

THE REALITY AND RISKS OF BEING underinsured AGAINST CALIFORNIA WILDFIRES

California Fire Damage Background:

- ❖ The 2018 wildfire season was the deadliest and most destructive wildfire season on record in California, with a total of **8,527 fires** burning an area of **1,893,913 acres**.
- ❖ **\$11.4 Billion** = Estimated damages from the 2018 California fires.
- ❖ **24,000** = The number of homes destroyed by the **2017** and **2018 fires**.

Insurance Issues in the Aftermath (again):

Gaps between a home's insured limit versus its full replacement and additional living costs.

- ❖ Most CA homeowners were unknowingly underinsured with material gaps between their home's **insured limit** versus its **full actual replacement** and **additional living** costs for the rebuilding period.
- ❖ **80%** of homes in 2018 Woolsey Fire were unknowingly underinsured by **+20%** of replacement costs. On a home with a replacement cost of \$2M, this equates to an **uninsured out-of-pocket expense** of over **\$680K** when personal property and additional living expenses during the rebuilding period are included.
- ❖ **60%** of affected homeowners plan to or have sued their insurance agent for being underinsured.
- ❖ **53%** of homeowners who had damage from the 2017 fires that were surveyed one year later, still had not settled with their insurance carrier.
- ❖ **Rampant California Non-Renewals:** California homeowners are now having difficulty finding quality insurers willing to provide coverage and those that can are finding annual premiums have increased 2X – 4X along with coverage reductions and higher deductibles.
- ❖ The dwelling limit provided under the California FAIR Plan is capped at **\$1.5M** which is insufficient for many homeowners.

Time for a new, customized approach to Personal Risk Management through MSG:

Talk to MSG about proper, bespoke insurance coverage solutions for homes with rebuilding costs of +\$5M:

- ✓ MSG is an expert insurance brokerage firm focused on custom solutions for Private Client families and their assets around the world. We also have a niche in the Sports and Entertainment field.
- ✓ Due to our volume of business with carriers and our expertise in the Private Client space, we are able to offer California clients coverage and insurance solutions they are finding difficult to obtain.
 - ✓ MSG specializes in providing insurance solutions from top-rated carriers with better terms for lower premiums than California clients may obtain elsewhere.
- ✓ MSG is an **Elite Cornerstone Broker** with **CHUBB** (less than 3% of their 5,000 strong broker force achieves this).
- ✓ **MSG has bespoke solutions for:**
 - ✓ California homeowners of high value residences dropped by their previous insurance carrier.
 - ✓ **Primary** and **Secondary** high value residences including **Guaranteed** or **Extended Replacement Cost**, as well as **Code Upgrade** costs and **Unlimited Loss of Use**.
 - ✓ **High Value Autos, Art, Jewelry, Watercraft, Private Planes** other valuable assets.