

---

# Transaction Rescue Webinar

## 7 Elements Determining The True Costs of Homeowner Insurance

August 13, 2025



# Welcome



CALIFORNIA ASSOCIATION OF REALTORS®

**Transaction Rescue™**

---

# 7 Elements Determining the Cost of Insurance

## Webinar Speakers



**Abel Fregoso**

Loan Originator

*PRMG*



**Cynthia Leal**

Managing Originator

*Guild Mortgage*



**Faramarz Moeen-Ziai**

Vice President Loan  
Originator

FMZ Team -  
CrossCountry  
Mortgage



**Mark McElroy**

Executive Vice-President

TransUnion Insurance



**Rolanda Wilson**

REALTOR® & HUD  
Counselor / Board  
Member

NID HUD Counseling  
Services

## Navigating Insurance Questions in Today's Changing Real Estate Market

Exploring evolving insurance challenges in today's real estate landscape.



**Date: Wednesday, August 20th**



**Time: 10:00 a.m.**





The California Association of REALTORS®

# **Implications of Insurance Trends on California's Real Estate Market**

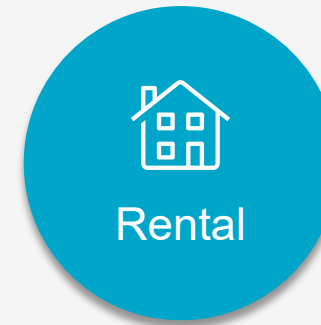
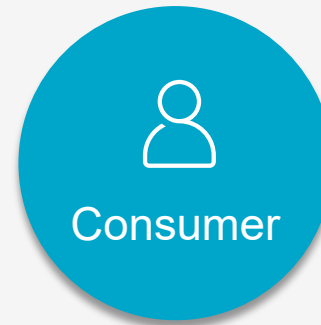
**Mark McElroy**

EVP, TransUnion Insurance

August 2025

# TransUnion delivers innovative insurance solutions around the globe and provides insights across the policy lifecycle

We are an information and insights company that makes trust possible in global commerce. We serve a wide array of businesses and consumers:



**20 of the top 20**  
personal property  
& casualty  
insurers (US)

**12 of the top 20**  
commercial  
property &  
casualty insurers  
(US)

**16 of the top 20**  
life insurers (US)

**900+**  
U.S. insurance  
businesses

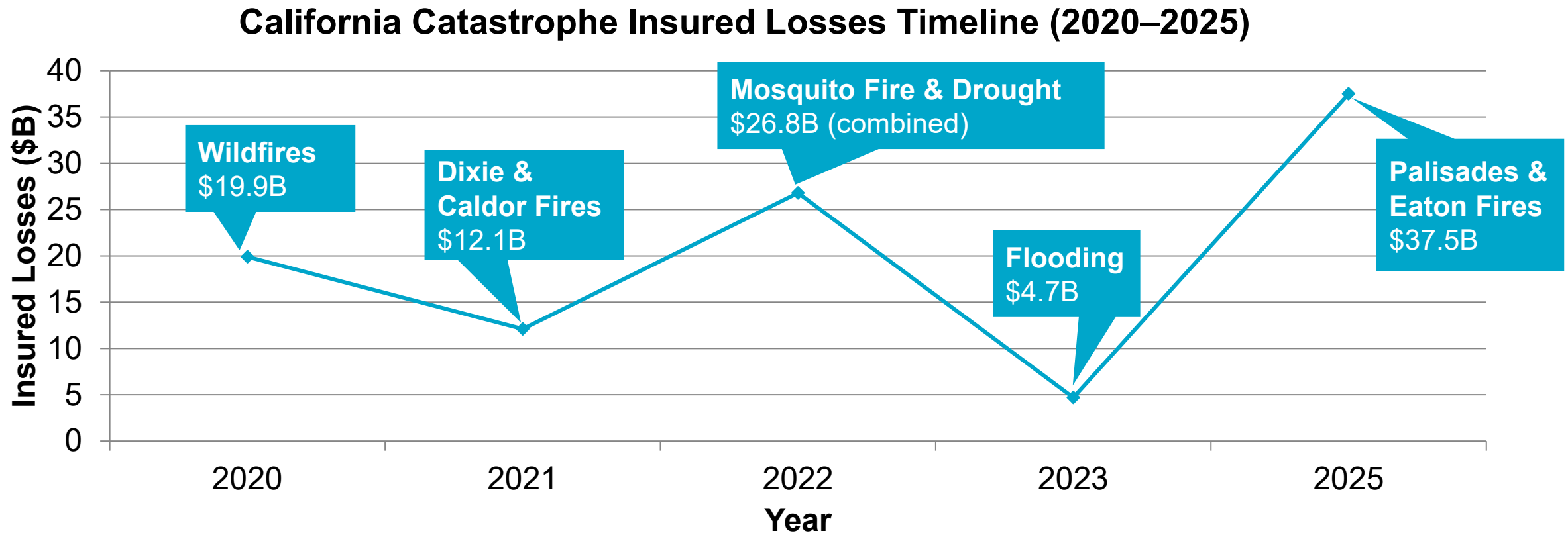
**200M** Personal &  
**2M** Commercial  
Cyber Lines



# State of California's Homeowners Insurance Market



# Rising catastrophic losses are reshaping California's insurance landscape, driving billions in claims from 2020 to 2025





California has  
contributed nearly  
**50% (\$40B)**  
of all U.S. CAT losses  
in H1 2025, driven by  
the Southern California  
wildfires.

Source: Insurance Business, "California's \$53-billion wake-up call:  
Wildfire risk can no longer be confined to a 'season'" (August 2025)



© 2025 TransUnion, its subsidiaries and/or affiliates. All Rights Reserved.



# State of California Homeowners Insurance Market

## Insurer Exodus

- Major insurers paused or exited
- Driven by wildfire risk, reinsurance costs, Prop 103 rate limits
- Top 5 insurers hold 54% market share

## FAIR Plan Growth

- Exposure: \$650B  
*(up 289% since 2021)*
- Policies: 610,179  
*(up 154% since 2021)*
- Premiums: \$1.84B  
*(up 315% since 2021)*
- \$1B assessment on insurers to cover wildfire losses

## Regulatory Reforms

- Catastrophe modeling allowed for rate setting
- Reinsurance costs integrated into premiums
- Insurers must expand coverage in wildfire zones

## Premium Increases

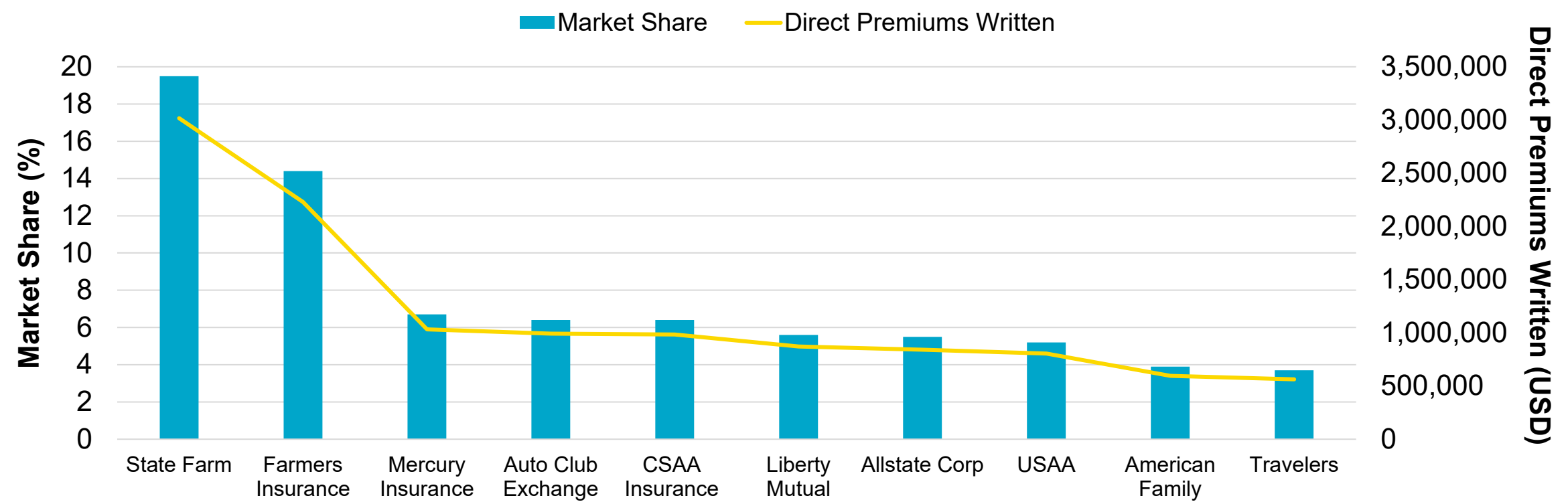
- Homeowners premiums up 40-50% in high-risk areas
- Reinsurance and construction inflation driving costs
- Surplus lines growing, but with higher costs and fewer protections

# Insurer Exodus



# Limited competition in California’s insurance market leads to higher premiums, reduced coverage options, and increased reliance on the state’s insurer of last resort

Top 10 Carriers in California by Market Share and Direct Premiums Written (2024)

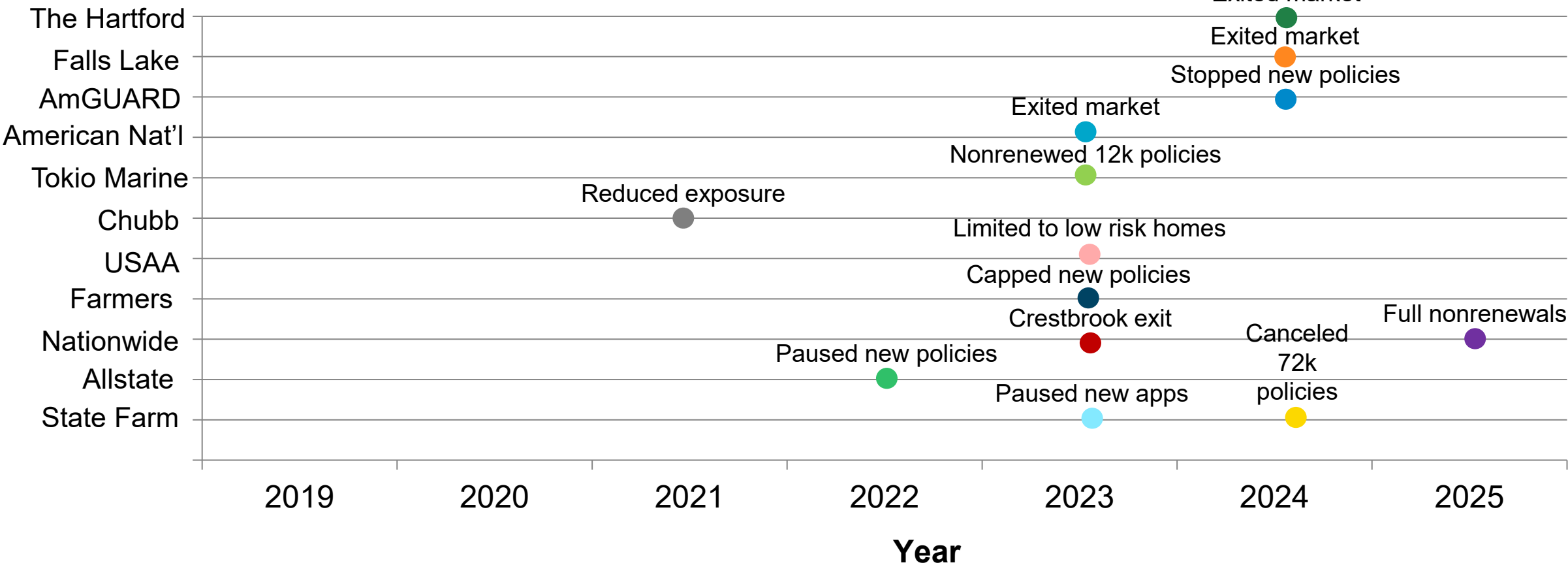


# Shifting insurance market share signals changing risk appetite and coverage availability in California

Top 10 Insurance Group	2020 to 2024 Avg. Market Share Change
State Farm	10%
Farmers Insurance	-4%
Mercury Insurance	15%
Auto Club Exchange	11%
CSAA Insurance Exchange	1%
Liberty Mutual	-10%
Allstate Corp	-18%
USAA	-11%
American Family Insurance	60%
Travelers	-1%

# Carrier withdrawals are shrinking insurance options for California homebuyers

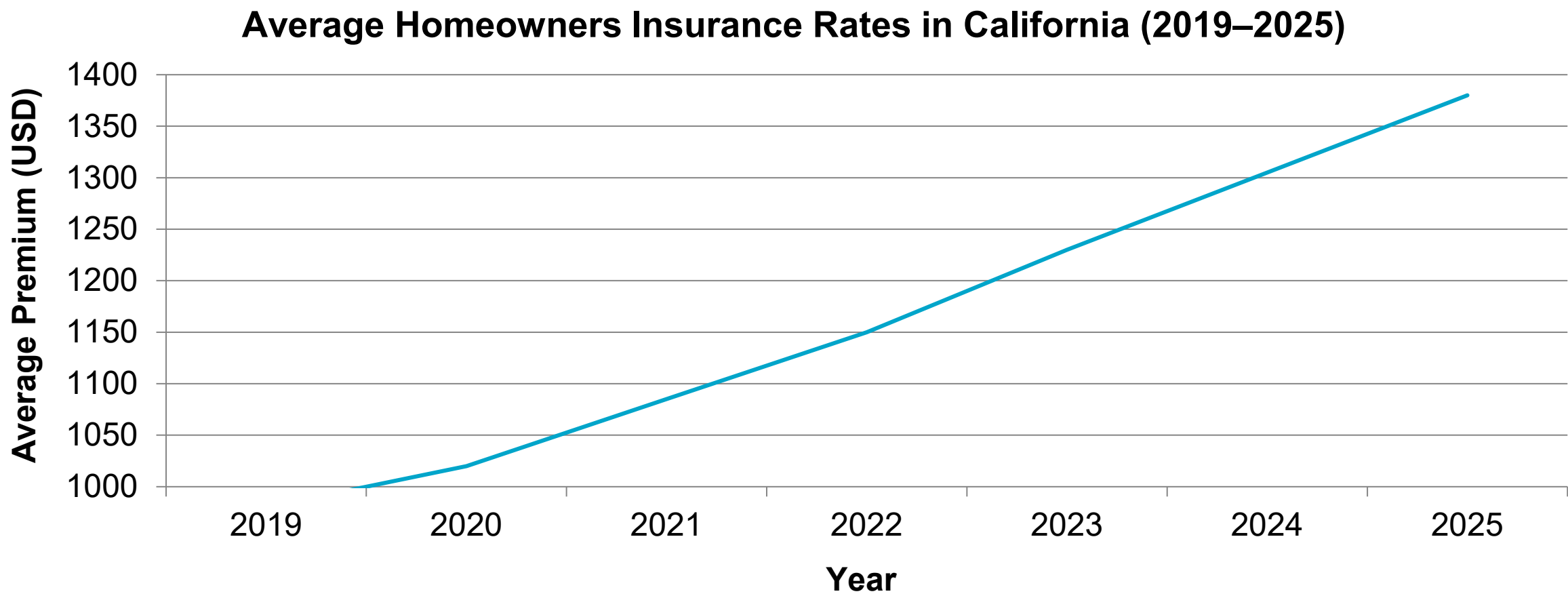
Carrier Exits or Exposure Reduction in California (2019–2025)



# Homeowners Insurance Affordability

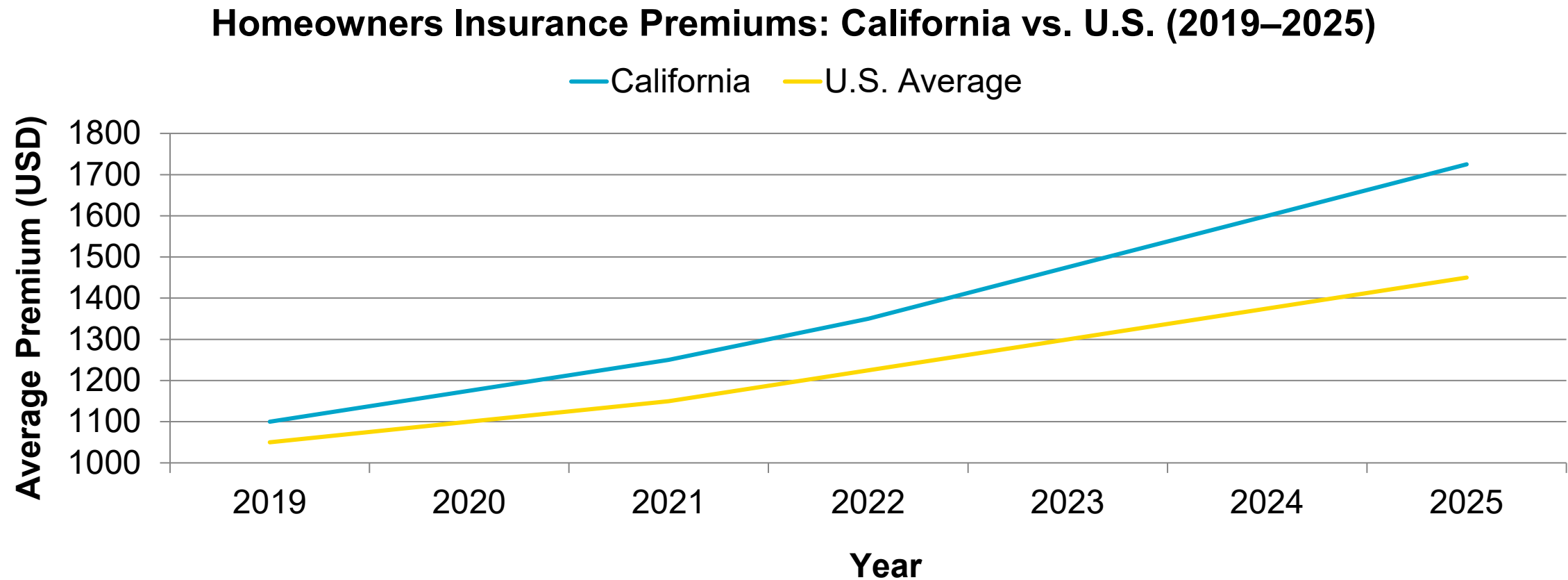


# Rising insurance premiums signal growing affordability pressure in California housing market





# California premiums outpace national average, widening the affordability gap



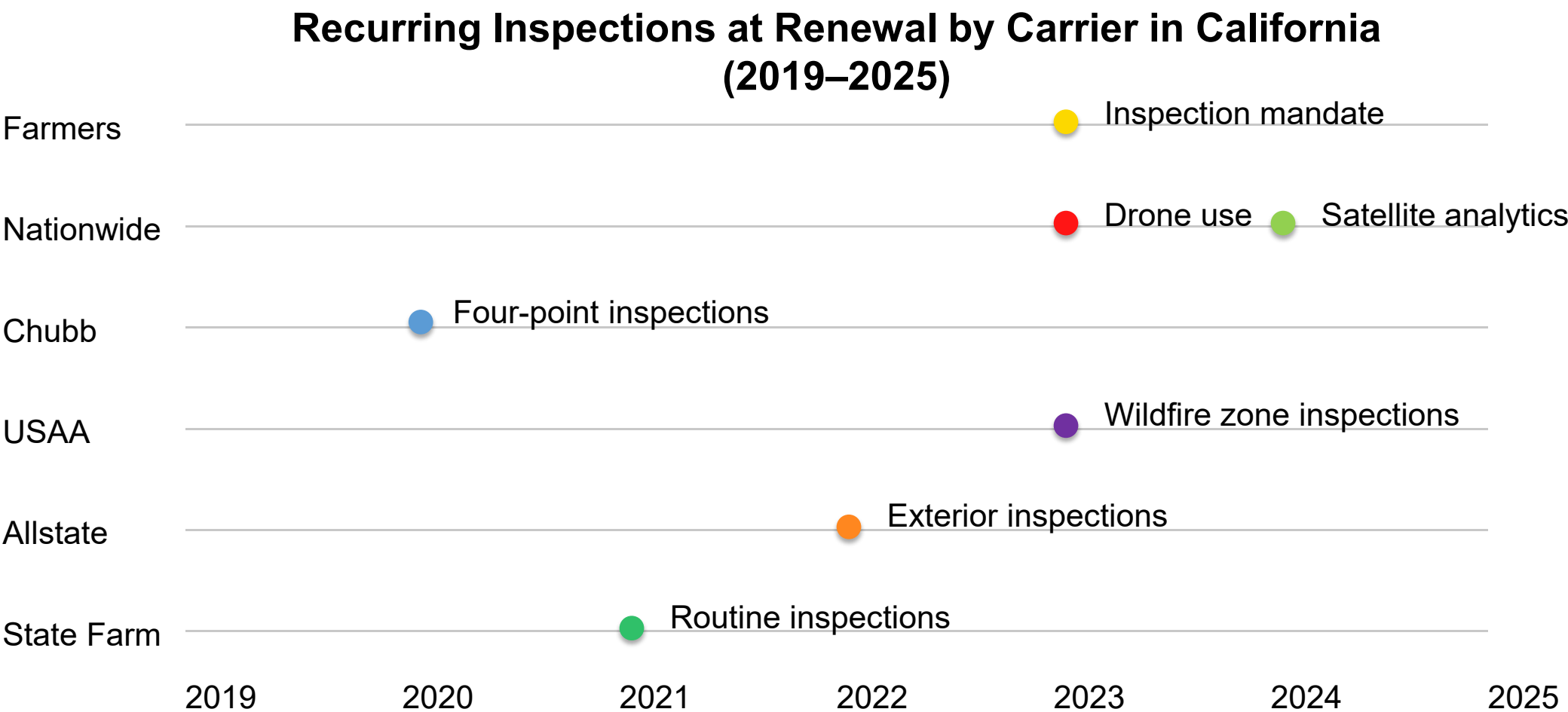
Escalating rate filings and prolonged approvals are increasing pressure on California property affordability

	Average Rate Change (%)						Average time to get approval (days)
	2020	2021	2022	2023	2024	2025	
Countrywide (approved)	3.0%	3.8%	6.3%	12.7%	11.1%	4.5%	65
California (filed)	8.3%	12.1%	13.9%	15.5%	17.5%	14.6%	
California (approved)	6.5%	5.9%	3.3%	10.2%	13.6%	4.0%	315

# Expanded Renewal Inspections

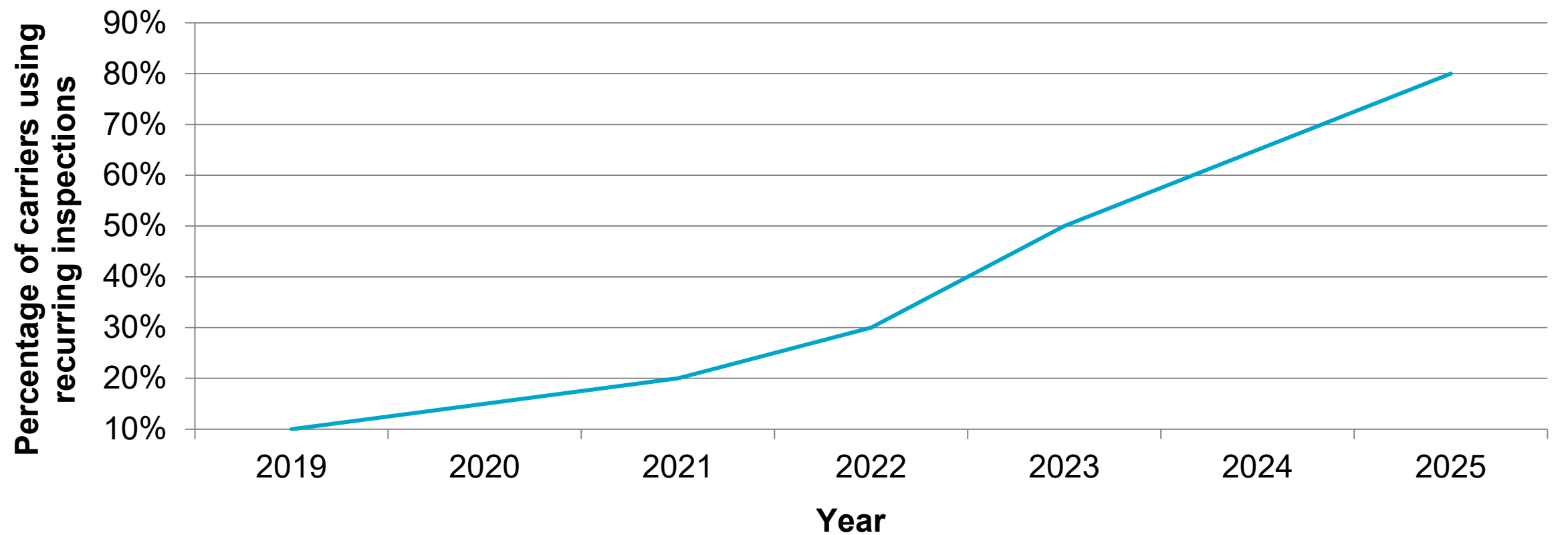


# Expanded renewal inspections indicate heightened risk management and potential coverage constraints for California homes



# Growing inspection requirements are extending transaction timelines and increasing deal complexity

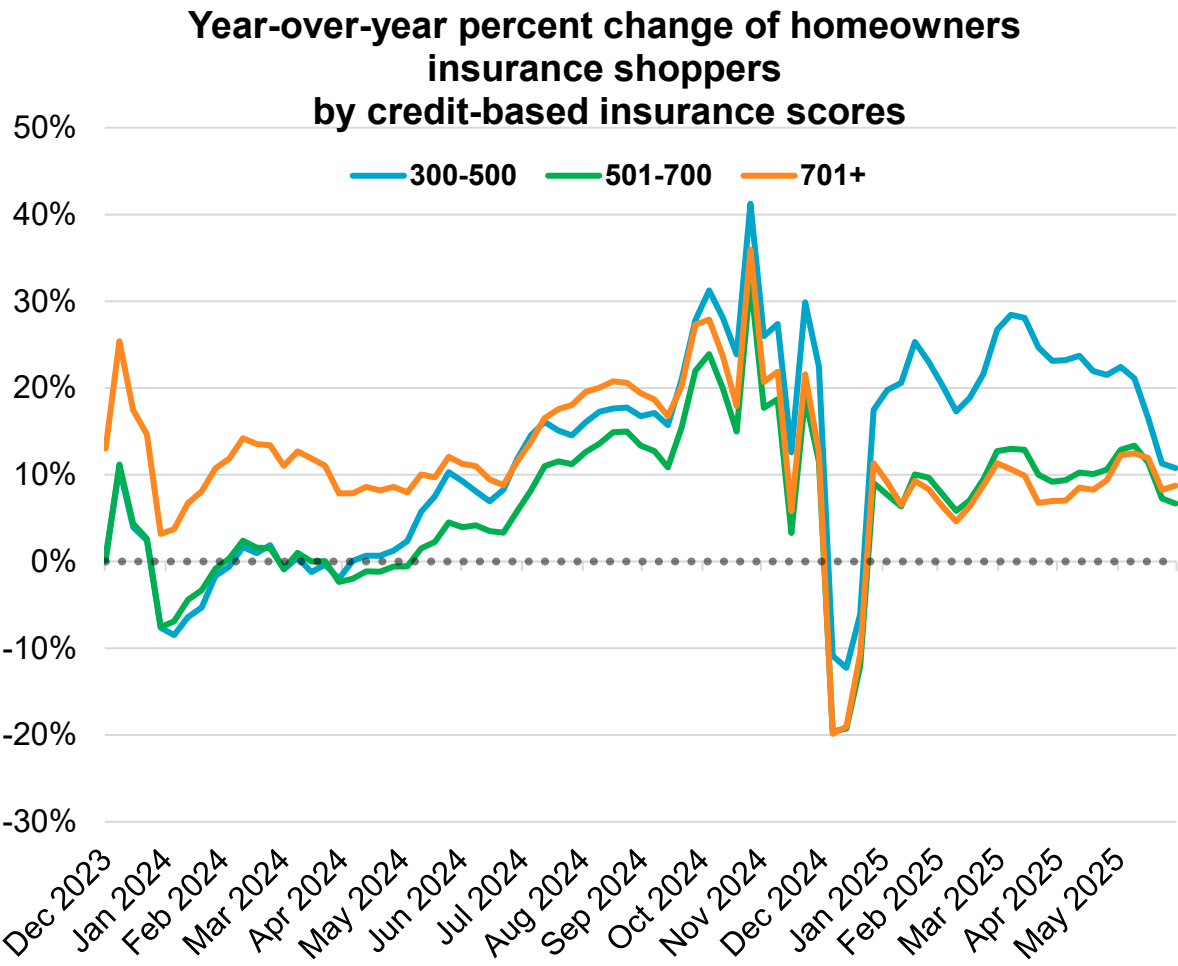
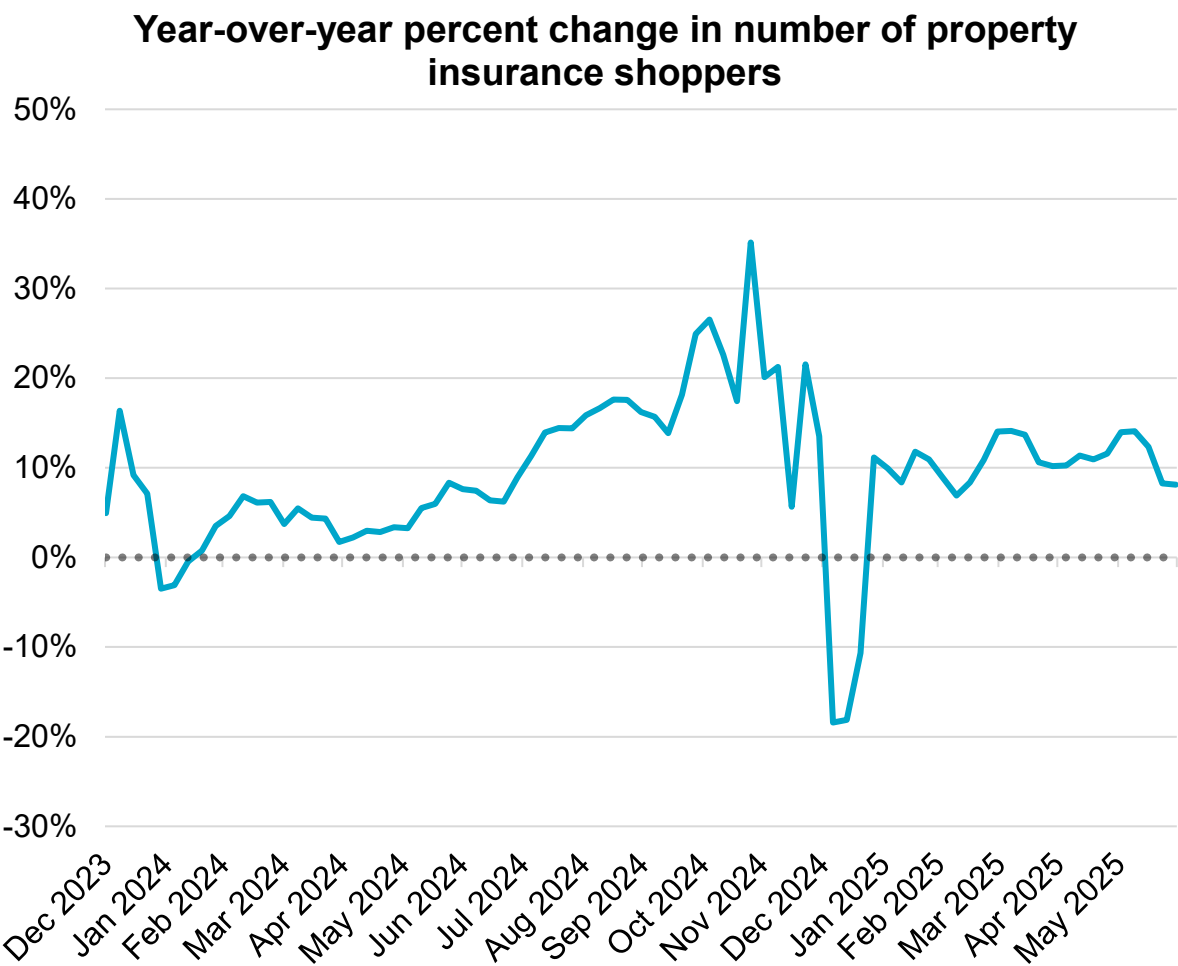
Recurring Inspections at Renewal by Carrier (2019–2025)



# Increased Shopping Activity



# Premium increases are driving consumers into the market, with national shopping activity up 9% above previous year for Q2 2025



# Final thoughts



California insurance market continues to be challenging and is expected to remain so for the foreseeable future



Leverage publicly available information; CA DOI and FAIR Plan websites, there is a lot of great information available



Engage with a local agent/broker that has access to both admitted and non-admitted options (pre-determine coverage availability)



Become familiar with key elements of risk when discussing insurance with your perspective buyers/sellers:

Age

Location

Coverage  
Amount

Occupancy

Maintenance

Liability Hazards



# Implications for CA Real Estate Agents



## ○ More Complex Transactions

- Unexpected inspection requirements after closing, especially in high-risk areas
- Preparing clients for potential post-purchase inspections that could lead to premium increases, repair mandates, or even nonrenewals.

## ○ Property Condition Is Critical

- Age/condition of roof, electrical & plumbing, overgrown vegetation, or deferred maintenance are more likely to trigger inspection issues.
- Encourage sellers to proactively address visible risks and highlight mitigation features in listings.

## ○ Technology-Driven Risk Assessment

- Drone imagery, satellite data, and AI tools have enable remote assessment, flagging risk indicators (e.g., roof wear, proximity to brush).



# Implications for CA Real Estate Agents



- Increased Risk of Nonrenewal
  - Real Estate Agents should help buyers understand long-term insurance risks, not just initial quotes
- Real Estate Agents are becoming risk advisors, helping clients navigate insurance challenges
  - Partnering with insurance brokers, home inspectors, or mitigation consultants can add value and build trust.
- Mitigation as a Selling Point
  - Real Estate Agents can highlight homes with recent inspections, upgrades, or compliance with insurer guidelines



# Q&A



---

# Thank you!!

[Insurance@car.org](mailto:Insurance@car.org)



The background is a faded, grayscale image of a two-story house with a gabled roof, multiple windows, and a two-car garage. The house is centered in the frame.

# Closing Out



CALIFORNIA ASSOCIATION OF REALTORS®

**Transaction Rescue™**

---

[TransactionRescue@car.org](mailto:TransactionRescue@car.org)

<https://Mortgage.car.org>

Transaction Rescue Webinars

<https://www.car.org/FinWebinars>

STEPS Towards Homeownership

<https://on.car.org/steps>

STEPS Towards Homeownership – Home Buyer Education Workshops

<https://on.car.org/stepshomebuyer>

Insurance Helpline

<https://www.car.org/-/Home/helplines/insurance>



# California Association of REALTORS® - Panelist Contact List

Name	Email	Phone	Company
Abel Fregoso Jr	<a href="mailto:AFregosoJr@prmg.net">AFregosoJr@prmg.net</a>	619-572-3316	PRMG
Cynthia Leal	<a href="mailto:cleal@guildmortgage.net">cleal@guildmortgage.net</a>	310-720-5309	Guild Mortgage
Faramarz (FM) Moeen-Ziai	<a href="mailto:fmz@ccm.com">fmz@ccm.com</a>	415-377-1147	CrossCountry Mortgage
Oscar Wei	<a href="mailto:research@car.org">research@car.org</a>	213-739-8348	California Association of REALTORS®
Marc Farfel	<a href="mailto:TransactionRescue@car.org">TransactionRescue@car.org</a>	213-739-8383	California Association of REALTORS®
Meagan Harris	<a href="mailto:Info@GSFAHome.org">Info@GSFAHome.org</a>	855-740-8422	Golden State Finance Authority (GSFA)
Molly Ellis	<a href="mailto:MEllis@CalHFA.ca.gov">MEllis@CalHFA.ca.gov</a>	916-326-8680	California Housing Finance Agency (CalHFA)





# IN NEED OF SOME DIRECTION TO NAVIGATE HOMEOWNERS INSURANCE?

CONTACT C.A.R.'S HOMEOWNERS  
INSURANCE HELPLINE

**120**  
YEARS OF LEADING THE WAY...®

SUBMIT AN  
INQUIRY

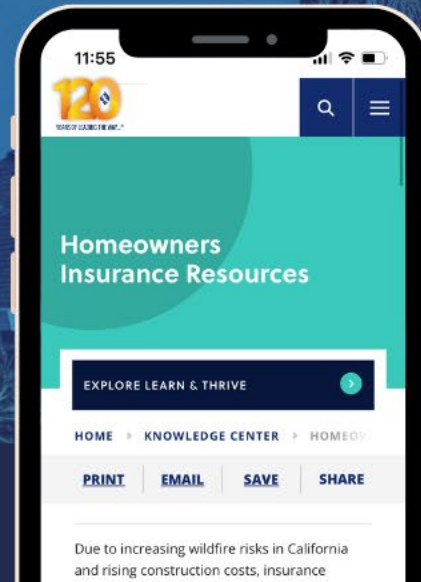
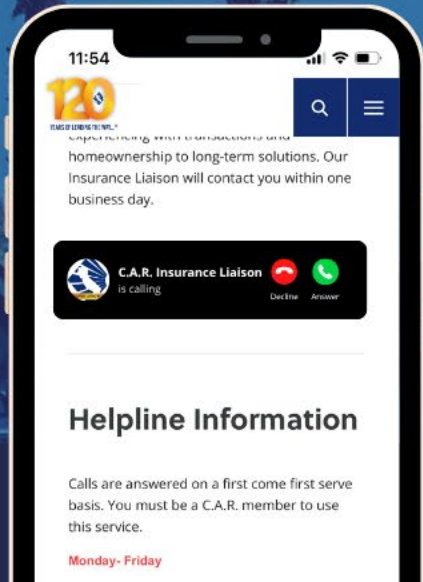
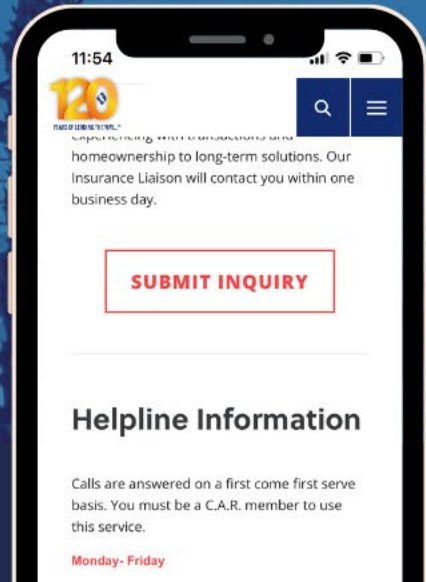


GET NEEDED  
DIRECTION



SHARE WITH  
YOUR CLIENTS.

SUBMIT AN  
INQUIRY:



[on.car.org/insurancehelpline](https://on.car.org/insurancehelpline)



[TRANSACTION CENTER](#)[LEARN & THRIVE](#)[INDUSTRY 360°](#)[YOUR C.A.R.](#)[SIGN IN](#)[SEARCH](#)[MARKET DATA](#)[MLS / PROFESSIONAL STANDARDS](#)[POLITICAL ADVOCACY](#)[CLOSE](#)[SUPPORT](#)

# Market Data

Be trendy -- stay current with our latest market forecasts and data analyses.

[VIEW MORE](#)

## Housing Market Forecast

The latest housing market forecast and projection to what lays ahead.

## Data & Statistics

View the latest sales and price numbers. Find out where sales will be in upcoming months.

## Housing Matters Podcast

Your housing hub for market analysis, economic trends, and housing news.

## Real Quick

Watch our C.A.R. economists provide updates on the latest housing market data and happenings... quickly!

## Market Minute Write-Up

Get a roundup of weekly economic and market news that matters to real estate and your business.

## Interactive Market Stats

Gain insights through interactive dashboards and downloadable infographic reports.

[Shareable Reports](#)[Interactive Dashboards](#)

## Speeches & Presentations

Catch up with the latest outreaches and webinars by the Research and Economics team.

## Surveys & Reports

C.A.R. conducts survey research with members and consumers on a regular basis to get a better understanding of the housing market and the real estate industry.

# 7 Elements of Homeowner Insurance



- Overall Home (Age)
  - Property Maintenance / Condition / Repairs
  - Occupancy Type & Detail
- Homeowner (Existing & Future) – Claim Experience
- Electrical - (Age & Condition)
- Roof Type (Age & Condition)
- Mechanical – (HVAC, Plumbing) - Age Condition
- Location (City, State, Rural, Urban, Flood, Fire, etc.)
- Coverage Amount



# Categories: Insurance Helpline Questions

---



How to Find – Resources  
Complicated Ownership (Data Sharing)  
Non-Primary Residences  
Policy Pricing Increases  
Cancellations Reasons (Tenured Homeowners)  
High Risk Area (Fire/Flood)  
Inspections or New Requirements

# Take Away Considerations

---



## New Checklists



CALIFORNIA ASSOCIATION OF REALTORS®  
**Transaction Rescue™**

---



# Insurance Readiness Checklist



## Have trusted insurance contacts in your sphere

Maintain at least **two or three go-to insurance pros** you can refer buyers to.

- **Independent broker:** shops multiple carriers, may have more flexibility in high-risk zones or for unusual properties.
- **Captive agent** (e.g., Farmers, State Farm, Allstate): works for one brand, can offer deep product knowledge but limited to that company's underwriting appetite.

**Start insurance shopping at pre-offer.** Ask your insurance contact for a *bindable* quote, not just a teaser, and confirm the carrier still writes in that ZIP. California carriers have been pulling back and raising rates after major wildfire losses; availability can change week to week.

**Check wildfire protections & eligibility.** If the home is in or near a recent wildfire disaster area, ask whether the **one-year non-renewal moratorium** applies to the address (and link your clients to the CDI ZIP-code lookup). [California Department of Insurance+1](#)

**If declined, confirm FAIR Plan + DIC path.** For homes that can't get a standard policy, confirm a **California FAIR Plan** fire policy **plus** a separate **Difference-in-Conditions (DIC)** policy to add liability, water, theft, and ALE; note FAIR Plan is limited/named-peril and coverage limits are capped.

**Confirm lender requirements + carrier ratings.** Some loans require minimum insurer financial strength and specific coverages/deductibles—don't let an under-rated carrier jeopardize underwriting.

**Document high deductibles & exclusions.** Many current quotes carry much higher wind/fire deductibles and exclusions; make sure buyers understand them before they remove contingencies. Market tightening and reinsurance pass-throughs are pushing these up.

**Rate stability expectations.** Let buyers know 2025 rules will require carriers to write more in high-risk areas (aiming to reduce FAIR Plan reliance), but premiums may be higher due to allowed reinsurance costs.

### A. Master Policy Basics (get the HOA's insurance certificate & full declarations page)

Identify the **master policy type**: **Bare walls**, **Single Entity**, or **All-In**—this determines how much “walls-in” coverage the buyer needs on their HO-6.

Record the **master policy deductible(s)** (property & wind/fire). Many HOAs carry large deductibles; the buyer may want **HO-6 Loss Assessment** coverage to help with deductibles or shortfalls after a covered loss.

Verify **general liability** and **building ordinance or law** coverage are present on the master policy (common lender expectation).

### B. Buyer's HO-6 (unit owner policy) — request a bindable quote before contingencies are removed

Confirm **walls-in dwelling (Coverage A)** amount that matches the master policy type (more coverage for “bare walls,” less for “all-in”).

Add **Loss Assessment** limits (often \$25k–\$100k available) to address master policy deductibles/special assessments after covered losses.

Ensure **Personal Property, Liability, and ALE** are adequate for the buyer's needs (ALE especially if the building has higher wildfire or water-damage risk).

### C. Compliance & Finance Readiness (can affect lending & insurability)

**SB 326 “Balcony Bill” (Civil Code §5551) status:** request the latest EEE (exterior elevated elements) inspection report or compliance letter. **Deadline for the initial inspection was extended to January 1, 2026** (previously 1/1/2025). Non-compliance can lead to special assessments and insure-ability issues.

**Fannie/Freddie/FHA expectations** (if applicable): verify the HOA carries required **fidelity/crime coverage** (generally at least **3 months of aggregate assessments**, more if financial controls aren’t met). Lenders often check this.

Ask for the HOA’s **reserve study and most recent loss runs/claim history**; frequent water/fire claims can push premiums and deductibles higher on renewals.

### D. Red-Flag Questions for Listing/HOA Manager (to ask up front)

Any **non-renewal notices** or quotes indicating big premium hikes at the next renewal? (If so, what’s the plan?)

Have there been recent or pending **special assessments** tied to **insurance** (premium spikes, deductible funding) or **SB 326 repairs**? Get board minutes if possible.

For higher-risk zones, has the HOA had to rely on **FAIR Plan** for part/all of the building coverage? If yes, clarify limits and any DIC wrap.

The background of the slide is a faded, grayscale image of a modern two-story house with a gabled roof, multiple windows, and a two-car garage. The word "Questions" is centered over this image in a large, blue, sans-serif font.

# Questions





# Survey for Transaction Rescue Webinar 8-13-25



**Your Feedback is Critical**

[https://car.qualtrics.com/jfe/form/SV\\_51quzEvLTwSXuBg](https://car.qualtrics.com/jfe/form/SV_51quzEvLTwSXuBg)



---

# Thank you!!

[TransactionRescue@car.org](mailto:TransactionRescue@car.org)

<http://Mortgage.car.org>

# 4 - Key Considerations for All Transactions

- **Communication & Timing**

- Loan Expectations
- Preferred Method
- Availability of Funds

- **Loan Pre-Approval**

- Early
- DPA
- Underwritten

- **Credit**

- Initial Review
- Do's & Don't
- Final Review

- **Property Type**

- Insurance
- HOA
- Property Condition
- Occupancy



**MORTGAGE.CAR.ORG**



**FINDDOWNPAYMENT.CAR.ORG**



**Transaction Rescue™**

CALIFORNIA ASSOCIATION OF REALTORS®

Your lifeline to the lending community is a free member benefit! We provide assistance with finding a lender, loan qualifications, underwriting, short sales and more. Give us a call on the FREE helpline at (213) 739-8383, email us at [TransactionRescue@car.org](mailto:TransactionRescue@car.org)

## DOWN PAYMENT RESOURCE DIRECTORY

Quickly search and identify over 400+ available down payment assistance programs in your client's target area with our Down Payment Resource Directory.



# Lending Terms /Abbreviations

- **AUS – Automated Underwriting System**
- **LPA – Loan Prospect Advisor (previously – Loan Prospector LP) (Freddie)**
- **DU – Desktop Underwriter (Fannie)**
- **GUS – Government Underwriting System**
- **FICO – Fair Isaac Company (Loan Scoring Model Used By a Majority of Lenders / Investors)**
- **DPA – Down Payment Assistance**
- **MI – Mortgage Insurance**
  - **UFMIP - Up-Front Mortgage Insurance (FHA Loans)**
  - **MMI – Monthly Mortgage Insurance (FHA Loans)**
  - **PMI – Private Mortgage Insurance (Conventional Loans) - LPMI – Lender Paid Mortgage Insurance**
- **OO - Owner Occupied Borrower / Co-Borrower**
- **NOO – Non-Owner-Occupied Borrower / Co-Borrower**
- **FTHB – First Time Home Buyer**
- **CalHFA – California Housing Finance Agency**
- **GSFA – Golden State Finance Authority (Platinum)**
- **Flipping – Selling within 3 months, with large value increase, may trigger Lender RED Flags**
- **Calculations**
  - **DTI – Debt to Income   LTV – Loan to Value   and Combined Loan to Value (CLTV)**
  - **PITIA w/MI – Principal, Interest, Taxes, (Hazard) Insurance, Association Fees, and Mortgage Insurance**

# REALTOR® Resource: Financial Literacy Tool

## C.A.R.'s Down Payment Resources Directory

[HOME](#)
[MARKETING](#)
[CLIENTS](#)
[DOWNPAYMENTRESOURCE](#)

[PRINT](#)
[EMAIL](#)
[SAVE](#)

[SHARE](#)

Fill out the following 3-step pre-screening form, in order to find out if you are eligible for any of the 400+ down payment assistance programs available in California. If you are still not sure how to begin, feel free to [watch this video](#).

If you need further assistance with the Down Payment Resource Directory tool, please contact your REALTOR® or [find a local REALTOR® here](#), if you do not have one already.

Property Information
Household Information
Special Circumstances

Enter the Street Address and Zip Code of a specific property  
-OR-  
Start typing in the General Search field and pick a neighborhood, city or county from the menu.

Street Address (e.g. 123 Main Street)

Zip Code

General Search (start typing for a menu of options)

Rancho Cucamonga (City in San Bernardino County)

Estimated sales price

Is this a Multi-Family Home?

☒ Single-Family
☐ Multi-Family

Is the home in foreclosure?

☐ Yes
☒ No

Matched Programs

53

View Programs

Continue

FILTERS AVAILABLE

Property Information  
Household Information  
Special Circumstances  
General Search - City, County, Town, etc.

Actual Property

Sales Price  
Currently Own a Home  
Household Income  
Veteran  
Educator

Law Enforcement

Firefighter  
Healthcare  
Disability  
Military  
Energy Efficient

Steps with CalHFA

Step 1 – See If You Are Eligible.  
[Eligibility Calculator](#)  
Step 2 – Get Pre-Qualified  
Find a Preferred Loan Officer  
[Preferred Loan Officers](#)  
Step 3 – Take Homebuyer Education  
[ONLINE eHome's eight-hour Home-buyer Education](#)  
[IN-PERSON NeighborWorks America](#)  
or [HUD-Approved Housing Counseling Agency](#)  
Step 4 – Start looking for a home  
Talk to a local Realtor to guide you through this process

Info with GSFA

We Allow:

- Condos
- PUDS
- 1-4 unit
- Manufactured Home Primary Residences

Minimum credit score of 620  
Find a Participating Lender:  
<http://gsfahome.org/programs/platinum/lenders.aspx>

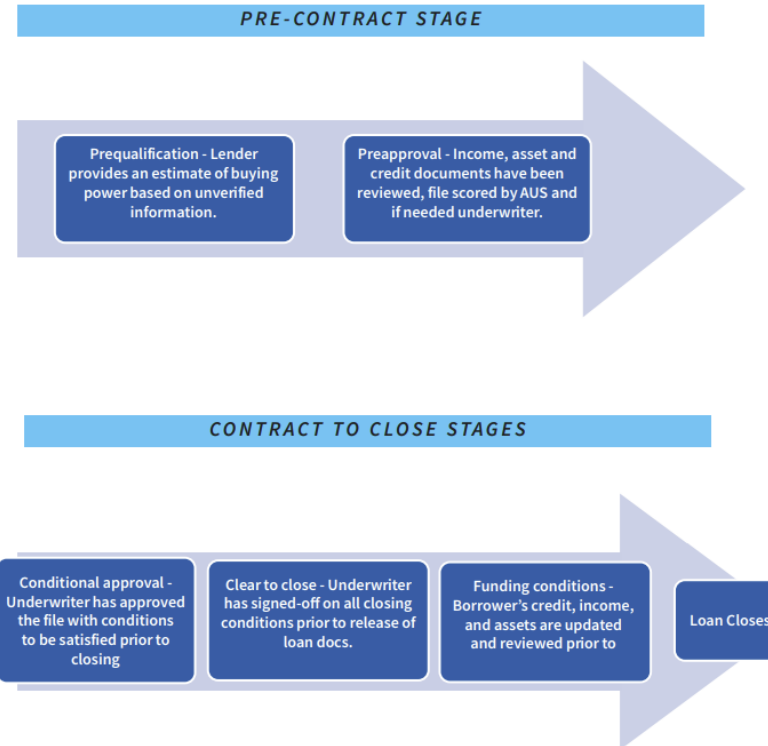
Within the C.A.R Tool, you can find:

- Participating Lenders
- Program Guide/Flyers
- Filters/Guidelines:
  - Special Groups (Teachers, Protectors, etc.)
  - Eligible Properties
  - Maximum Sales Price
  - Eligible Borrowers
  - Maximum Household Income
  - Loan Terms
- Benefits
- Latest Updates



# REALTOR® Resource: Financial Literacy Tool

## Loan Approval and Closing Steps



Remember, loan approval is a dynamic, ongoing process that takes place up to and including the closing date! **Help your buyer stay mortgage-ready through the entire process!**

# 2025 Conforming & High Balance Loan Limits by County for Freddie & Fannie

(As of 1/01/2025)

The Federal Housing Finance Agency's (FHFA) announcement to increase the 2025 conforming loan limits for mortgages acquired by Fannie Mae & Freddie Mac to **\$806,500** on one-unit properties and a cap of **\$1,209,750** in high-cost areas. The previous loan limits were \$766,550 and \$1,149,825, respectively. Higher Loan Limits = More Properties Available to Entry Level Buyers

- **Loan Limit Counties**
- **\$1,209,750** – Alameda, Contra Costa, Los Angeles, Marin, Orange, San Benito, Santa Clara, Santa Cruz, San Mateo
- **\$806,500** > San Diego, Ventura, Santa Barbara, San Luis Obispo, Monterey
- **< 1,209,750** Napa, Sonoma, Yolo
- **\$806,500 – All Remaining Counties for FHLMC/FNMA, FHA are less.**
- Link to Freddie Mac (FHLMC) / Fannie Mae (FNMA) 2025 Loan Limits
  - <https://www.fhfa.gov/DataTools/Tools/Pages/Conforming-Loan-Limit-Map.aspx>
    - Link to FHA Loan Limits just changed on the 15<sup>th</sup> of November for **2025 Limits – Conforming \$1,209,750 max, (for single unit) less in**



CALIFORNIA ASSOCIATION OF REALTORS®

Transaction Rescue™

• <https://entp.hud.gov/idapp/html/hicost1.cfm>