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California's home insurance crisis: Which Bay Area neighborhoods have lost the most coverage

Hit by non-renewals, homeowners ask: Who can afford the rising costs?



Carolina Villaseca, of Brentwood, is photographed in front of her home in Brentwood, Calif., on Monday, Dec. 2, 2024. Villaseca's home insurance has risen over 200% forcing her to switch home insurance companies due to the high cost. Villaseca doesn't live in a flood zone, high fire danger area and her home is relatively new. (Jose Carlos Fajardo/Bay Area News Group)



By **JOVI DAI** | jdai@bayareanewsgroup.com | Bay Area News Group

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With its rows of tidy two-story, tile-roofed, stucco-clad homes and neatly trimmed shrubs, Carolina Villaseca's Brentwood neighborhood hardly looks like a tinderbox one spark away from erupting in flames and joining the list of wildfire-torched California communities that has spooked insurers statewide and led to sharp rate hikes and lost coverage.

Yet in October, Villaseca's insurer, Safeco Insurance, sent a notice that the annual premium to renew her policy, which already had climbed steeply, would more than double, from \$2,700 to \$5,770.

"No claims, and the insurance company didn't have an explanation whatsoever," said Villaseca, who's lived in the home with her husband for nine years. "The price has gone up every year, and I would say in the last three years, the price has gone up exponentially. They make it so people can't afford to renew their insurance."

Another insurer, Mercury, offered a policy for \$3,100, and as shocking as the price was, at least Villaseca found coverage. Her Contra Costa County ZIP code, 94513, had the largest number of home insurance policy non-renewals in the nine-county Bay Area from 2015 to 2024, with about one in every 10 policies, according to a Bay Area News Group analysis of California Department of Insurance data.

Statewide, California has had nearly 7.6 million non-renewals. The Brentwood ZIP code, with 19,366 non-renewals over that period, ranked 16th, while the state's hardest hit ZIP code was 92592 in the Riverside County city of Temecula, with 26,918 non-renewals, according to the analysis. Riverside County east of Los Angeles accounted for seven of the 15 California ZIP codes with more non-renewals than Brentwood.

ZIP codes with the most non-renewals elsewhere in the region include Dublin (94568) and Fremont (94536) in Alameda County; Gilroy (95020) and San Jose (95123) in Santa Clara County; South San Francisco (94536) in San Mateo County; and Santa Cruz (95060) in Santa Cruz County, the analysis found. But Contra Costa County was home to several other ZIP codes with the most Bay Area non-renewals, including Bay Point (94565), and Antioch (94509).

That didn't surprise Igor Dubrovsky, a co-owner of San Francisco-based ESI Insurance Brokers, which has served about five thousand customers in the Bay Area for about 15 years.

"Our agency had an increase of maybe 300% in the phone calls every single day and almost every story is the same," Dubrovsky said. "The people come to see me to say, 'I'm being dropped by my carrier, and I'm looking for insurance.'"

California's property insurance market has been reeling after a series of devastating and costly wildfires over the last decade, with [estimated losses of more than \\$35.8 billion](#). Insurers have argued that outdated voter-approved regulations enacted in the late 1980s aimed at ensuring fairer rates have left them unable to charge enough to reflect rising costs and risk, forcing them to limit their liability exposure or leave the California market altogether.

Spurred by Gov. Gavin Newsom, the state's elected insurance commissioner, Ricardo Lara, presented a plan last fall to adopt new regulations by the end of this year addressing insurers' chief demands: faster rate hike approvals; rates based on risk modeling rather than historic losses; and the ability to pass along to consumers their own costs for reinsurance against catastrophic losses. In return, Lara pledged that insurers would have to offer more coverage in the state's fire-risk areas.

Those efforts are nearing completion, and relief is on the way with insurers such as Allstate and Farmers announcing plans to expand coverage in the state as reforms are implemented, said Michael Soller, a spokesman for the insurance department.

"All of the changes Commissioner Lara announced late last year are going to be in effect and finalized by the end of this month," Soller said. "The risk of wildfires has increased, but under our 30-year-old rules, insurance companies are increasing the costs but not writing more policies. We're updating rules so that insurance companies actually have to write more policies. And for the very first time in California's history, that will happen."

But insurers have cautioned that it could take years for changes to be reflected in coverage, and consumer advocates have questioned whether the new rules will deliver more than just higher premiums.

"All homeowners are going to pay a lot more for their insurance under Lara's regulations," said Consumer Watchdog President Jamie Court.

Homeowners in areas that insurers consider high risk have found themselves with few options. Many have turned to the state-mandated, last-resort California FAIR Plan, a privately run high-risk pool that offers limited coverage and can leave homeowners paying two to three times as much as a standard policy. Over the last five years, the number of FAIR Plan policies in the state has more than doubled, from 204,800 to 449,800.

Others are turning to what are called non-admitted or surplus line insurers licensed in other states but not California and not subject to the state's rate regulation, and also can be expensive.

Either way, premiums tend to be higher, and even those who receive offers for standard policies are seeing massive cost increases.

"Most of the clients' rates are going up significantly more," Dubrovsky said.

So why has home insurance suddenly become so expensive and hard to get in so many parts of California like Brentwood? Areas with many trees or wood susceptible to fire, including suburban areas on the outskirts of the Bay Area's major cities, are seen as high risk, Dubrovsky said.

Dirk Ziegler, CFO of Zeigler Insurance in Brentwood, said insurance companies are scrutinizing underwriting guidelines more stringently than in the past, especially in areas like Contra Costa County that are regarded as high fire risk. Brentwood has seen many non-renewals due to

"You have a lot of the older homes that were here from many, many, many years ago," Ziegler said. "Now we have much more data from all the wildfires and things like that to be able to predict what's going to happen in the future and potential losses and so forth."

Susanna Thompson, vice chair of the Contra Costa County Fire Commission, said revised California Department of Forestry and Fire Protection fire hazard zone maps for the parklands outside Brentwood showed higher risk than in the past. Undeveloped areas adjacent to the Trilogy and Vista Dorado neighborhoods as well as parts of Summerset such as John Marsh State Park have been upgraded from moderate to high hazard levels, she said.

"This area is primarily grassland — not dense timber like you'd see in the mountains — but dry grass becomes highly flammable in summer, and grass fires can spread extremely fast," Thompson said. "Many of my neighbors have faced non-renewals, likely due to recent changes in hazard zone designation."

Thompson doesn't think the higher risk rating is fair — those lands often are used for cattle grazing and hay farming, which keeps combustible fuels in check. But she also acknowledges that fire seasons have gotten longer.

Chris Bachman, assistant chief and fire marshal at Contra Costa County Fire Protection District, said things may get worse when Cal Fire releases new fire hazard maps for local urban areas next year. Those will add additional "high" and "moderate" ratings to maps that currently only show "very high" risk.

"This means that more communities will likely be impacted," Bachman said.

Brian Oftedal, a senior captain in the Oakland Fire Department and past president of the East Contra Costa Fire Protection District Board who chairs the Contra Costa County Fire Advisory Commission, said additional fire stations may help reduce homeowners' risk exposure.

"We're getting ready to break ground on at least one, if not two, fire stations in Brentwood shortly here, which is also part of the fix for addressing some fire insurance-related issues," Oftedal said.

For homeowners like Villaseca, it hasn't felt like the state has had their back, leaving her and her neighbors to use social media to share information about insurance rates and insurers who are offering policies in their neighborhoods.

"I really don't know what they're doing," Villaseca said. "That's why we use Nextdoor."

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