

# MOFN sends letter to Sacramento targeting homeowners/fire insurance cancellation crisis

By Vera Kochan

This past spring, approximately 28,750 State Farm General Insurance Company homeowners/fire insurance policies across California were non-renewed. This move by State Farm sent dropped customers scrambling to find coverage just before what is considered the fire season.

Locally, 167 Moraga residents were not renewed and 55% of Orinda's State Farm customers (1,703) were left to find insurance elsewhere – the highest number in any California city. In an effort to attract focused attention to the issue, the Moraga Orinda Firewise Network (MOFN) sent a letter to Sacramento addressed to Governor Gavin Newsom, Insurance Commissioner Ricardo Lara, State Senator Steve Glazer, and Assembly Member Rebecca Bauer-Kahan.

First, flashback to a March 20, 2024 communication from State Farm to Lara, where the insurance company stated, "we write to reinforce our need, and express hope and appreciation, for the role the Department of Insurance must play in our financial recovery, to the benefit of California consumers. As we discussed, SFG's capital position has severely deteriorated, and we are increasingly concerned about its financial well-being."

State Farm added, "Policyholder surplus was \$2.2 billion and \$1.3 billion at year-end 2022 and 2023 respectively, in contrast to \$4.1 billion at year-end 2016. Although there

haven't been significant wildfire losses for several years, windstorm catastrophes in early 2023 and increasing trends in non-catastrophe water losses and liability claims (especially commercial lines and personal umbrella policies), without the additional premium needed to support those cost increases, have generated large underwriting losses."

Those homeowners whose policies were not dropped noticed a significant increase in their renewal premiums. State Farm acknowledged the Department of Insurance's rate hike approval, saying that the company's "surplus position won't begin until March 2025, since the rate is applied to policies as they renew on a rolling 12-month basis," adding that "it's clear more rate is still needed."

The Aug. 8, MOFN letter to Sacramento, co-written by Chairperson Marc Evans and Co-leader of the Home Insurance Subcommittee Jorge Escobar, explained that it represents 34 Recognized Firewise USA Neighborhoods that collaborate with the Moraga-Orinda Fire District (MOFD). "The public needs to be informed, through all means available, about your short and longer-term deadlines to resolve this crisis, which started brewing years ago when many of us lost our home insurance," it stated. "We have participated in the California Insurance Department workshops, its staff presentation at an Orinda town hall meeting

in May, heard interviews and received emails from some of you, etc., but a keen sense of urgency by our elected officials in Sacramento is lacking."

Several suggestions were made in the letter, such as: requiring insurance companies to contact local fire districts with regards to community efforts for wildfire mitigation; ensuring that insurance premium models are agreed upon by the Department of Insurance and insurance companies based on fire district data; fixing the "dysfunctional" aspects of the California FAIR Plan; adjusting the minimum non-renewal insurance policy notice of 75 days; updating legislation to allow residents to get realistic premiums for different risk areas; and consider a state-wide measure that provides materials or funding to homeowners for wildfire risk reduction.

"I am very supportive of MOFN's outreach to leadership in Sacramento regarding the insurance crisis and appreciate additional voices urging the state to give it the highest priority," stated Orinda Mayor Darlene Gee. "The insurance challenges being faced by Orinda and many other communities in California are not only causing personal hardship and frustration but are beginning to create significant economic impacts that are only going to grow. The real estate market, local property taxes, and the myriad financial elements associated with housing values are seeing real ef-

fects when a property can't obtain homeowner's insurance. Our state leadership needs to do everything possible and as soon as possible to return California to a more functional insurance market."

"The Town of Moraga is working with our Orinda neighbor and MOFD to try to find a solution to our insurance challenge," Moraga Mayor Teresa Onoda said. "What we as residents can do is listen to MOFD and do what they suggest, because our greatest tool in our tool box is to harden our homes from fire. I understand it might mean taking out bushes and even trees within 5 feet of our house, going to the fire department and getting those special vents and of course gutter guards, all of which you can get for free from MOFD. Please talk to your neighbors and let's make our town safe and fire wise."

Escobar stressed that "the intent of the letter is to join the voices of many key elected, appointed, and resident stakeholders in our Moraga and Orinda communities to demand a higher sense of urgency from our state elected officials to take and better inform the public of effective actions and deadlines to address the home insurance crisis affecting high-risk areas like ours. We are doing this with a positive mind bringing some suggestions, too."

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# Annual pear harvest a huge success

By Vera Kochan



Photo Vera Kochan

Luckily there were enough adults, teens,

and children on hand who volunteered for

the annual pear harvest, because this year's crop yielded 5,631 pounds of fruit to deliver to the Food Bank of Contra Costa and Solano. The Moraga Park Foundation, along with the Kiwanis Club of Moraga Valley, orchestrated the Aug. 17 event that brought pear pickers to the tiny orchard at the corner of Camino Pablo/Canyon Road and the additional trees in front of St. Monica Catholic Church.



## Moraga General Plan 2040 Update

The Town is encouraging all residents, business owners and property owners to attend the upcoming General Plan 2040 meetings. An important aspect of the General Plan is the Values and Guiding Principles which were initially discussed in October and November 2023 and will be updated in the new General Plan. Going forward the Council will discuss the entirety of the General Plan including the Values and Guiding Principles. The formal meetings will be held as follows:

- August 28, 2024:** Focused discussion on the Transportation Element
- September 11, 2024:** Joint Town Council and Planning Commission Meeting with a Pre-view Draft of the entire General Plan
- October 22, 2024:** Planning Commission Study Session on Draft General Plan
- October 23, 2024:** Town Council Study Session on Draft General Plan
- November 4, 2024:** Special Planning Commission Meeting on Final General Plan
- November 13, 2024:** Town Council Meeting on Adoption of General Plan

To learn more about the General Plan initiative, go to [makemoragahome.org](http://makemoragahome.org). Meeting locations, times and reports will be posted on the Town of Moraga website. If you have any questions, please contact Afshan Hamid, Community Development Director at [ahamid@moraga.ca.us](mailto:ahamid@moraga.ca.us).



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