

Homeowner Insurance Information

Many homeowners are experiencing non-renewal or inability to obtain homeowner insurance through traditional insurance companies. A number of well-known insurance companies such as State Farm, Allstate, Farmers, AAA, Hartford, and a few more have chosen not to issue new homeowner policies in California but stated they may keep current homeowner policies in place. Many homeowners are left with the option of obtaining homeowner insurance through the California FAIR Plan. The California FAIR Plan was established to meet the needs of California homeowners unable to find insurance in the traditional marketplace. The FAIR Plan is not a state agency, nor is it a public entity. There is no public or taxpayer funding. The FAIR Plan is a syndicated fire insurance pool comprised of all insurers licensed to conduct property/casualty business in California. The FAIR Plan was established by statute (California Insurance Code sections 10091 et seq.) in August 1968 as an insurance placement facility. Unfortunately, the California FAIR Plan only covers portions of coverage such as for fire. Additional insurance for liability, contents, etc. may require an additional policy by a traditional insurance agency. The California State Insurance Commissioner is in the process of bringing back traditional insurance companies into California to make homeowner insurance available even in high-risk fire areas. However, this is based upon the Insurance Commissioner allowing insurance companies to raise rates to cover potential losses. This will result in increased insurance premiums but may also provide alternative insurance options to homeowners on the California FAIR Plan. This process will begin in 2024 and as stated by the Insurance Commissioner, will be in play by the end of 2024.

For more information on this process, the status of the process, and if you have had insurance issues such as non-renewals and inability to obtain homeowners insurance, you may contact the California Department of Insurance at:

1-800-972-4357 or <https://www.insurance.ca.gov>

Unfortunately, the insurance issues in California have nothing to do with your local fire district. Local fire districts participate in the Insurance Services Organization Public Protection Classification program in which each agency is evaluated on multiple factors and given a score from 1-10, 1 being the highest rating. Penryn Fire District has a rating of 3/3Y, Newcastle Fire District has a rating of 4/4Y, and Placer Hills Fire District has a rating of 3/3Y. All these ratings are considered very good for rural fire districts in Placer County. Even with these fire agency ratings insurance companies are reluctant to provide insurance to many homeowners due to potential risk of wildfire.

Your fire districts does and will do assessments on your home using the most current state and local regulations for wildfire safety. However, you may meet all these regulations and still experience a non-renewal/cancellation from your homeowner insurance company. Many insurance companies are now requiring additional modifications to and around the home that far exceed state and local requirements. Each insurance company may have their own set of standards they require their policy holders to adhere to when it comes to wildfire.

There are a few ways to not only protect your home from wildfire but may assist you in obtaining and maintaining homeowner insurance.

- Home hardening and creating defensible space are key components to protect your home and perhaps your homeowners insurance. Begin by reviewing the information “Recommendations for Hardening Your Home to Better Survive Wildfire” and “Recommendations for Creating Defensible Space”. Additional information can be obtained from:
Your local fire agency
Your local Fire Safe Council: <https://www.placer.ca.gov/5721/Fire-Safe-Alliance>
Cal Fire at: <https://www.calfire.ca.gov>
California Fire Safe Council: <https://cafiresafecouncil.org>

Some insurance companies may offer discounts for homeowners who have hardened their homes and created defensible space to help reduce the risk of wildfire. In addition, they may require homeowners to perform and maintain home hardening and defensible space to maintain insurability.

- Becoming a FIREWISE Community
Some insurance companies including the California FAIR Plan may offer homeowner insurance discounts for communities in a FIREWISE Community. FIREWISE USA is a national program where communities work together to lower the risk of wildfire. More information for FIREWISE USA can be found at:
<https://www.nfpa.org/education-and-research/wildfire/firewise-usa?l=341>

Placer County Office of Emergency Services (PCOES) is the coordination point of contact for FIREWISE in Placer County. Placer County FIREWISE information can be obtained by contacting PCOES at:
FireReady@placer.ca.gov or 530-886-FIRE (3473)