



## FOR IMMEDIATE RELEASE

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### **Greater San Diego Association of REALTORS® Statement on California Homeowner Insurance Exodus**

**San Diego (June 15, 2023)** – Over recent months, the state of California has seen two major private homeowner insurance companies leave the state due to increased insurance costs over price hikes in high-risk areas and elevated construction costs. State Farm's early June departure marks the removal of the largest single provider of bundle home insurance policies in California, making up 20% of the market in 2021.

These departures indicate the start of a concerning market trend, one that will directly damage the state's real estate market. As providers leave, owners are forced to turn to more expensive options.

One of the only viable providers for many owners is the California FAIR plan, a high-priced option that is funded by levies on private insurance companies that still do business in the state. The departure of private companies not only raises premiums but forces consumers to insure themselves with a flawed program, as the FAIR plan is only intended to serve as a temporary insurer and only covers a short list of "named perils," oftentimes excluding smoke damage.

"The sole consequence of these actions are that hard-working Californians are hit in the wallet as premiums soar for home insurance" said Frank Powell, president of the Greater San Diego Association of REALTORS® (SDAR). "One of our state's largest problems is the dearth of affordable housing; California should be making it less difficult for builders to produce more homes, not more difficult."

Powell added, "This premium hike has also in-directly caused rent rates to rise, with more individuals looking to rent as a cheaper alternative to home ownership. It is urgent that these private insurance companies, such as Allstate and State Farm, remain in California to continue to foster a more affordable and equitable environment for homeowner's goals to achieve generational wealth."

SDAR comes out strongly against this mass homeowner insurance exodus. While it is necessary to note that current customers will not lose their insurance, this decision will make it even harder for first-time homebuyers to enter the market. It is vital that our membership has multiple affordable options for insurance, and this rise in premiums increases costs and harms so many San Diego County residents.

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*The [Greater San Diego Association of REALTORS®](#) is the largest trade association in San Diego County and one of the largest local REALTOR® associations in California. We help our members, who adhere to a code of ethics and professional standards, sell more homes. We also help people realize the dream of home ownership, and we are dedicated to protecting private property rights. You can follow SDAR on [Facebook](#), [Twitter](#), [Instagram](#) and [LinkedIn](#).*