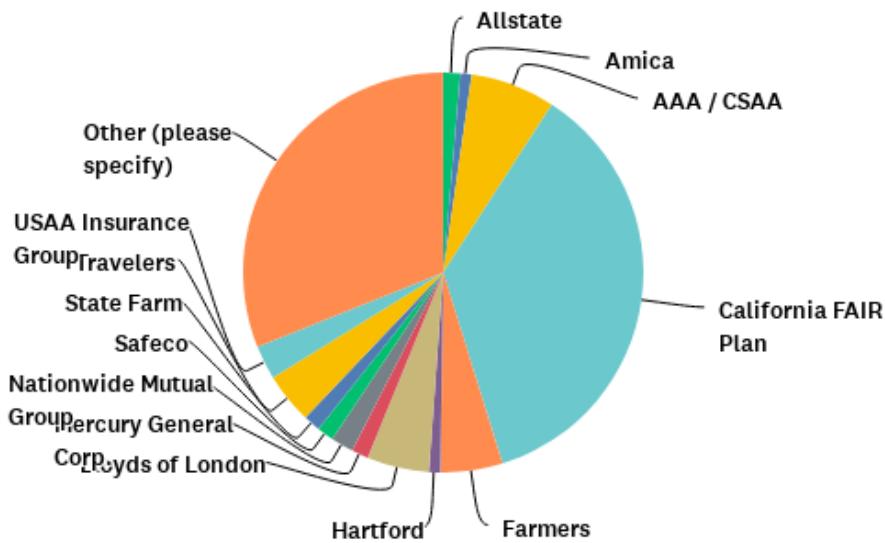
Please complete our short survey

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

www.uphelp.org/CAsurvey

Which insurance companies are picking people up?

Q8 What is the name of your current home insurance company?



California Home Insurance Availability Survey (May 2019-May 2020)

CA FAIR PLAN – Insurer of last resort

www.uphelp.org/CFP

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What people say about UP

"Whenever I felt confused about any topic I first looked it up in the yellow book. Then I could go deeper based on what I read. Or I knew when to call it good."

Wildfire Survivor 2014

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 stop selling home 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. That is happening in California in 2019. UP works hard to help and protect consumers during these periods. Fortunately, California has something called the Fair Plan Association as a backstop:

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.^[1] 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.

The FAIR Plan has about 60 of its own employees and is overseen by a Governing Board that includes the California Insurance Commissioner and insurance company executives. The FAIR Plan collects premiums and adjusts claims and is financially backed by all of the insurance companies licensed to sell property insurance in California.

Insuring your assets to value

- 15 minutes isn't enough time to calculate a home's replacement cost but that is common
- 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
- Basic policies exclude many risks and cap specific items. Add-ons are often a bargain
- Pair a CFP policy with a “DIC”/Wrap-around

No matter which insurer you end up with...

- Underinsurance: 64% of North Bay Fire Survivors were underinsured by an average of \$350,000+
- Your Dwelling “Coverage A” limit should match local construction costs per square foot for a home of similar style, age, qualify PLUS an Extended Replacement Cost feature.

What matters:

- Replacement coverage over ACV
- Extended replacement coverage
- Building Code Upgrade coverage
- Adequate structure and ALE limits
- Schedule valuables, collections, business property
- Exclusions: Flood, water, mold, EQ,



Common sub-limits and caps



Tips for saving \$

- Keep an eye on 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
- Shop again every 6-12 months...

Be prepared not scared:

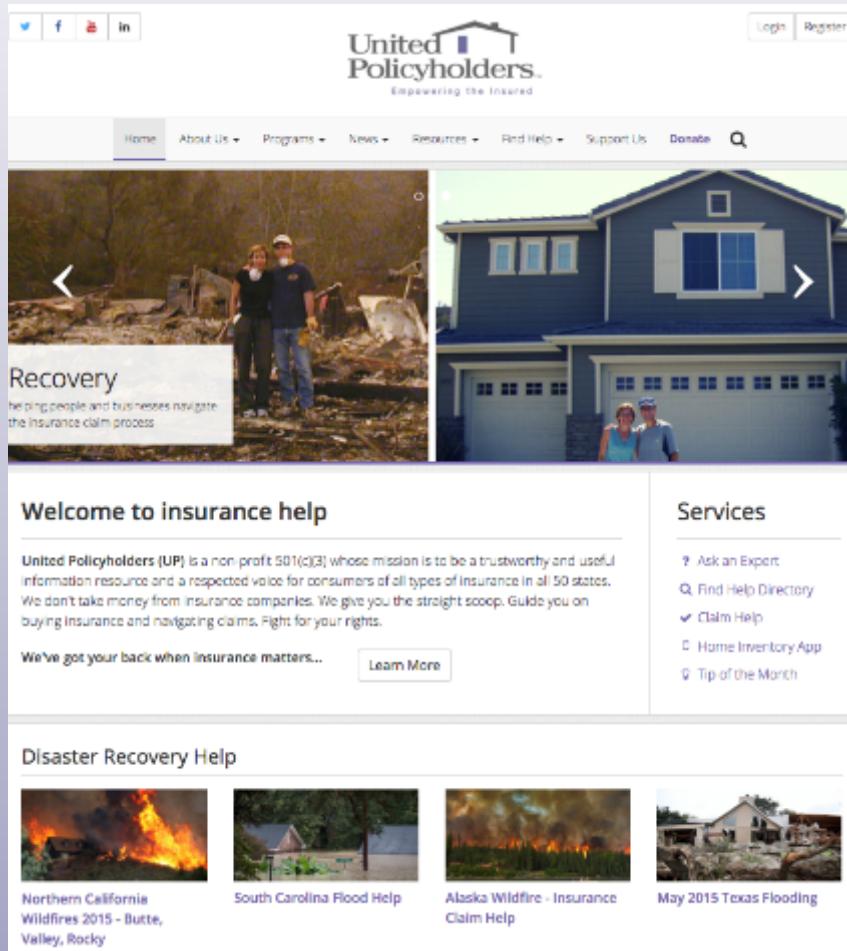
- Buy the right kind and amount of insurance
[“Insure to value” and “know your stuff”]
- Check in with your agent when life changes occur
- ***Inventory your assets***
- Scan important documents and store offsite
- Take steps to “harden” your home and qualify for insurance discounts

WRAPPING UP

United Policyholders' Wildfire Risk Reduction and Asset Protection Project ("WRAP") aims to help create the standards, financial assistance and insurance assurance that will give Californians support and incentives to reduce their wildfire risk and be able to continue to protect their assets.

For more information,
visit: www.uphelp.org/WRAP

Thank You!



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Empowering the Insured

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Recovery

Helping people and businesses navigate the insurance claim process

Welcome to insurance help

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. Right for your rights.

We've got your back when insurance matters... [Learn More](#)

Services

- Ask an Expert
- Find Help Directory
- Claim Help
- Home Inventory App
- Tip of the Month

Disaster Recovery Help

Northern California Wildfires 2015 - Butte, Valley, Rocky

South Carolina Flood Help

Alaska Wildfire - Insurance Claim Help

May 2015 Texas Flooding

United Policyholders
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Our Promise | We are the Insurance Information Institute. Since 1960, the "Triple I" has had a single mission: To improve public understanding of insurance—what it does and how it works. We are here to serve everybody: consumers; students and educational institutions; insurance professionals; government and regulatory organizations; and the media.



**INSURANCE
INFORMATION
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Fitch Mountain Homeowners Forum
May 20, 2020



Janet Ruiz, CPCU, AIM
Director, Strategic Communication
California Representative
Insurance Information Institute
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How Do Insurers Assess the Risk of My Home?

You **WANT** Insurers to Understand Your Risk

- Insurers have access to property information
- Technology is sophisticated
- WUI property on-site inspections





What do Insurance Companies Consider in Underwriting Decisions?

- Underwriting & rating factors include loss history, age of home, size, construction type and quality, contents, business in the home, foundation
- WUI risk: location, construction, mitigation, slope, access, proximity & quality, fire protection, etc.



It's **NOT** just the WUI risk that determines insurability & rates



Do all insurance companies use the same underwriting guidelines?

- Insurers have their own proprietary underwriting & rating guidelines
- Consider & insure common risk factors, competitive differences are good for consumers, what type of insurance do YOU want to purchase?





Do You Understand Your Insurance Policy?

HOMEOWNERS INSURANCE



covers wind, rain, fire



does **NOT** cover flood,
landslide or earthquake damage



Consider your risk where you live
Homeowners insurance has a deductible determined by the homeowner

BE READY

Have your deductible in your savings



Do You Understand Your Insurance Policy?

TYPES OF POLICIES



Actual Cash Value (ACV)



Replacement Cost

TYPES OF COVERAGES

Additional Living Expenses

Coverage A

Covers
rebuilding
the home



Coverage B

Covers
rebuilding
detached structures
like a garage



Coverage C

Covers personal
belongings: furniture,
clothes, housewares,
small appliances





How Do You Determine How Much Coverage You Need?

GETTING THE DETAILS RIGHT & UPDATING YOUR POLICY

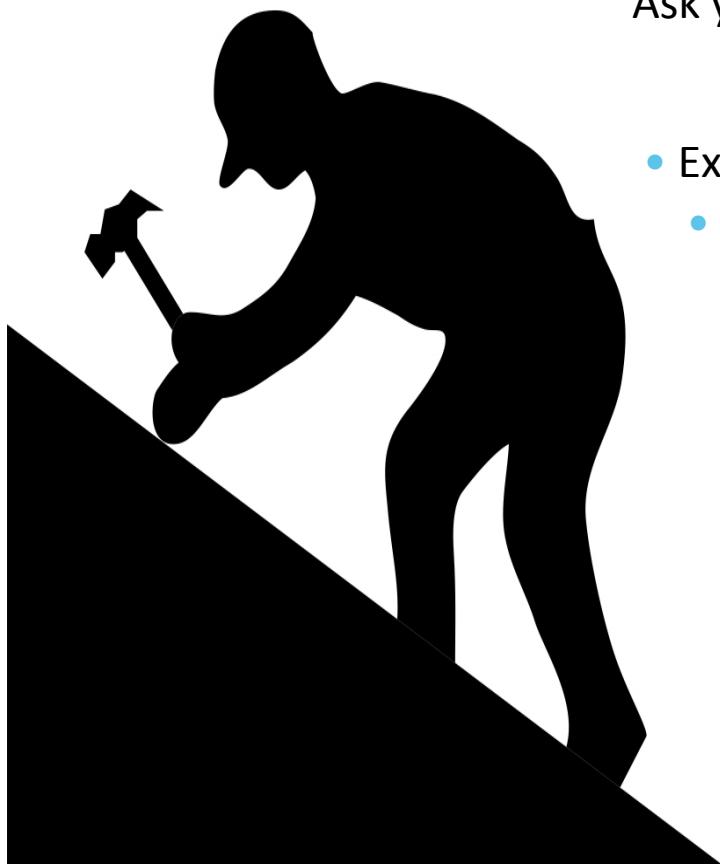
- ✓ Square footage and local construction cost
- ✓ Number of bedrooms & bathrooms
- ✓ Number of windows & doors, fireplaces
- ✓ Type of roof & siding
- ✓ Type of finishes – countertops, flooring, appliances, cabinets
- ✓ Land is not insured
- ✓



How Do I Prevent Underinsurance?

DEMAND SURGE CAN INCREASE THE COST OF MATERIALS AND LABOR

Ask your agent or insurer about:



- Extended replacement cost coverage
 - Building code upgrade coverage
 - Automatic annual adjustments for inflation
 - Do you need a small business or agricultural policy?



What Should I Do if I Get Non-renewed by My Insurance Company?



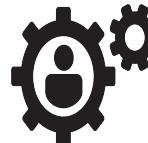
ASK if there is something you can do to mitigate risk and keep your policy.



SHOP AND COMPARE insurance with a local broker who knows the area and represents several insurance companies.



UNDERSTAND options: Admitted, Surplus Lines, CA FAIR Plan



PARTICIPATE in local mitigation efforts
– Firewise USA, Fire Safe Councils, Fire Adapted Community Programs



CALL your Department of Insurance



Where Do You Go for Help?



Your Insurer, Agent or Adjuster

Your State Department of Insurance

Your State Attorney General's Office

Your State Office of Emergency Services



Take-Aways from Today



INSURANCE IS A CRUCIAL FINANCIAL SAFETY NET

- Insurance rebuilds homes, neighborhoods & communities



YOU ARE IN CONTROL

- Your insurer is your partner before, during & after a wildfire
- Coverage amounts are up to the policyholder to decide

DON'T FORGET ABOUT INSURANCE

- Look at insurance early during the home buying process – don't wait until last minute
- Take active role in assessing what coverage type & limits you need
- Update your policy annually – report remodels or material upgrades always
- Make and update your home inventory
- Consider renters insurance
- Make sure loved ones with paid-off homes maintain insurance

