



Published January 8th, 2020

## Lamorinda homeowners receive break from California Department of Insurance

By Nick Marnell

Residential property owners in ZIP codes 94563 and 94549, which include the cities of Orinda and Lafayette, will benefit from a state insurance directive that protects regions recently affected by wildfires.

According to Senate Bill 824, an insurer may not cancel or refuse to renew a residential policy for one year after an emergency declaration "based solely on the fact that the insured structure is located in an area in which a wildfire has occurred." The Sky Fire burned 150 acres in Contra Costa County after Gov. Gavin Newsom's emergency declaration Oct. 27, and the law protects Orinda and Lafayette homeowners, whose properties were close to that fire, for one year from that date.

Insurance Commissioner Ricardo Lara released the affected ZIP codes in December, after receiving information that many property owners have struggled to obtain insurance coverage when California insurers retreated from communities they identified as having higher wildfire risk. "If this trend is allowed to continue, it could further disrupt local real estate markets and cause property values to decline," Lara said in a statement. The drop in property values could reduce funds available for local services like fire protection, law enforcement and road repairs, he noted.

"It keeps the desirability of Lafayette and Orinda real estate very high and protects the property values," Paddy Kehoe of the Paddy Kehoe Team said of the state insurance directive.

State Farm led all California insurers in 2018 with \$6.4 billion in written property and casualty insurance premiums. "In California, State Farm has not non-renewed customers' existing homeowners insurance policies solely based on wildfire risk," State Farm spokesman Ben Palmer said. "It is important to remember that wildfire is not the only risk we are considering. To keep our promises to all of our homeowner customers, we must find the appropriate balance between our exposure to loss, the resources available to maintain a quality level of service, and our ability to meet our financial obligations to pay claims."

Though portions of Moraga lie in a Very High Fire Hazard Severity Zone, as specified by the California Department of Forestry and Fire Protection, the state determined that the town did not lie within or adjacent to the fire perimeter of the Sky Fire, and its ZIP codes were not included in the state insurance directive.

Reach the reporter at: [nick@lamorindaweekly.com](mailto:nick@lamorindaweekly.com)

[back](#)

Copyright © Lamorinda Weekly, Moraga CA