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Local expert addresses hot topic of home insurance availability

By Sora O'Doherty

The Via Farallon La Cuesta Firewise group hosted a Zoom meeting, open to the public, on Feb. 22, so that local residents could hear from a local insurance expert about the problem of home insurance nonrenewals. Joel Laucher, a Moraga resident who worked for the California Department of Insurance before retiring, now works for the nonprofit agency United Policyholders and addressed over 80 people who attended the Zoom meeting. He explained how United Policyholders came into being after the devastating Oakland fire 30 years ago, to try to help consumers understand and contend with the realities of premium increases and nonrenewals.

Laucher also addressed some problems of people who still have insurance, but are underinsured (30 to 40% of people are underinsured and would not be able to rebuild if they lost their home in a fire, he explained). The current cost to rebuild is now a minimum of \$450 per square foot.

If your insurance company is not going to renew your home insurance policy, they must by law give you 75 days notice. This is intended to either allow you to correct deficiencies that might have led to the nonrenewal, or to shop for another insurance provider. Laucher explained that often a policy nonrenewal may have nothing to do with your particular property, but the insurer might be trying to reduce their risk in a certain area.

The California Department of Insurance provides tips on how to obtain home insurance, including the 800 telephone numbers of every insurer who writes policies in California. Laucher advised calling every one and asking if they can either give you a direct quote for a new policy or direct you to an agent who handles policies for their company.

Although California established its "FAIR plan" to provide basic fire insurance to those who live in a high-fire area and cannot obtain insurance, Laucher advised strongly to keep this as the option of last resort. FAIR plan policies are fire insurance only, and Laucher said homeowners would require "Difference in Conditions" policies to protect them from everything else, from liability to water damage. Although water damage claims are rare, he noted, claims for water damage tend to be very significant.

Laucher offered these tips to homeowners. Seek out proactive insurance agents or brokers. Do as much mitigation as you can, including clearing all vegetation and debris from under decks and clearing all combustible material for 5 feet from your home, with six inches of noncombustible vertical clearance at the bottom of all exterior surfaces of your home. Ask your agent about all available discounts. Raise your deductible to reduce your premium.

One big issue that insurers are focusing on is wooden gates connecting fences to homes. Best practices would be to have metal gates five feet wide. Other things that can be done include installing fire resistant vents and multipane windows, although Laucher did say that most Lamorinda homes already have multipane windows. A Class A roof is also recommended, as are enclosed eaves.

Laucher added that anything you do adds to "herd immunity," that is, the more homes that have done mitigation of fire hazards, the safer the whole neighborhood will be. He took some questions from the group; several homeowners reported that their insurance company had not renewed their policies. Laucher noted that you cannot go without fire insurance if you have a mortgage on your home. While the search for a policy may be time consuming and difficult, Laucher said it was the best way forward.

Links: Get risk reduction in your area www.uphelp.org/WRAP

Get ready, get your disaster ready guide www.listocalifornia.org/resources

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