



Setting ground rules for insurers' use of aerial images and risk scores:

(To Renew, or to Nonrenew, that is the question...)

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About United Policyholders

- A consumer advocacy 501(c)(3) non-profit that has your back when insurance matters, and doesn't accept funding from insurance companies. www.uphelp.org
- Trustworthy, plain language info and expertise on buying home insurance and navigating claims after a loss.
- Roadmap to Preparedness, Roadmap to Recovery®[®], Advocacy and Action
- Closely monitoring the property insurance marketplace, coordinating with stakeholders to restore affordable options and working hard to help people reduce risk and keep property adequately insured despite a current crisis.

Joel Laucher



United Policyholders

- Program Specialist, (current)

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- Chief Deputy Commissioner
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The modernization of insurance

Modernization has included the expanded use of new technology

- **Facilitating the collection of detailed identification of risk attributes**
- **Increased segmentation of loss data**
- **Leading to significantly more detailed rating plans**
- **Causing wider ranges between the lowest and highest rates**
- **And spurring implementation of new underwriting processes**
- **That result in more distinctions in determining:**
 - who is eligible
 - who is not eligible for coverage
 - and how much they will pay.

And it's all good, unless...

It's all good... unless the data is inaccurate

- **That's why it's essential in this modern insurance world that we make sure that insurers get it right.**
- **To do that we need to allow the insurance consumer to have a legitimate opportunity to be made aware of the considerations that go into the underwriting and rating processes and the opportunity for them to correct any inaccuracies that have occurred in the underwriting or rating processes regarding their risk.**

Case in point: Satellite imagery

TRENDS

Homeowners Dropped From Insurance Policy After Solar Panels on Roof Are Mistaken for ‘Moss’

By Julie Taylor

Oct 29, 2024



A California couple is outraged after they received a nonrenewal notice from their insurance company of 20 years, claiming that an image showed their roof covered in “mildew, moss, algae and mold growth.”

Janice Conerly Coleman, who lives in [Fairfield, CA](#), with her husband, **Anthony Coleman**, told [CBS13](#) that what the image actually depicts is solar panels on the roof.

After receiving their nonrenewal notice, the Colemans immediately hired a roofer to prove their roof was sound—but Liberty Mutual still refused to reverse its decision. In its original notice, the company said the roof was “poor with major conditions”.

“I feel they made a decision based on technology just to reduce their portfolio and to offload our property as they are doing with thousands of others in the state of California,” Anthony Coleman told the local network.

The Colemans ended up finding a policy with another insurance company—but it cost them more money.

Insurance firm is caught using **SATELLITES** to spy on customer's home before pulling their coverage... only to make a staggering mistake

By [ALEX HAMMER FOR DAILYMAIL.COM](#)

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Insurance companies are using satellites to inspect homes they are covering - and are getting some assessments wrong at customers' expense.

The CSAA Insurance Group in **California** is one of many firms taking part in the practice, which is now commonplace within most companies, one expert said.

It sees insurers use aerial imagery garnered from satellites and drones to make decisions, in lieu of the **human inspectors who once perused properties**.

However, there was one major problem, he explained - none of the so-called obstructions were actually on his property.

Instead, the aircraft designed to get a handle on his Monterey County home had picked up obstructions on neighboring laws rather than his, due to his neighbors sharing the same street address - only differentiated by the letters A, B, and C.

Let's be clear:

- Advances in underwriting that identify risk, create consistency, and lower expenses can benefit insurers and insureds. Aerial imagery is a tool that can provide those advantages.
- But it is absolutely necessary to “get it right” when using this technology or any other source of underwriting/rating information.
- Getting it wrong does not benefit the insurer and definitely can disadvantage the consumer – especially in these times of soaring premiums and dwindling availability of coverage.
- In fact, getting it wrong and nonrenewing a risk for an issue that never existed or has been fully remedied is unfairly discriminatory and thus, illegal.

**That's why reasonable, pragmatic
protections are absolutely necessary...**

United Policyholders strongly supports proposed NCOIL Model Act Regarding Insurers' Use of Aerial Images

*Sponsored by Rep. David LeBoeuf (MA) and Rep. Brian Lampton (OH).

When utilizing aerial images as part of its coverage determinations, an insurer shall:

- (a) Ensure that a non-renewal notice include copies of date-stamped images of the property that show the specific conditions that are out of compliance with the insurer's underwriting guidelines and what steps the property owner can take to reverse the insurer's decision. Photos must have been taken within the past 12 months.
- (b) Establish a point of contact and a process for currently insured property owners to use to provide documentation of completion of the required work that the insurer communicates to the insured in subsection (a).
- (c) Disclose the risk scoring system criteria used and establish an appeal process so the consumer can correct any errors, misunderstandings related to their risk score and modify the risk score where warranted.
- (d) Provide the currently insured property owner a minimum of 60 days to cure the defects/conditions underlying a non-renewal from the date the insurer identifies the specific conditions, even if that exceeds the non-renewal notice period as set forth in [insert citation to state non-renewal requirements].
- (e) Require an insurer to offer a renewal policy to a consumer who submits proof that they've cured the defects/conditions identified in subsection (a).



We've got your back when insurance matters

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