

OLYMPIC VALLEY FIRE DEPARTMENT

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Allen Riley – Fire Chief

As most of you know, the State has designated our area as a Very High Fire Severity Zone, which makes us a target for any insurance company trying to reduce or limit their risk pool. There are over one million properties in similarly designated areas in California.

Insurance companies typically require homeowners to reduce the risk posed by wildfire by establishing a defensible space around their homes. We prefer insurers assess risk through this lens because that provides us the opportunity to engage the property owner to identify ways to reduce fire risk and establish, and even increase, their defensible space, oftentimes to the satisfaction of the insurance company.

However, when they look at it on a macro-scale, like the risk of an entire area, it is much more difficult for us to apply practical fire prevention activities and for us to work with insurance companies to identify properties that are lower risk so they can make sound, practical underwriting decisions.

Although we are not experts in insurance, it seems clear that in some cases insurers are trying to limit their risk in our area by not writing new policies and not renewing existing policies based on blanket policies of reducing risk in Very High Fire Severity Zones. Unfortunately, recent catastrophic, but historically unusual, fires in Santa Rosa, Redding and Paradise fortify their business decision of blanket risk reduction. While we prefer to have an answer for you, much of this is driven by their business decision-making and out of the control of property owners and fire departments.

With that said, here is what we believe can be done today:

1. Request a defensible space inspection from the Olympic Valley Fire Department. Implement the changes identified and get a "no deficiency" inspection to show insurance companies your property meets the California law (PRC 4291) demonstrating your property is lower risk than others.
2. Use a local Broker. Local brokers have their finger in the pulse of the situation and can wade through some of the important information that makes insurers feel better about a property. They can save time because they know who is still working in this market and what they like to see. They can also recommend policy changes that could save money, like a larger deductible, as insurance premiums continue to rise.
3. Download and review ***Your Olympic Valley Fire Department*** and the ***OVFD letter to Insurance Agent*** from our website.
4. California has a program that guarantees property insurance even when others won't write your property. It's called California FAIR Program: <https://www.cfpnet.com/>.
5. Remind your State Legislatures and State Insurance Commissioner that this continues to be a problem by writing a letter with specific examples.
6. Here is a link to a recent article with more resources:
<https://www.vcstar.com/story/money/business/2018/08/03/california-homeowners-insurance-dropped-fire-season/788621002/>

Respectfully yours,



Allen Riley, Chief
Olympic Valley Fire Department