



Understanding California's Insurance Market: Key Factors and Future Outlook in the Aftermath of Recent Wildfires

California State Senate, Informational Hearing

Hon. Susan Rubio, Chair

March 12, 2025 1:30 PM

United Policyholders (UP)

UP is a 501(c) 3 not-for-profit based in California with a 34 year track record of problem-solving, informing and advocating for insurance consumers.

Through our 3 programs we are working to help people stay insured, recover from disasters and loss events and solve the property insurance crisis:

Roadmap to Recovery® *Guiding wildfire-impacted households on timely recovering all available insurance funds and getting smoke damage properly remediated so they can repair, rebuild and return.*

Roadmap to Preparedness *Consumer education on protecting assets, shopping in today's challenging market and reducing risk.*

Advocacy and Action *Facilitating risk reduction, mitigation incentives/rewards, non-renewal protections and public policy solutions*

Challenges that wildfire survivors are navigating

- Insured/Adjuster communications (delays, adversarial, valuation disputes, inconsistent claim handling, limited adjuster authority)
- Out of state adjusters who don't know CA regs/laws
- The pain of having to prepare an itemized inventory of a lifetime's worth of possessions
- Lowball valuations of dwellings, contents, etc.
- Excessive depreciation
- Underinsurance (dwelling, ALE, code upgrades)
- Insurers refusing to pay for pre-cleaning testing of smoke damaged homes, and/or thorough/appropriate cleaning and restoration
- Biased contractors/vendors over or understating damage
- Zoning/Permitting issues (setbacks, building codes)
- Scams, hard sell solicitations, fees that eat up insurance benefits

Prior legislative fixes that are helping

- Required advances of ALE and contents benefits up to \$250k
- Non-renewal moratoriums
- Right to rebuild OR buy
- Requirement that insurers adjust limits down when there's no longer a home to insure
- Anti-price gouging laws, 7 days no solicitation
- Requirement that insurers use a detailed list of factors when setting dwelling limits

Upcoming Roadmap to Recovery[®] Events

The screenshot displays the United Policyholders website's event page. The header includes the logo, navigation links (LOG OUT, MY QUESTIONS, ASK AN EXPERT, FORUMS), a search bar, and a main menu (HOME, ABOUT, MEDIA, RECOVERY HELP, GET PREPARED, ADVOCACY, COMMUNITY, EVENTS, SUPPORT UP). Three event cards are featured:

- Underinsured? Strategies and Remedies for Wildfire-Impacted Property Owners**
Date: Wednesday, March 12, 2025, 5:00 pm PT
Location: Zoom - Registration Required
Topic: 2024 and 2025 California wildfire survivors
- Survivor to Survivor Forum (for wildfire survivors)**
Date: Tuesday, March 18, 2025, 4 pm HT/ 7 pm PT/ 8 pm MT
Location: Zoom - registration required
Topic: All wildfire survivors
- Navigating Wildfire-Damaged Home Insurance Claims (Standing Homes/Partial Losses)**
Date: Wednesday, March 19, 2025, 5:00 pm PT
Location: Zoom - Registration Required
Topic: 2024 and 2025 California wildfire survivors

Each card includes a 'VIEW +' button and a link icon.

www.uphelp.org/events

Register for upcoming events.

View recordings of past events and related resources.

Challenges phs are encountering in the marketplace and prior fixes

- Mitigations not being rewarded
 - Prior fix – CDI regs. More fixes needed (UP proposal)
- Non-renewals
 - Prior fix, 75 days notice + moratoriums, 85% in distressed areas goal. More fixes needed (close moratorium loophole, add commercial)
- Steep premium increases
 - Prior fixes – Mandatory mitigation discounts, PRID process/SIS

Facilitating risk reduction

The screenshot shows the top navigation bar of the United Policyholders website. The logo is on the left, and navigation links include LOGIN, ASK AN EXPERT, FORUMS, and a search bar. A secondary navigation bar contains HOME, ABOUT, MEDIA, RECOVERY HELP, GET PREPARED, ADVOCACY, COMMUNITY, EVENTS, and SUPPORT UP. Below this is a blue banner with the text 'WRAP RESOURCE CENTER – GET STARTED NOW!'. The main content area has a white background with a blue header for the section '1. OFFICIAL WILDFIRE RISK REDUCTION STANDARDS'. The text describes the WRAP Resource Center and lists two sets of wildfire risk reduction standards.

United Policyholders. Empowering the Insured.

LOG IN ASK AN EXPERT FORUMS Search

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

WRAP RESOURCE CENTER – GET STARTED NOW!

Welcome to the Wildfire Risk Reduction and Asset Protection (“WRAP”) Resource Center, a United Policyholders’ initiative supported by a statewide network of resiliency advocates and the Governor’s Office of Emergency Services.

Our goals are to reduce wildfire risk throughout California and help property owners access fairly priced insurance. In this WRAP Resource Center you’ll find out about the home improvements that reduce wildfire risk, access leads to programs and people that can help you make those improvements, and info on risk reduction activities in your community. Let’s get started!

1. OFFICIAL WILDFIRE RISK REDUCTION STANDARDS

Below you’ll find links to the two sets of similar but not identical wildfire risk reduction standards that are currently in place in California:

1. *The Safer from Wildfires* set of standards was created by CALFire and the Department of Insurance.
2. *The Wildfire Prepared Home* set of standards was created by The Institute for Building and Home Safety, an insurance-industry funded nonprofit research entity.

Meeting either of these standards will reduce your home’s chances of being damaged or destroyed in a wildfire and should qualify you for better insurance options and pricing in the future.

UP is asking regulators and lawmakers to put regulations and/or legislation in place to:

Require an insurer to provide a consumer with copies of date-stamped images of their home that show conditions that are out of compliance with the insurer's underwriting guidelines and/or impact the property's risk score, what factors go into that score, and what steps the consumer can take to reverse the insurer's decision

Require an insurer to provide an appeal process so the consumer can correct any errors (e.g. "that's not damaged roof tiles – that's my solar panel" or "that's not my home/address" or "There's a fire hydrant/station very close to my home that you didn't factor in" ...)

Require an insurer to give the consumer a reasonable time period to cure the defects/conditions underlying the non-renewal or new application rejection.

Require an insurer to offer a new or renewal policy to a consumer who submits proof that they've cured the defects/conditions identified in **A)**, above.