

# RICARDO LARA

## INSURANCE COMMISSIONER

### California Department of Insurance

**Notes: Senator Nancy Skinner Small Business & Fire Preparedness**  
**Wednesday, September 9, 2020**

One of the most important lessons we have learned during last year's fire season is that we must be prepared to keep our families and communities safe. It is imperative for you to have up to date information on services and resources. California Insurance Commissioner Ricardo Lara and Senator Nancy Skinner hosted the following experts at the wildfire preparedness virtual town hall on insurance issues and available resources for homeowners and other insurance consumers and on the changes the state has made to COVID response that affect business openings and other activities.

- Dr. William Walker, *Legislative and Government Affairs Director, Contra Costa County Health Services*
- Captain Pace Stokes, *Alameda County Office of Homeland Security and Emergency Services county Offices of Emergency Services*
- Joel Laucher, *Special Advisor, Department of Insurance*
- Tony Cignarale, *Deputy Commissioner, Department of Insurance*

#### **Senator Nancy Skinner**

Welcome to the Senate District 9 Virtual Town Hall. I'm Nancy Skinner, your state senator. Today, we are dealing with the COVID-19 virus and we have our terrible fires. We are in the 22<sup>nd</sup> or 23<sup>rd</sup> day straight of bad air quality in the Bay Area, due to the fires. Most of us woke up this morning to the very dark skies. We know that we're in this for a while. For today's Town Hall, we have some wonderful folks who have joined us, we have Dr. William Walker, who is with the Contra Costa County Health Services. He will update us on new developments regarding the pandemic and the different activities that we are allowed to engage in.

We have Captain Pace Stoke from Alameda County Office of Emergency Services, who will talk about the fire situation. Most of us know that the absolute worst fires in the state, in terms of loss of life and structures before these last four years of terrible fires in California, were right here in Senate District 9 in the Oakland Berkeley tunnel fire, where we had to do an enormous amount of evacuations. Since then, there were a number of times that we had to evacuate. We hope that we don't have to evacuate this year, but we need to be prepared to do so.

We will hear from our State Insurance Commissioner Ricardo Lara, who is now the head of our Department of Insurance. He also served with me in both the State Assembly and the State Senate.

Right now, I would like to turn it over to Dr Walker. Dr Walker, give us some updates on COVID-19. And then if you want to integrate any of the issues around the fires and smoke. Thank you so much for joining us.

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## Dr. William Walker

Thank you so much, Senator, for allowing me to speak today. As everyone knows, we're now well into the COVID pandemic. The ongoing efforts of the state and the counties are to work together to curtail the virus and to allow folks to resume normal activities. The State Monitoring List assesses counties and determines when they should be on or off the monitoring list. This in turn impacts when the counties can resume various types of activities. The state has also announced a new program called the Blueprint for a Safer Economy. It provides a much clearer structure of how counties can begin to open up various sectors of their business and personal activities as we gain better control of the virus in the counties. Additionally, there is a new system that is a color-coded system: purple, red, orange, and yellow. Currently, most counties in California are in the purple area. This means that we all have a long way to go. The status of each individual color is determined by two factors: (1) the number of new cases per day per hundred thousand population and (2) the positivity rate.

In order to be out of the purple range, you have to have a new case rate of less than 7 new cases per day per hundred thousand and a positivity rate of less than 8%. For example, in Contra Costa at the present time, the new case rate is 8.4, which is not less than seven. However, our positivity rate actually is better; it's 5.3%. Despite that, even having one factor satisfy the requirement doesn't get you out of the stage, so we won't be in the purple range in Contra Costa for another three weeks at least. This will be measured again next Tuesday, on September 15th. Every Tuesday thereafter, the statewide numbers are published, which helps determine the color category for each county. Alameda, by the way, also is currently in the purple category and also trying to improve its positivity rate. Given that, we in Contra Costa and Alameda in the Bay Area are making good progress. Our death rates due to COVID-19 are beginning to stabilize. We've had 187 deaths in Contra Costa; out of those, 108 have been in long term care facilities. However, in August, for the first time the number of folks who were living in the community not in long term care died in a number that exceeded those in long term care deaths.

At present, the rate has come down. It was running in the 95 to 100 range for quite a while. Today, it is down to 62 in the hospital. We have 41 ICU beds available in Contra Costa which is obviously a good number to have; we are in very good shape. However, our schools cannot be open to in-person learning because we are in the purple range. We have to be on remote learning until we are out of the purple range. The one exception to that is the elementary schools, as individual elementary schools can apply for a waiver to open if the schools meet certain criteria, such as having testing available and are able exercise social distancing and masking requirements. To date, in Contra Costa County, we have had 22 applications for those elementary schools. Out of those, 10 have been approved by the county and sent to the state. The state has approved four of them. All of those are small private schools. There are no public schools open as of yet in Contra Costa. In order to further open up our economy and get back to in-person school, we need to get out of the purple range. We are hoping to get out of critical range by September 22<sup>nd</sup>. We would hope that schools could open up on the first week of October. Briefly, that's where we're at right now. At this point, I am open to any questions.

**Senator Skinner:** Thank you, Dr Walker. Since, we put out the word for the Town Hall, and we asked folks to submit to us questions in advance. I did receive a few questions. One of them relates to the fact that the highest COVID cases now in Contra Costa County are in two cities, San Pablo and Richmond, in Senate District 9 in West Contra Costa County. In these cities, the COVID cases are its highest amongst our Latino residents. The question that we received is what the county is doing to specifically target our Latino communities and residents in order to make sure that we have provided

culturally relevant and language specific materials and outreach. Additionally, the data in California wide and nationally is showing that we have a disproportionate number of COVID cases and deaths amongst our Latinx community, but also specifically right here in Richmond and in San Pablo.

**Dr. Walker:** That's exactly the case that's happening in Contra Costa and many other counties around the state. We do know that the impact on the Latino community could be because of couple of factors. One is that many of them work in essential work situations, working in our food facilities, our grocery stores, or service industries, where they have to work to keep the lights on at home. The second factor is that many also live in households experiencing crowded conditions. This does not allow for good social isolation for those determined to be COVID positive. When our contact tracers actually find folks who are living in such situations, we do offer the ability to live in a hotel room during the time that you might be infected.

**Question: We also know that not everyone gets contact traced. How would a resident be able to find out if they are living in a household with a lot of members, if they needed that who would they contact?**

**Dr. Walker:** They would contact the Contra Costa County Health Department and CCM.org would give you the number for that. The contact tracer themselves when they find the positive case always offers the ability to have a hotel room if it's desired. We find that there's relatively low uptake and only about 12% of our available hotel rooms are currently being used. We certainly have the capability to accommodate more people. You spoke of outreach to the Latin community, we're particularly working with their community-based organizations, the folks who actually know their way around the community and know how to communicate. We're also currently working with the Bay Area Public Health Information Officers to try to work more with the lead. We are also working with Spanish speaking media to actually get out a uniform message around the Bay Area. It's a struggle. It involves safety in the workplaces, masking when they're working, even in crowded facilities, and the kind of social isolation that needs to be done once we know we have a positive case.

**Senator Skinner:** My office may follow up with you; we may want to send some information out to our constituents. Certainly, no one has to take advantage of the hotel rooms that are being offered, but it might really help some families in terms of minimizing the spread of COVID in their own household or in their neighborhoods.

**Question: With regards to the federal CDC website, the guidance that we have gotten from our public health directors in our counties and also in the state has not always been 100% consistent with the federal CDC. Recently CDC reclassified some data on COVID related deaths and basically dropped the number of deaths. Was that accurate, and if so, would that impact how our counties are responding?**

**Dr. Walker:** Actually, it doesn't impact death reporting in California which is pretty straightforward with regard to the relationships of deaths and death certificates, and reporting to the state in an accurate manner. We've heard the argument from some in the federal government and elsewhere that many people are dying with COVID and not necessarily of COVID. I think that's a misinterpretation of the fact that death certificates often list coexisting conditions such as high blood pressure, IPS, etc. But primarily, the people who are dying of COVID and have those listed on their death certificates are not dying from diabetes or hypertension, they are dying of COVID. We should try not to minimize the impact on our communities, and in people with coexisting conditions by saying that they were going to

die anyway. You can trust the deaths data that's coming out of local health departments in the state of California.

One quick comment that has just come out this week is the fact that masking is eminently important, not only to protect other people, but to protect yourself. The data is coming out that by simply wearing a cloth mask, you can diminish the amount of virus that you're exposed to which would lead to either a case of no symptoms or a case of very minimal symptoms. So you are protecting yourself with a mask, so please wear your masks.

**Senator Skinner:** Dr Walker, I'm really glad you brought that up. I have been reading these latest reports that show that if we are masked, even if we are exposed to the virus, it may cause us to get a much lighter case of the virus. None of us, unless you've had COVID already, are immune. And even if you've had it, it's there. We don't fully understand yet how long your immunity lasts. And I'll use a term – it's called viral load. The amount of virus that you're exposed to depends on how long you're around someone who is shedding the virus. The amount you breathe in will often determine either whether you get sick at all, or how sick you get. Clearly, masks are the best thing to protect ourselves, our families, and others.

**Senator Skinner:** Captain Stokes, thank you so much for joining us. Captain Stokes you have been involved with Alameda County and the Office of Emergency Services as well as the search and rescue unit for about 23 years. You clearly have a passion for emergency management. We are in a number of emergencies right now, we are in the COVID-19 emergency, a terrible fire emergency and in an air quality emergency. What can you share with us on how to keep safe, as well as any the plans and preparations?

**Captain Pace Stokes:** Thank you, Senator. Just a brief update on the fire. The SCU Complex Fire is the second largest wildland fire in California state history. It is essentially out in Alameda and Contra Costa counties, and has encompassed five counties and impacted seven. It is 95% contained as of today, and all evacuation orders and warnings have been lifted for that fire. This is good news for our immediate area.

However, we've got dozens of other fires that are just starting, or are well into burning stages throughout the state. As a result, we are experiencing poor air quality due to the fires. Over the last week or so, we've really smelled the smoke. Today, at least, there is less smell of smoke out in Dublin but you can see the change in the color and the density and definitely see a difference in the way that the smoke is impacting our area. So far, in Alameda County, we evacuated about 1000 individuals, and an additional 20,000 were put under fire evacuation warnings. We did something different this time related to COVID. We housed our evacuees in hotels, as opposed to congregate shelters such as high school gymnasiums or the like, in consideration of social distancing. The idea is that people stay within their social bubbles or their families, so not to exacerbate one disaster with another. This made things quite challenging, not so much in Alameda County, but in many other counties where they evacuated tens of thousands of people. Fortunately, we were limited to about 1000 and of those thousand we were even more fortunate that the vast majority of them found their own housing. They went to friends or relatives houses or they rented hotels of their own. The first wave of evacuations, we housed 11 families and then, in the second wave of evacuations, we only housed two families.

**Senator Skinner:** It sounds like we are prepared in the circumstances with adequate hotel rooms where the population is a little less dense. In Senate District 9, we have Oakland, San Leandro,

Berkeley, Emeryville, and Alameda. Our wildland interface areas are the Oakland, Berkeley hills and some parts of San Leandro, in Contra Costa County, Kensington area, Richmond Hills, Richmond Annex. The areas that are typical for these types of fires that are from wildland are pretty dense compared to what we just experienced.

**Question: If we had to do a large-scale evacuation of San Leandro, Oakland, or Berkeley hills area, what measures does Alameda County have in place?**

**Captain Stokes:** That is actually one of the things that we faced with this fire. The fire was headed towards Fremont over by the Ohlone College, off of Highway 680. There were about 5000 residents. They're still not quite as densely populated as the areas you're talking about, but still very much a residential area. In this case, we did enact some of these plans, where many would have to go to a combination of congregate sheltering, the more traditional style sheltering in the community centers and the gymnasiums, as well as hotels. We worked very closely with the Red Cross and our partners in our social services agency, who actually run our care and shelter branch in the emergency operations center. The Red Cross has agreements with 50 hotels throughout Alameda County. Just in Alameda County they have pre-written agreements to use those hotels. There are obviously more hotels available than that, but those are the ones where they have pre-written agreements. Additionally, there are plans for how to set up congregate sheltering in a COVID environment in a socially distanced manner. Cots would be further apart than they would normally be, we would house a fraction of the number of evacuees in each individual shelter, compared to how we would normally handle that. Also, we have other plans, contingencies if the hotels were to fill up to be able to house in other COVID safe manners.

**Question: How does the county evacuation plan work for senior residents, some who are disabled, some with very high medical needs, and other folks with disabilities? How do we work with the cities to ensure safe evacuations for people with disabilities?**

**Captain Stokes:** Absolutely, we work very closely with the cities. We have a saying in emergency management: all disasters are local. No matter how large a disaster is, the response and the responsibility for the disaster is at the local level. The first and foremost is with the cities in the incorporated areas and then, of course, with the county in the unincorporated areas. In a large-scale disaster, those cities will fairly quickly exhaust all of their resources and need to scale up to the county and then potentially to the state and the federal government. All of our plans address access and functional needs. We work closely with the Red Cross in the collaboration to ensure that we are meeting those needs. For instance, we work with paratransit for transportation issues. We work with FAST, which is the Functional Assessment Support Team. They assist the county and the cities in assessing shelter facilities to determine the needs such as perhaps a wheelchair ramp needs to be installed or we need additional outlets for different medical machines and similar things. They would come in and have jurisdiction and address those access and functional needs.

**Senator Skinner:** Fortunately, as you mentioned, the fire that was closest to us is contained and under control but there are many more raging and we're hearing that there's high winds predicted. It was a very high wind situation that led to the Oakland Berkeley tunnel fire back in 1991.

**Question: When we face these conditions, the utilities will often do power shut offs. Are our cell towers now better protected so that people will still have a working cell phone? What**



**other things may have been put into place from our experience last year, if we experienced these powers shut offs? How can we be safe or alerted during an emergency?**

**Captain Stokes:** We work closely with PG&E, who is of course the main supplier of energy in Alameda County and Contra Costa County and the largest in the state. Generally, PG&E would be shutting off the power. Even in the city of Alameda, which has their own municipal power, they get their power primarily from PG&E. As such, they would still be impacted if PG&E were to turn the power off. PG&E has substantially improved their process of communicating with the local jurisdictions; they're providing much better real time information. They're much better at notifying us in advance. They had a plan in the past for how things would work. The plan or the execution did not often go as planned. This year, we've actually faced already the first PSPS event. Fortunately, it didn't impact either Alameda or Contra Costa counties. I read today that 22 counties were impacted by the PSPS. They have a web portal for government agencies to be able to access the specific grid and sections that will be deenergized, so that we can best prepare and plan for that. They share with us what they call their medical baseline, which is their list of customers who receive discounts for certain medical conditions. Which means that generally speaking, they need electricity or cooling or heating in order to maintain their health. They provide that in a HIPAA compliant way to our medical health branch in order to monitor and make contact with those individuals. PG&E reaches out directly to those customers and informs them of the impending PSPS de-energization, and then again notifies us of who they have contacted, what type of contact they made, whether it was a positive contact, whether they spoke to an individual or someone confirmed, or if they just left a message. That allows the local government to follow up with those individuals that were not contacted.

We also have access to the federal Medicare files for people who are using, or who have durable medical equipment that relies on power. In Alameda County, we are in the process of purchasing battery packs, to be able to loan out to individuals that we are aware of that are on these lists of needing electricity to power these durable devices.

**Senator Skinner:** In other words, we could have a power outage in the next couple of days and, as you pointed out and I have noticed as well, PG&E is alerting people more in advance. They utilized the news to inform residents that Napa and a couple other counties nearby might experience power outage whereas Alameda County and Contra Costa wouldn't.

**Question: Are those battery packs available now for Alameda County residents?**

**Captain Stokes:** In Alameda County we have not yet purchased them.

**Question: If we have power outage in the next three or four days, people could turn to their city. Could they turn to the county?**

**Captain Stokes:** Yes, but for recharging centers, things like that - cities, the county, and PG&E set up a community resource center. They will need to comply with the COVID restrictions and the guidelines and the social distancing but as far as I'm aware, the plan is still in place to set up those stations.

**Dr. Walker:** Captain Stokes has really very well covered the public health aspect, particularly with regard to those who are most vulnerable in the community in terms of being on medical equipment or needing oxygen or those kinds of things. We have the database not only from PG&E but also from

Medicare. They add the durable medical equipment provider so that we actually have an automated way ourselves with medical health brands to be able to call those folks and check on them so that that piece is taken care of.

**Question: Does Contra Costa have battery packs in case a person needs it, because it is hard for someone who's dependent on equipment to go to one of these recharge places?**

**Dr. Walker:** I don't believe as of yet. Certainly, it's in our agenda to get those. The medical facilities need to be well prepared for PSPS and PG&E is making a good effort to reach out through the hospital community to have warnings in place.

**Question: What about the status of PSPS tomorrow with residents who seemed to have had a problem with their cell service in the past. Do we know if that has been addressed in this interim period since last year?**

**Captain Stokes:** I know that the various cell phone companies had plans to address that. The FCC does not require a long-term battery backup to the cell tower. Most of the battery backups, if they have them, are just a matter of hours, not the potential days that the PSPS event covers. There have been plans to cover that, but I have not received any updates on which cell towers or which companies have actually made those adjustments and enhancements. My suggestion to residents is to plan to not have good cell coverage during a PSPS event.

**Senator Skinner:** There was legislation in the legislature that did put some new requirements in. I unfortunately I can't remember if they had to have already met it by right now. But certainly, I'll have my staff look into and we will send a blast out to our constituents. One of the biggest complaints we heard after last year's outages was that people felt like they were sitting ducks because when they received the emergency alert on their cell phone, it is clearly an issue if the cell phone is dead, not charged. I will ask my staff to send the updates.

**Captain Stokes:** I would suggest from a computed community preparedness standpoint that even though Alameda County is in the process of purchasing and Contra Costa County plans to purchase it too, the reality is that the number of battery backups that local government will be able to provide to individuals is going to be relatively small considering the vast number of people who rely on electric power. For those who can afford it, we definitely recommend buying their own battery backups and cell charging batteries so that they have the ability to be able to sustain that equipment for a couple of days.

**Senator Skinner:** I appreciate these updates. We may have to have another town hall soon around some of these same questions just because we're going to be in this fire season until November. Right now, I'm going to switch over to Commissioner Lara. Thank you, Dr. Walker and Captain Stokes.

**Insurance Commissioner Ricardo Lara**

Thank you, Senator Skinner, I am happy to join you today as we discuss resources for businesses and residents and give you and your constituents in the East Bay an update on the work we have been doing on their behalf.

Since the Governor's "stay at home" order was issued in March, we have held over 40 tele-town halls focused on business issues like business interruption insurance and workers' comp -- and reached more than 15,000 businesses and consumers on COVID-19 related issues.

Together, we all have a lot of work to do to assist businesses and their workers as we continue to try to cope with this pandemic and the future of our economy and the state.

## **COVID-19 ACTIONS**

Before we jump into questions we received about wildfire insurance, I would be remiss not to mention several actions I have taken to protect policyholders during the COVID-19 pandemic.

Because of stay at home orders, we have seen fewer accidents on the roads and fewer insurance losses at businesses.

I ordered insurance companies to return a portion of premiums to businesses and drivers affected by the COVID-19 pandemic. This includes both private and commercial auto policies, workers compensation, and other commercial policies applicable to both small and large businesses. In fact, I am proud to say that my action goes farther than any other state by including businesses in addition to drivers.

Because of my order, California automobile insurance companies have provided \$1.2 billion in savings to drivers. That is hopefully putting some much-needed money into the pocket of our business owners. I want you to note, if the number of miles you expect to drive your personal auto will be going down for the near future or if your payroll and receipts will be down for some time, you should call your agent and amend your policies to reflect those changes.

If you want to see what your own insurance company is doing, you can visit [insurance.ca.gov](https://insurance.ca.gov) to see the reports that they submitted. My Department is currently reviewing all the reports to verify that these amounts are sufficient for our drivers and business owners.

We also encourage any business owner to contact our Department at 1-800-927-4357 if they have any questions or have not received a reimbursement.

In addition to the premium relief, I have taken more than 20 separate actions to help consumers and businesses and I want to briefly mention a few more:

I directed health insurance companies to provide zero co-pays or cost-sharing on consumers for COVID-19 screening and testing.

My action extended policyholder deadlines for consumers to ensure they don't lose, limit, or waive their policy benefits as a result of the current national state of emergency

I asked companies to extend grace periods so consumers affected by COVID-19 have more time to pay their insurance premiums

I have pushed insurance companies to expand access to telehealth so consumers have access to medically necessary health care while keeping them and our health care workers safe.

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You can see the full list at our website at, [insurance.ca.gov](https://insurance.ca.gov).

We have a lot of work to do to assist businesses and their workers as we continue to try to cope with the wildfires, this pandemic, and the future of our economy and the state.

## **WILDFIRE ACTIONS**

We are now squarely in the middle of a fierce wildfire season that is damaging and destroying homes and businesses, and my Department is here to help you recover.

After the devastating Tubbs and Camp Fires, we organized insurance workshops where we met one-on-one with wildfire survivors. Now, we are meeting with survivors through these virtual meetings and through our Consumer Hotline and on our website.

For the 2017 and 2018 wildfires, the Department of Insurance intervened and was able to recover more than \$240 million dollars for wildfire claimants. So, please come to us for help.

## **WILDFIRE CLAIMS ACTIONS**

After these recent August fires, I immediately issued a notice to insurers requesting they expedite claims, and make advance payments of 25% of Contents coverage and 4-months for Additional Living Expenses (ALE) in cases of a total loss, plus requested that insurers provide a grace period for policyholders to pay their premiums. These actions are intended to provide insureds with needed funds to cover their immediate emergency expenses and start them on the road to recovery.

We have heard that some people who are evacuated are losing access to their insurance benefits that pay for a hotel or other emergency expenses after just two weeks – even when their homes are still difficult to reach or uninhabitable due to loss of water or power. So, last week I issued a Notice calling on all residential property insurance companies to cover additional living expenses (ALE) for those policyholders who remain under mandatory evacuations or whose homes are not accessible or habitable due to the wildfires. Residents should not be denied coverage when they can't even live in their homes.

The issue of people being cut off for additional living expenses while their homes are still uninhabitable -- that is something I saw firsthand after the Camp Fire, when residents of Paradise were unable to move back into their homes because water mains had been damaged by the heat of the fire – but people had to pay out of pocket for emergency costs.

I also sponsored legislation this year to make these changes (which included advance payments on contents and ALE, ALE extensions for evacuations, and a grace period to pay premiums, after these types of disasters) permanent. Senate Bill 872 by Senator Bill Dodd is headed to Governor Newsom's desk with support from both Democrats and Republicans.

On the homepage of our website, ([insurance.ca.gov](https://insurance.ca.gov)), we have a button "Insurance Resources for Wildfire Survivors." There, you will find critical resources including our Top 10 Tips for Claimants in both English and Spanish. I urge you all to look at the list in full on our website. But if you have any questions, please call us.

**[insurance.ca.gov](https://insurance.ca.gov) 800.927.4357**

**Question: We know that some homeowner policies were not renewed, they can opt to have a FAIR Plan. As we've heard that either they've not been able to get a policy under the FAIR Plan, or it's been prohibitively expensive. Would you please explain what it is?**

**Commissioner Lara:** As Insurance Commissioner, I recognize that homeowners — especially in the higher risk areas (WUI) — are experiencing: (1) non-renewals, with a 600% increase in complaints to the Department since 2010, (2) premium Increases, with more than 268 rate increases filed by insurers from July 2017- July 2020, and (3) lack of available insurance in the traditional homeowners and renters' market.

For those who do not know, the FAIR Plan is California's insurer of last resort. It is backed by the insurance companies, not by taxpayers.

The FAIR Plan will write you fire insurance even if nobody else will, but this is coverage for fire only.

To get the additional coverages such as water damage, theft, and liability that come with a homeowners' policy, or HO-3, you have to buy additional wrap-around coverage from an insurance company at an additional cost.

Last year, I directed the FAIR Plan to modernize its basic policy, which had not changed in decades.

In response, the FAIR Plan increased its available limits to \$3 million, instead of \$1.5 million.

The FAIR Plan is also going to begin accepting monthly payments and credit card payments without additional fees.

However, the FAIR Plan has sued the Department of Insurance to block my order that it add a full HO-3 policy, so you wouldn't have to buy that additional policy. That litigation is still ongoing, so I can't comment further on it.

The bottom line is that FAIR Plan coverage is limited and the premiums are expensive, so I suggest you search the market before you settle for this coverage.

**Question: About non-renewal, how does an insurer decide that my house is in a high risk area for wildfire? Are there rules and regulations around it or do they just decide that arbitrarily?**

**Commissioner Lara:** There's so many different ways to answer this question. As you can imagine all policies are very different. I have Joel Laucher, who is my special counsel expert from the Bay Area, who can give us a couple examples regarding what we are seeing.

**Joel Laucher:** Thank you, Commissioner. Hello everyone, I live in Moraga just the other side of the Oakland Hills. We face the same issues that people are facing statewide. Insurers have full discretion, in terms of setting the risk appetite that they want to take on in terms of homeowners' business, as long as they aren't unfairly discriminatory.

Some considerations they have are whether you have a wood shake roof, how close you are to a fire station and or a fire hydrant, at the age of the home, and other similar criteria. They look at the slope

and the density of the fuel and the access to your homes. Any insurer is able to use any one of those risk considerations to determine who is going to be eligible for coverage. At any point in time, they can change their mind to take on a less risky kind of baseline. And that's how people get non-renewed, an insurer decides to retrench. They don't want to either write as much business as they did in the particular area, or they decided to set a new threshold, so they're not taking as high a risk of writing homes that are somewhere in more brush or less accessible areas. Unfortunately, that leads the homeowner to search for coverage. We've done a great deal in the Department of Insurance under Commissioner Lara's direction to put in tools to help consumers shop for coverage.

Insurers do have to give 75 days notice of nonrenewal along with the specific reason for the nonrenewal. If it's something you can address during that time, you may be able to continue your policy.

If you have to seek coverage, our website, [insurance.ca.gov](https://insurance.ca.gov) provides some valuable tools to help you scour the insurance marketplace. Check out our [Top Ten Tips for Finding Residential Insurance](#) for a summary of the information and options available. Our Home Insurance Finder tool can help you identify those insurers writing in high risk regions to help narrow your search. Then use our Residential Insurance Company Contact List that provides toll free numbers in order to contact each of those insurers to find their closest agent or broker or, in some cases, get a quote from them directly. Try not to settle for the FAIR Plan until you've done your best to shop the marketplace.

The FAIR Plan is the backstop for those who can't find coverage in the California voluntary market. It is limited coverage and you will need to buy an additional policy to obtain water damage, theft and liability coverage but the FAIR Plan cannot deny coverage based on your wildfire risk.

**Question: If I am a renter, do I need to buy my own hazard insurance in case of fire, flood, or earthquake? What is available for renters?**

**Commissioner Lara:** I will refer this question to Tony Cignarale from our Consumer Services & Market Conduct Branch.

**Tony Cignarale:** We encourage renters to essentially purchase insurance for their personal property. Your landlord does not provide insurance for your personal property. Having all your personal possessions destroyed in a fire or other insurable event, without coverage, is a tragedy that does not have to happen.

A typical renters insurance policy will cover your possessions if they are lost or damaged as a result of fire, theft, or vandalism. It can also protect you from liability if someone gets hurt on the premises. And it can provide compensation if you have to live somewhere else because of certain events, like storm damage or an apartment fire.

However, most renters' policies don't cover for losses caused by flooding. Renters who live in areas identified with flood risk should consider purchasing flood insurance from the National Flood Insurance Plan, which is run by FEMA at the federal level.

For earthquake insurance, you can go to your same insurance company that you purchase your renter's insurance from, and they could give you the information as to how to get covered for earthquake for renters through the California Earthquake Authority.

You don't need renters' insurance unless your landlord requires it, but renters' insurance is usually very affordable if you shop around. We generally encourage people to purchase protection for themselves if they can.

**Question: How does the consumer know if they were given the correct discount for the reduced mileage? Some insurance companies are asking to self-report. Others are now asking for a third-party mechanism to determine how many miles we drive. Do we know if we got our fair rebate?**

**Commissioner:** We are compiling all that data and we have left this task to every insurance company to come up with different methodologies. We review those to make sure that people are fair and accurate. If you have any questions in terms of not receiving the discount or if you haven't seen a discount on your invoice. You can give us a call and we can call the insurance company with you and find out what's happening to your discount. By the way, we've ordered that the discount or the rate or the partial reimbursement be in place until the stay at home water has been lifted.

To date, California automobile insurance companies have provided \$1.2 billion in savings to drivers as a direct result of my order.

That \$1.2 billion includes:

- More than \$1 billion in premium relief for more than 18 million policyholders for the first three months of the pandemic
- Savings from an additional \$180 million in future rate increases that insurance companies reduced in response to the orders that I issued since the beginning of this health crisis.

My action goes farther than any other state by including businesses where the risk of loss has fallen as a result of the pandemic.

My Department is currently reviewing the reports we received from insurance companies about how much premium they are returning from commercial policies, and we will have data about premium relief for businesses in coming weeks.

You should not have to do anything to receive the refund, and insurance companies must provide this relief as soon as possible.

I extended my order for premium relief for as long as the risk of accident and loss remains lower due to the pandemic.

While we have directed insurers to provide refunds for drivers and businesses during the pandemic, personal auto insureds who have significantly reduced their driving mileage or businesses that have significantly reduced their payroll have reduced receipts should contact their agents or insurers to change those exposure based on their policies to reflect the new reality.

**Question: Will Covered California keep its eligibility period open all 2020 due to COVID-19?**

**Commissioner:** The Department is unaware whether Covered California will extend their COVID-related enrollment period through the entirety of 2020. The current Special Enrollment Period extends through August 31 and the Open Enrollment Period will begin November 1 and through January 31, 2021. If you've lost your health insurance coverage you may qualify for a special enrollment period.

In response to the current wildfires, Covered California opened another special enrollment period to help wildfire survivors throughout the state.

Depending on their income, they may receive substantial subsidies to make health insurance affordable during this difficult time.

It's also important for Californians to remember that, if their income is substantially reduced, they may qualify for low-cost or no-cost Medi-Cal coverage.

### **Insurance Commissioner Ricardo Lara**

While a majority of our staff are teleworking in support of the Governor's "stay at home" directives, we continue to provide essential services for California consumers and we are available via phone at 1-800-927-4357 and through our website – [insurance.ca.gov](https://insurance.ca.gov) – to assist you with your claims.

Insurance can be complicated. We can help you and guide you through this process.

We have insurance experts ready to help and answer your questions in multiple languages.

You can talk or chat online with an actual person – not just a recording.



## **Additional Resources**

### **Request Assistance from the California Department of Insurance**

- <https://www.insurance.ca.gov/>
- Phone: 800-927-4357

### **Senator Nancy Skinner**

- <https://sd09.senate.ca.gov/>
- District Office Phone: (510) 286-1333

### **Contra Costa Health Services**

- <https://www.coronavirus.cchealth.org/>

### **CAL FIRE**

- <https://www.readyforwildfire.org>
- <https://www.fire.ca.gov/>
- Phone: 916-568-3800

### **California FAIR Plan**

- Phone: 800-339-4099
- <https://www.cfpnet.com/>

### **Fire Preparedness Information**

- <https://www.nfpa.org/Public-Education/Fire-causes-and-risks/Wildfire/Firewise-USA>
- <https://frap.fire.ca.gov/>

### **Emergency Alerts**

- Contra Costa County: [www.cwsalerts.com](http://www.cwsalerts.com)
- Alameda County: [www.acgov.org/emergencysite](http://www.acgov.org/emergencysite)
- PG&E alerts by visiting [www.pge.com/mywildfirealerts](http://www.pge.com/mywildfirealerts)