

## **“9 things to consider if your current insurance company is dropping you or increasing rates”**

By: Joe Stretch, [joe@JoeStretch.com](mailto:joe@JoeStretch.com)  
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My name is Joe Stretch. I am a long time SLV resident (SLV class of 90', Quail Hollow Elementary school) raised in Brookdale and my family and I still make our home in Felton so I am intimately familiar with our beautiful community.

I'm also a licensed insurance agent, which is why I felt compelled to post some info here. My intent here is to arm you with some basic information about homeowner insurance and simply be a resource for you if/when you have questions or concerns, which I know many of us have. It doesn't matter if you are insured with me or not; I'm happy if I can ever help.

Recently, there has been a string of insurance companies pulling out of the Valley and/or changing premiums. I have dealt with a lot of families personally that are going through this, or have seen multiple posts about people either watching their homeowner insurance rates skyrocket, or they are getting dropped entirely with short windows to find a replacement.

Obviously, it can be a stressful situation and insurance is not something most folks fully understand, so it makes the situation worse.

In a nutshell, the root of the problem is directly linked to the abnormally large size and devastation caused by recent California wildfires in the last 2 years. Regardless of how they started, insurance companies simply have not collected enough premiums over the years to compensate all those whom suffered loss.

At this point many insurance companies are making “business decisions” to either recoup those losses by raising premiums, or they are minimizing their risk exposure by pulling out entirely from areas that have a high concentration of trees and vegetation.

If you get a notice that things are changing with your current homeowner insurance policy, depending on if you want to stay with the current carrier or if you will look elsewhere, here are 9 things to consider based on my experiences.

1. Don't panic. Just because your current insurer changed their outlook on our area doesn't mean that all insurers feel the same way.
2. Quickly educate yourself. Call your current Agent or insurance company, and ask them to further explain their decision to make a change to your policy. You may not like their answer, but you are getting an education. End the call by asking them if there is ANYTHING you can do to keep the policy in force such as additional clearing of brush, etc.
3. Know you have options. It may take some time to find an insurer that will insure you in the current environment, but they are out there; don't get discouraged!
4. Ask for referrals. Talk to your neighbors or people in the area you know and trust. Ask them who they are with and what their experience has been, then compare notes to use in your quest for a new carrier if you are looking.
5. If you do have to change companies, don't accept “cut rate” policies. People make the assumption that all policies are the same; THEY AREN'T. Some policies only cover the dwelling and not personal property, or the dwelling and no liability, etc. etc. There are places for those policies, but it's not in the SLV.

6. Don't let your mortgage company pick the policy. This is called "forced placed insurance". It has that name for a reason; they don't shop for you but they want coverage on their collateral.

7. Understand what you are covered for. There are multiple different parts of a homeowner insurance policy and each section has its own limitation on coverage. If you don't understand what something is, ask your provider to explain it to you and how it works in "real life".

8. Don't finalize an insurance policy online. This sounds counterintuitive in our day and age, and you can shop till you drop online, but unless you are going to read all the fine print on that policy (Spoiler alert; you're not) talk to a representative at the insurance company and get all your concerns addressed verbally before you give them money.

9. Raise your deductible. This is an option to use if the premium increased, but you really like your insurance agent/company. When you increase your deductible, yes, you are exposing yourself to paying more if you have a claim, but in the meantime, the premiums you pay every month or year will be lower.

As a reminder, you can always use me as a resource, if needed. I'm not always on Facebook, so drop me a line to [joe@JoeStretch.com](mailto:joe@JoeStretch.com)