

# RICARDO LARA

## INSURANCE COMMISSIONER

### California Department of Insurance

#### Notes – Senator McGuire Fire Preparedness Tele-Town Hall

Tuesday, June 9, 2020

One of the most important lessons we have learned since the 2017 North Bay 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. CA Insurance Commissioner Ricardo Lara and Senator Mike McGuire hosted the following experts at the fire preparedness tele-town hall on insurance issues and available resources for homeowners.

- Jason Weber, Marin County Fire Chief
- Tony Gossner, Santa Rosa Fire Chief
- Joel Laucher, Department of Insurance

#### Senator McGuire

Welcome and thank you for joining our fire preparedness tele-town hall. We are grateful to partner with Insurance Commissioner Ricardo Lara. We will hear from Commissioner Lara in just a few moments.

The last three months have been incredibly challenging. The Coronavirus has impacted so many in this state and has taken the lives of over 110,000 across America. The financial fall out has been so devastating to so many and now fire season is upon us. The memories of the North Bay Fires are still incredibly raw. And what the country witnessed a few weeks ago in Minneapolis in the despicable act where those officers murdered George Floyd has highlighted the injustice that runs rampant in our society. I believe this nation is at a fork in the road when it comes to race and equality. We can dedicate ourselves to justice for all or we can move forward with our lives as usual. As we gather this evening to talk about preparing our families and preparing our communities for fire season, I hope we can show just as much dedication to social justice and equal pay for equal work and expanding access to high quality education in this nation. Most important part of tonight is answering your questions.

Over the last few years, tens of thousands of Californians have lost their homes in the devastating wildfires. Because of this, emergency preparedness has become part of our lives. While we are living through a pandemic at the moment, we have to keep preparing for the wildfire season. While California is investing records resources into wildfire prevention, we know there is a lot of work ahead. Since the wildfires have hit our communities, our neighbors are struggling to keep their homeowners' insurance policies in place. Insurance companies, even if they had a relationship with the homeowner for decades, are non-renewing based upon what they perceive as a higher risk.

Commissioner is with us tonight and he will talk about what his department is doing. He will talk about non-renewals, potential long term solutions to wildfire insurance challenges. We also have with us tonight the Marin County Fire Chief Jason Weber and Santa Rosa Fire Chief Tony Gossner.

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

## **Commissioner Lara**

Thank you Senator McGuire. I am happy to join you once again to give you and your constituents an update on the work we have been doing on their behalf.

The fires that erupted over the past week are a reminder that the wildfire season is already here, whether we are ready for it or not.

Cal-Fire and other agencies have responded to 8 fires over the past week including the Gulch and Lakeville Fires here in Sonoma County.

If we have another wildfire season that damages and destroys homes and businesses, my Department will be there to help you recover.

Following the Tubbs Fire in 2017 and the Guerneville floods and the Kincade Fire last year, my Department staff joined the local assistance centers to help people with their insurance needs.

We also organized insurance workshops where we met one-on-one with wildfire survivors following the Tubbs Fire.

Before my election as Insurance Commissioner in 2018, I supported legislation to expand the rights of wildfire survivors as a member of the California Senate alongside Senator McGuire.

I authored SB 824, which gives protection against insurance non-renewals to everyone living in or near the perimeter of a declared wildfire emergency. Last year, I put that new law into effect for the first time.

More than 1 million homes are protected until December 2020 from a nonrenewal – including nearly 140,000 policyholders in 29 Sonoma zip codes.

You can find the whole list on our website: [insurance.ca.gov](https://insurance.ca.gov).

I also called on insurance companies to extend time limits for paying insurance benefits beyond what the law requires – as many still have not rebuilt from the Tubbs Fire due to delays beyond your control.

As directed by AB 1875 (Wood) in 2018, the California Department of Insurance has created a Homeowners Insurance Finder Tool that can direct consumers to companies that are writing policies in their area. That is on our website.

The Homeowners Insurance Finder does not guarantee that a homeowner can find coverage, since companies may decline to write individual homes based on their particular characteristics or location, even if they write policies in the general area. This is especially true for those living in areas with wildfire risk.

The Department of Insurance continues to work with the Legislature to promote home-hardening and other strategies to make insurance available and affordable for all.

Before we jump into your questions 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 for March, April and May.

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

This builds on an action I took to request insurance companies give consumers a grace period to pay premiums through at least July 14.

Many insurance companies have honored that request by offering flexibility to consumers and businesses during the COVID-19 emergency.

I encourage you to contact the Department at 800-927-4357 or by visiting our website at [insurance.ca.gov](https://insurance.ca.gov) if you have any questions in regards to these measures or if you want one of our experts to help review your insurance coverage.

### **Marin County Fire Chief, Jason Weber**

After the 2017 fires in the North Bay, Marin County Board of Supervisors established a ‘lessons learned’ committee that looked at the fires to see what we could do. We accomplished many recommendations with existing resources but needed to do more. In March, voters supported Measure C which was an assessment to provide the resources necessary to carry out the holistic approach to fire prevention.

Five recommendations were:

- 1) Vegetation management
- 2) Wildfire detection and evacuation improvements
- 3) Grants
- 4) Public education
- 5) Defensible space evaluations

We must work as a partnership with the community and the fire agencies.

Some important pieces are: home hardening – most homes burn from embers raining down, gutters that haven’t been cleaned, etc.; defensible space evaluation – folks come to your house to help you make the right decisions around defensible space. We know the first five feet is the most important; and, alert and warning systems – sign up for alerts. Websites listed under “Additional Resources.”

Be sure to get out and make your own home fire safe. Do general maintenance around yard; fill green waste bins; and clean up dead branches and trees, etc.

We know that when we issue evacuation warnings, we are going to need more shelters if we have to evacuate – due to shelter in place.

### **Santa Rosa Fire Chief, Tony Gossner**

In 2017, we learned a lot. The speed of fire and how far it travels in a short amount of time was eye opening. We have over 40 cameras in the north bay to pinpoint areas so when a fire comes in we are able to see if there is smoke. Please sign up for SoCo alert if you live in Sonoma County. There is also WEA (Wireless Emergency Alerts) that is being used in Sonoma County. Websites listed under “Additional Resources.”

Regarding vegetation management, remember to cut annual grasses, limb up bushes and trees, remove fuels. It will not put the fire out but it will slow it down so the fire department can put it out.

Defensible space is important. In CA, we are going into another drought but be careful with planting drought tolerant plants. Do not plant near house as they burn easy because they contain a lot of oil and waxes.

If you have a wood fence and a wood gate, replace gate with metal gate so if the house catches fire, it will not burn under the eaves.

Some other things to pay attention to are local weather patterns. Lastly, make sure your car is fueled, phone is charged, and you are signed up for alerts. If you get a phone call to go – please be ready to go.

## Questions

**1. With Nixel inconsistent (as shown by Santa Rosa Police Department (SRPD) recently withdrawing from the platform,) how will real time alerts be disseminated? SRPD has advised that we check their Facebook and Twitter, but these will not provide alerts as Nixel did (when it was functional,) and Facebook algorithms often bury recent updates under older but preferred posts. What is the plan for what promises to be an early and terrible fire season?**

**Gossner:** We experienced a problem with Nixel in the last two weeks so we stopped using it. It is not a learning tool but is an information sharing device. We will use SoCo or WEA for alerts as they are action item tools. In Santa Rosa, we have a running tally of all fires in the city that are burning. Also tune into KSRO radio for latest information.

**2. In Marin County, Fire Chief Tom Welch and the City Council has made it mandatory to remove all high fire danger trees (bays included). How do I defend my family and property when the neighbor fails to be a steward of their vacant land and endangers our property. I have requested tree removals prior to the 2017 fire and continue to request once a year, but they have no interest in fire prevention. The property is on a critical intersection and hillside that is the only access out of the neighborhood.**

**Weber:** The fire agency will go out and determine what work needs to be done. Mature trees do not usually need removed but rather cleaned up. We encourage you to try to work collaboratively otherwise the fire agency can mediate and educate. The law allows enforcement up to the fence line.

**3. What are the ways that fire risk is determined broadly (i.e. not on a property by property basis, but by geographic areas) by CalFire and insurance companies? Where does that analysis live and how can the public access it?**

**Weber:** Insurance companies use the same data the fire chiefs have available to them. There are three primary drivers: fuel, topography, and weather. We are looking at fueling pipes, density of fuel, topography and alignment with wind patterns. Those are the tools we use when looking at a community.

**Gossner:** Look at aspect of the hill or mountain as well. Keep in mind that when we go into a drought, the brush gets stressed and will die out until we get good rain and then come back even thicker.

**Commissioner:** In the past, insurance companies evaluated each home based almost entirely on its own characteristics and condition. Today, homes must first pass through a filter based on satellite imagery of the region that evaluates slope, fuel load and type of fuel, and access. If you don't get a passing score, you don't get coverage.

You may have heard of Fireline – that is a commonly used risk score that insurance companies use before deciding whether to write a policy.

Right now, the insurance companies are not required to give you the score, or allow you to appeal your risk score if you believe it is based on wrong information. Yet they are making decisions on what homes to write based on this number. I want to see greater transparency for these wildfire risk score models.

There are some companies that rate homes based on based on territory, construction type, roof type, and fire protection class – which includes how far you are from a fire station.

I have directed companies to tell us which homes and areas are receiving rate increases – so we increase transparency. And in almost every case, it is people living in suburban and rural California who are paying the lion's share of these dramatically increasing costs of homeowners' coverage.

Wildfire mitigation and home hardening are the way to bring down the risk of wildfires, protect the lives of residents and our first responders, and ultimately keep insurance available and affordable. I will be working with our fire chiefs and Legislators on that goal.

**4. My husband and I lost our home in the Tubbs fire, and are finally going to begin rebuilding this summer. We are naturally concerned with our ability to obtain insurance. Our neighbors in the Mark West corridor area (4 miles up from 101) have had mixed success; some have continued with the same company, others have been forced to consider other alternatives. Please update us on what our rights are, and the latest on the California Fair Plan insurance. I've heard just recently that the amount you can insure for has been raised.**

**Commissioner:** This is a concern I hear often – many consumers are having problems obtaining insurance they can afford, not just in Sonoma County. I am seeing parts of California where NO insurance company will even return your call, much less write you a policy.

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. They will write you fire insurance even if nobody else will – but this is coverage for fire only. To get the additional coverages that come with a comprehensive insurance 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 homeowners, which had not changed in decades. In response, the FAIR Plan is in the process of increasing its available limits to \$3 million, instead of \$1.5 million.

The effective date for the increase is scheduled for June 15.

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. That litigation is still ongoing, so I can't comment further on it.

Also for those who suffered a total loss, the law gives you at minimum two automatic insurance renewals. Depending on where you live, you may have the additional protection against non-renewal for those who lived in or near the Kincade Fire perimeter – under the law I wrote in 2018.

**5. It seems that when a trail in town or a fire road in open space is cleared, 6 months later there is a hedge of Scotch Broom that just dominates and spreads. Is there a way to suppress the Broom or pull it up by the roots? Cutting it back doesn't work.**

**Weber:** Broom is definitely an enemy and is a challenge. It should complement the fire protection standpoint and the ecological standpoint. It needs to be treated with some type of herbicide under an integrated pest management (IPM) program to have it not come back. Projects need to be treated as capital investments. You have to return year after year to ensure that the work that was done will last.

**6. I would like advice on what we should include in a to-go bag in case this happens again. I was woefully unprepared last time and packed all the wrong things.**

**Gossner:** Pack two or three changes of clothes, medications, pet food and pets, mask for COVID-19, trail mix or food to help you get by until we get settled, important documentation (eg: homeowners' insurance docs), wallet, flashlight, keys, and family photo albums. Need enough to survive for a few days. After evacuation, our next mission is to get you back in as quick and safely as we can.

**7. Are we in any less danger this year, 2020, than we were in 2017, due to weather, climate, brush clearing, PG&E action, or any other combination of factors?**

**Weber:** The climate is changing faster than we have been able to adapt to. We will have a drought in 2020 and the COVID piece to deal with it. PG&E has done work to isolate circuits for the power shut off events. They are hardening their infrastructure. The outlook is not good for this year but the state is preparing. Climate is unforgiving and we need to adapt and be prepared.

**8. Will we see wildfire safety requirements in neighborhoods for vegetation management? Will it be mandatory in the Santa Rosa city limits?**

**Gossner:** We try to maintain the same codes as the county. The county has a chipper program which you can sign up for. Santa Rosa also has a limited chipper program. We focus on annual weed abatement which is different than vegetation management. Remember that when fires start, the wind and the right conditions move out very quickly.

**9. I really hope there will be talk about controlled burns being done to help mitigate future wildfires. They are known to help prevent wildfires when done properly. Please, please, please look into this.**

**Commissioner:** Over the last year I have participated in nearly two dozen wildfire town halls and this question has come up often. Prescribed burns reduce the hazardous fuels and Governor Newsom made investments in this strategy in his 2019 budget.

The California Air Resources Board has a new website that lists upcoming controlled burns – you can see it at [www.arb.ca.gov](http://www.arb.ca.gov)

I support action by local and state agencies to mitigate wildfire risk – including fuels management. You can also visit your local fire departments for information about upcoming controlled burns.

**Weber:** From a landscape level, controlled burns are effective. Challenge is around communities because they present air quality issues.

**Gossner:** They are difficult for Santa Rosa due to so many houses around. Important where we can do them though.

**10. I would like to hear about insurance coverage requirements regarding particulates and volatile organic compound contamination from smoke. I've seen numerous situations where policy holders are not made whole even when the home is uninhabitable due to smoke contamination.**

**Laucher:** Insurance companies are required to investigate claims of smoke damage and determine if the home has suffered damage from a fire. We saw this following the Camp Fire when homes that survived the fires were not inhabitable because of the smoke damage.

There are many levels of remediation that insurance companies use – such as contracting to do a complete cleaning, dry cleaning all clothing, using clean rooms to remove all particulates, replacing the carpeting and repainting the rooms.

There are no set standards in law for specific testing that must take place to determine smoke damage after a loss or after the remediation measures. However, we expect all insurance companies to do their due diligence in identifying smoke damage (by conducting scientific testing not just smelling the air or running their hands across a tabletop) and then paying for its full remediation.

**11. It seems that everywhere I look I see overgrown lots- in towns, along the freeway and along county roads. It does not appear that any mitigation is happening to remove/diminish the fuel component. What are towns and the county doing to mitigate this and who do I tell if I have a complaint?**

**Gossner:** For the city of Santa Rosa, we prioritize by hitting high fire areas first and work down into flats where there is less of a risk. If in the city, I urge you to call the fire department at 707-543-3500. We do 12,000 inspections per year. If in county, call local fire district. We were slowed up a bit by light rain and could not get tractors out.

**Weber:** We conduct about 20+thousand inspections annually on these in Marin. Measure C will create an abatement team to help. Neighborhoods need to work together to form fire wise communities – seniors may need help with the heavy work. They may need help evacuating as well.

**12. Challenges with PG&E. What is the state going to do to hold PG&E accountable?**

**Senator:** The reasons we are here with PG&E is: 1) Lack of investment and mismanagement by the corporation itself; 2) Lack of supervision and enforcement by the California Public Utilities Commission; and, 3) We are facing a new climate reality in CA. In 2012, 15% of PG&E's service territory were in elevated fire risk zone. Today half are in an elevated fire risk zone.

PG&E will be reducing footprint for power shutoffs by 33% this year. They are deploying generators to over 40 substations to keep them online. We are forcing them to move forward in clearing lines. They have conducted 939 miles of clearance of lines. End of year target is 1,800 miles. They are also sectionalizing their grids.

**13. I have a home in Healdsburg that I bought in April of 2019. A few months after the Kincadee fire I discovered I had my water heater leaking into the walls. I didn't know how long it had been leaking or what the extent of the damage was so I called my home owners insurance company (State Farm) who I'd been with for home and auto for over 10 years, to see what they would cover if I needed to replace drywall or anything else related to the leak. I was told verbatim that if I made a claim that resulted in a loss for the insurance company that they would not renew my policy due to being in a high fire area. I asked her to repeat that and clarify that I can never use my homeowners' insurance unless it's a total loss or they will not renew my policy. She said yes. If it results in any loss for the company then they will not renew. How is that even possible? How is that legal? I've heard the horror stories of people having to pay 6x the price to get a new policy after the fires. Basically I'm just handing them money that I will never be able to use unless my home burns down.**

**Commissioner:** I certainly understand your frustration. My Department can get your information and follow up with you. If you were to be non-renewed at this time over a claim it could be difficult to obtain coverage.

Some insurance companies will non-renew policyholders due to a single loss if they determine that your home poses a higher risk of future loss. Many insurance companies have specific concerns about water damage losses in particular as being symptomatic of future losses.

Your agent may be trying to help you by dissuading you from submitting a claim that may not be covered. But my Department can follow up with you to help you review your policy.

You can also contact other insurance companies or agents to see if they would write a policy for your home before making any final decisions. There is a page on our website where you can find licensed agents and brokers in your area.

An agent will represent an individual company, and a broker will be licensed to sell insurance for different companies, so you should try both.

**14. You are fighting fires in a pandemic. We will be evacuated in a pandemic. What will shelters look like during the pandemic? How does firefighting change during a pandemic?**

**Weber:** We are taking lessons learned from the Quail Fire last week. People can expect more shelters, people will be more spread out, we will have masks, and meals will be “take and walk” versus a meal line.

**15. The primary evacuation route through the Sonoma Valley is Hwy 12....given that high winds normally are present during a firestorm, and this corridor is lined on both sides in several stretches with large overhanging trees, what is the plan for dealing with a blocked evacuation path due to fallen trees or branches?**

**Gossner:** That corridor is beautiful and is a scenic byway. It is a Cal Trans property and they have to deal with that. However, if a tree falls, we will cut it so you can get out and we can get in. The timing depends on size of tree. We will then call CHP and Cal Trans to clear the rest of the roadway.

**Closing**

**Weber:** Fire season is about a partnership. We are here to help you. Use us a resource.

**Gossner:** Be prepared and pay attention to weather. If you live in Sonoma County, please sign up for SoCo alert. Prepare your home and your neighbors. Take care of seniors.

**Commissioner:** We are doing everything to protect our consumers against insurance companies. During these times, many people become victims of insurance fraud and so I want people to be on the lookout. If you feel you have been a victim of fraud, please call us. We have an office in Benicia that services your communities. We recover thousands of dollars on behalf of consumers every year. We speak multiple languages and are ready to help you. Please call us at 800-927-4357.

**Senator:** California is investing record resources to combat threat of mega fires. We are going to be hiring 493 firefighters over the next four years, replacing helicopters, bringing in new cargo planes, and investing \$1B in vegetation management to reduce fire load in California communities.

## Additional Resources

### **Senator Mike McGuire Contact Information:**

- Santa Rosa Office Phone: 707-576-2771
- San Rafael Office Phone: 415-479-6612

### **CA Insurance Commissioner Ricardo Lara and the Department of Insurance Contact Information:**

- Phone: (800) 927-4357
- Website: [www.insurance.ca.gov](http://www.insurance.ca.gov)

### **California Air Resources Board**

- [www.arb.ca.gov](http://www.arb.ca.gov)

### **FIRESafe Marin**

- <https://firesafemarin.org/>

### **Fire Safe Sonoma**

- <https://www.firesafesonoma.org/>

### **Sonoma County Alert**

- <https://socoemergency.org/home/prepare/get-ready/stay-informed/socoalert/>

### **Nixle**

- <https://www.nixle.com/>

### **Santa Rosa Emergency and Preparedness Information**

- <https://srcity.org/3123/Know-Your-Emergency-Alerts>

### **Sonoma's County FM News Talk**

- <https://www.ksro.com/>

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