

# BUILDING A STRONGER HOME INSURANCE MARKET FOR CALIFORNIA

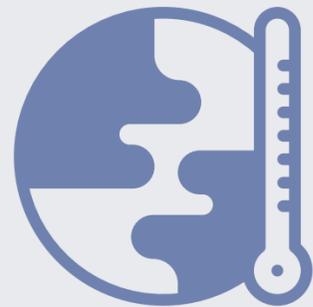


# OUR STUDY

- Focus: Examined current homeowners insurance market conditions with intent to develop recommendations to bring stability to the market and ensure access to affordable, adequate coverage.
- Two public hearings & one roundtable discussion sought input from 19 experts representing homeowners, insurers, emergency responders and planners, local leaders and the public.
- 11 recommendations for change.



# KEY FINDINGS



Wildfires and other major climate-related disasters destabilize markets



Homeowners face higher premiums, fewer options for coverage



Insurance premiums don't keep pace with claims when disaster strikes

# SHORT-TERM REFORMS TO IMPROVE ACCESS TO TIMELY, ACCURATE MARKET INFORMATION



Regularly publish key home insurance market data & Department of Insurance performance metrics online.



Provide online instructions for agents and brokers to contact licensed surplus line brokers so homeowners may consider all options for home insurance.

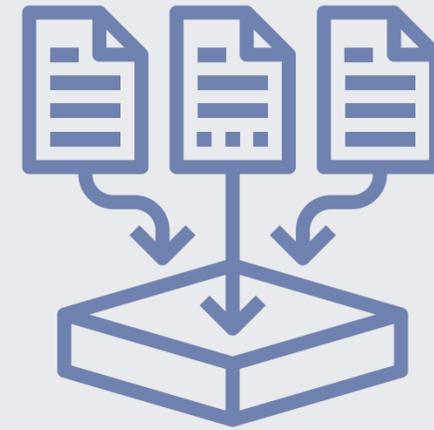
# LONG-TERM FIXES TO HELP HOMEOWNERS & COMMUNITIES PROTECT AGAINST FIRE RISK



Define fire safe minimum set of core, evidence-based mitigations for homeowners & communities.



Enact statutory protections against rules that restrict homeowners from implementing core mitigations.



Build a data commons to leverage property condition information.

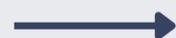
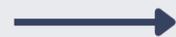
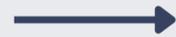


Bolster support for homeowners to protect their properties against fire.

# NEW REFORMS PARTIALLY IMPLEMENT SEVERAL RECOMMENDATIONS

## What's been done?

- Insurers can now use proprietary forward-looking catastrophe models in rate calculations.
- Some oversight of insurance rate-setting models, primarily through confidential reviews by Department of Insurance.
- Formation of a group to provide recommendations for the development of a public wildfire catastrophe model.
- Insurers can now incorporate the net cost of reinsurance in rates.



## What's still needed?

- Clarity on how insurers will incorporate mitigation in catastrophe models.
- Require insurers account for mitigation in underwriting models.
- Stronger oversight through creation of independent panel of experts to review and evaluate proprietary models.
- Immediately create an open-source, public risk model.



# THANK YOU!

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