

MOTION BY SUPERVISOR HILDA L. SOLIS

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Awareness Campaign of Property Insurance

Recent news report that it is harder and more expensive to insure homes in the wake of devastating wildfires and other climate change events across the state. Premiums are rising sharply, even with requirements from 1988's Proposition 103 that the state review and approve rate increases. On top this, homeowners are getting notices from their longtime insurers that their policy won't be renewed, forcing them to find a new one. Major insurers like Allstate and State Farm have stopped writing new policies, leaving fewer options.

California insurers paid a record \$15.4 billion in losses in 2017 and \$13.6 billion in 2018 due to what were by far the two most destructive wildfire seasons in state history. After two straight years of insurers paying out \$1.85 in losses for every \$1.00 of premium earned, the California Department of Insurance approved 71 rate increase requests from 50 different companies in 2019. This means many homeowners have likely seen a steep premium increase the last few years.

Additionally, for consumers, inflation has caused many California homeowners to

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be underinsured, or without enough insurance coverage to completely rebuild their home after a disaster. It has also caused home insurance prices to soar, as many policies were updated to reflect the higher cost to rebuild. Last year, California homeowners saw their renewal premiums increase an average of 9.9%.

This presents a good opportunity to launch an awareness campaign by the Department of Consumer and Business Affairs (DCBA) along with other key stakeholders to design a "know your rights" campaign. It is critical that the County work with state stakeholders to raise awareness of these increases and the potential options available. Advocates have identified options to purchase home insurance policies that include the FAIR plan and Excess & Surplus (E&S) carrier for alternatives. County homeowners should be made aware of alternatives.

I, THEREFORE, MOVE THAT THE BOARD OF SUPERVISORS direct the Director of Department of Consumer and Business Affairs along with Treasurer and Tax Collector and the Assessor and Department of Economic Opportunity in consultation with the State Insurance Commissioner and the County Insurance Commission to design a multi-lingual awareness campaign for homeowners about home property insurance alternatives and ways to mitigate property damage or loss. This awareness campaign should include digital media, publications, webinars, etc. and utilize hyper ethnic local media to target historically marginalized communities as they continue to recover from the COVID-19 pandemic.

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