California Department of Insurance

Peter Meza

Associate Insurance Compliance Officer

ROLE OF INSURANCE COMMISSIONER

- Protect Consumers
- Maintain Insurer Solvency
- Enforce the insurance laws of California

RICARDO LARA
INSURANCE COMMISSIONER
California Department of Insurance

www.insurance.ca.gov 800-927-4357

Homeowner's Insurance – HO3

Coverage A — Dwelling

Coverage B — Other Structures

Coverage C — Personal Property

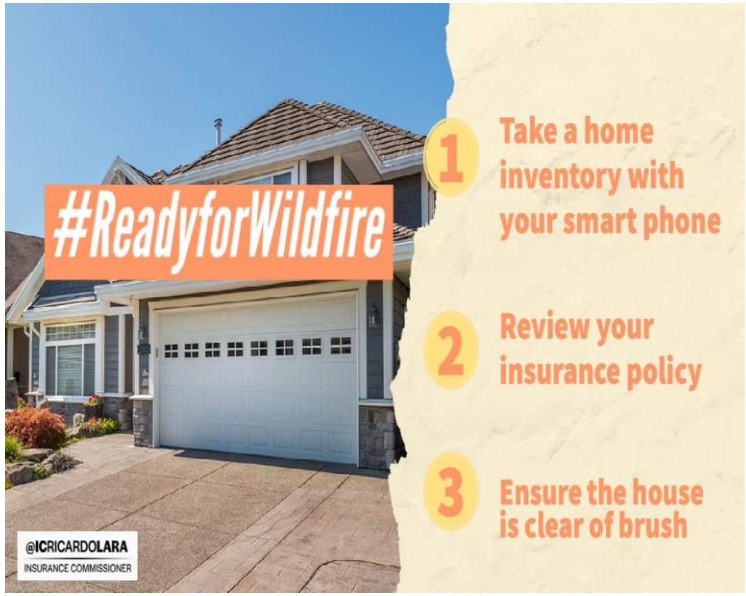
Coverage D — Loss of Use

Coverage E — Personal Liability

Coverage F — Medical Payments to Others

Are You Underinsured?

- Conduct an annual check-up
- Rebuilding cost is NOT the home's selling price
- Actual Cash Value vs. Replacement Cost
- Building code upgrades
- Loss Assessment [HOA]
- Construction costs SOAR



Property Rate Regulation

- Governed by Law
- Rates cannot be excessive or inadequate
- Can be higher for brush/wildfire areas
- Insurers can generally choose where they want to write
- Insurers must maintain eligibility guidelines
- Specific & substantially related to loss exposure

Non-Renewed?

- 75 days
- Call CDI
- Call your current insurance co.
- Call your agent/broker
- Widen your search
- Non-admitted carrier, Surplus lines
- Fair Plan

Keeping Your Coverage

- Insurance Companies can non-renew for almost any reason (that is risk-related)
- Claims History (can cause a non-renewal)
- Things Under Your Control:
  - Condition of Property (roof, plumbing, etc.)
  - Brush on your Property, Leaves in Gutters
  - Flammable items Stored on Property
- Things You Can't Control:
  - Location of Your Home (Near Brush or Forest)
  - Uncleared Brush on the your neighbor's property
  - **Wildfire Risk Score !!!**

CA Fair Plan

- Insurer of last resort
- Fire Insurance policy – for high-risk properties
- Has coverage limitations
- Named peril policy – fire, lightning, internal explosion, smoke only
- No coverage is provided for liability or coverage for other perils
- Currently need a "Differences in Conditions" policy
- Temporary safety net/but try to get back into standard mrkt
- Hopefully coming soon – Full comprehensive policy

CDI

- Increased consumer protections
- Mandatory one-year moratorium declared disasters (SB 824)
- Helping Homeowners to Recover from Fires and Find Home Insurance
- Assists homeowners in filing claims and maximizing their insurance benefits following a disaster.

Commissioner Lara's Action Plan

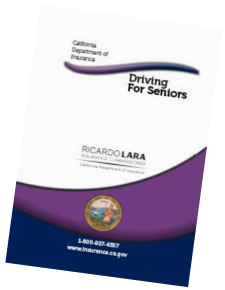
- Require greater transparency for wildfire risk score models for homes and businesses
- Require these models to take into account community and individual mitigation
- Require these models be open for public review
- Allow consumers to appeal their risk score if they believe it is based upon wrong information
- Give consumers time to address mitigation issues to lower their risk score

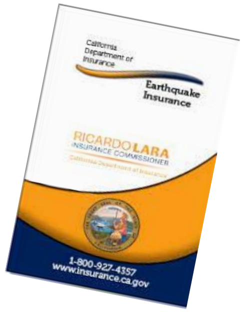
Insurance Fraud

- **Watch out for Scammers after a disaster**
- **Don't Get Scammed informational guide**
- **Property Claims Informational Guide**
- **Report suspected fraud**
- **Department of Insurance**
  - 800-927-4357 www.insurance.ca.gov

Resources from CDI

- **Information Guides**
  - **Residential Insurance guide**
  - **Home Inventory guide**
  - **Don’t get Scammed guide**
  - **Property Claims guide**





- **Top 10 Tips for Finding Homeowners Insurance**
- **Homeowners Insurance Finder Tool**
- **Annual Consumer Complaint Study**
- **Premium Comparison Guide**

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Contact Us

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