

CA Notice No. 12-5-2019 (US), 2019 WL 6619510 (US)
CA Notice December 5, 2019
CALIFORNIA INSURANCE BULLETINS AND RELATED MATERIALS
NOTICES

Notice 12-5-2019
December 5, 2019

TO: All Admitted And Non-Admitted Insurers Writing Residential And Commercial Property Insurance In California
FROM: Ricardo Lara
Insurance Commissioner
DATE: December 5, 2019
RE: REQUEST FOR A MORATORIUM ON NON-RENEWALS AFTER RECENT WILDFIRE ACTIVITY

Data released by the Department of Insurance this year shows a troubling increase in insurer-initiated non-renewals affecting Californians in areas across the state with risk of wildfire. [FN1] In order to provide California homeowners, renters, and businesses peace of mind, and to allow time for stakeholders to come together to work on lasting solutions and help reduce wildfire risk, the Commissioner is hereby requesting that all admitted and non-admitted insurers writing residential [FN2] and commercial property insurance in the state of California cease non-renewing due to wildfire risk all policyholders for one year from the date of this notice.

California's property insurers are taking action statewide to reevaluate their risk and retreat from areas they identify as having higher wildfire risk. In many communities across the state, finding affordable comprehensive fire insurance has become difficult. So difficult that real estate transactions have stalled or been cancelled. If this trend is allowed to continue, it could further disrupt local real estate markets and cause property values to decline, reducing tax revenue available for vital services to residents such as fire protection, community fire mitigation, law enforcement, road repairs, and hospitals in these communities. Commissioner Lara has met with many of these affected communities and policyholders over the last year who are facing non-renewals and rising premiums.

On October 27, 2019, Governor Gavin Newsom declared a state of emergency for the entire state of California [FN3] due to extreme fire danger conditions, one of several such Declarations [FN4] for wildfires the Governor issued this year. Because the fires identified in the Governor's Declarations were located throughout the state, Commissioner Lara is calling on insurers to immediately voluntarily cease non-renewing all homeowners, condo unit owners, mobile homeowners, residential renters, and commercial property policies for one year from the date of this notice (until December 5, 2020) for the reasons specified above.

Commissioner Lara is also issuing the bulletin required by Senate Bill 824 (Lara) and [Insurance Code section 675.1, subdivision \(b\)](#) specifying which ZIP codes are within or adjacent to the fire perimeters established pursuant to the Governor's October 11, 25, and 27, 2019 Declarations. Insurers shall not cancel or non-renew for one year any homeowners, condo unit owners, mobile homeowners, or residential renters policies [FN5] due to wildfire risk that are located in a ZIP Code identified by that bulletin, or any subsequent bulletin containing additional ZIP Codes. 5 Id. at fn. 2.

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If you are an insurer with questions regarding this notice, please contact:

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[FN1] See: <http://www.insurance.ca.gov/0400-news/0100-press-releases/2019/release063-2019.cfm>.

[FN2] Pursuant to [section 675.1, subdivision \(d\)](#), ‘residential property insurance’ has the meaning set forth in section 10087, subdivision (a): [a] ‘policy of residential property insurance’ shall mean a policy insuring individually owned residential structures of not more than four dwelling units, individually owned condominium units, or individually owned mobilehomes, and their contents, located in this state and used exclusively for residential purposes or a tenant's policy insuring personal contents of a residential unit located in this state.

[FN3] See: <https://www.gov.ca.gov/wp-content/uploads/2019/10/2019-17-Fire-weather-conditions-State-of-Emergency-Signed-10.27.19.pdf>.

[FN4] See: <https://www.gov.ca.gov/wp-content/uploads/2019/10/10.11.19-State-of-Emergency-Due-to-Fires-attested.pdf>; and <https://www.gov.ca.gov/2019/10/25/governor-newsom-declares-state-of-emergency-in-sonoma-and-los-angeles-counties-due-to-fires/>.

[FN5] Id. at fn. 2.

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CA Notice No. 12-5-2019 (US), 2019 WL 6686868 (US)
CA Notice December 5, 2019
CALIFORNIA INSURANCE BULLETINS AND RELATED MATERIALS
NOTICES

Notice 12-5-2019 (#2)
December 5, 2019

TO: All Admitted And Non-Admitted Insurers Writing Residential Property Insurance In California
FROM: Ricardo Lara
Insurance Commissioner
DATE: December 5, 2019
RE: MANDATORY MORATORIUM ON NON-RENEWALS AFTER RECENT WILDFIRE ACTIVITY

Recent insurer actions in California have created considerable disruption for California's residents; particularly those who live in or near regions of the state potentially threatened by wildfires. The Commissioner continues to receive information from Californians who have struggled to obtain residential property insurance coverage in the voluntary market. In August of this year, the Department of Insurance published data, which shows an increasing trend of non-renewals for people at risk of wildfires. [\[FN1\]](#) California's property insurers are retreating from areas they identify as having higher wildfire risk.

In many communities across the state, finding affordable comprehensive fire insurance has become difficult. So difficult that real estate transactions have stalled or been cancelled. If this trend is allowed to continue, it could further disrupt local real estate markets and cause property values to decline, reducing tax revenue available for vital services to residents such as fire protection, community fire mitigation, law enforcement, road repairs, and hospitals in these communities. Commissioner Lara has met with many of these affected communities and policyholders over the last year who are facing non-renewals and rising premiums. This bulletin shall serve to notify all insurers in this state of an important residential property owner protection set forth in California law.

As enacted by Senate Bill 824 (Lara, Chapter 616, Statutes of 2018) Insurance Code [\[FN2\]](#) section 675.1, subdivision (b) (1) provides:

“An insurer shall not cancel or refuse to renew a POLICY OF RESIDENTIAL PROPERTY INSURANCE FOR A PROPERTY LOCATED IN ANY ZIP CODE WITHIN OR ADJACENT TO THE FIRE PERIMETER, for one year after the declaration of a state of emergency as defined in [Section 8558 of the Government Code](#), based solely on the fact that the insured structure is located in an area in which a wildfire has occurred. This prohibition applies to all policies of residential property insurance in effect at the time of the declared emergency.” (Emphasis added.)

Section 675.1, subdivision (d) defines ‘policy of residential property insurance’ as follows:

“ . . . policy residential property insurance has the meaning described IN SUBDIVISION (a) OF SECTION 10087.”

Section 10087, subdivision (a) provides:

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“ . . . ‘POLICY OF RESIDENTIAL PROPERTY INSURANCE shall mean a policy insuring individually owned residential structures of not more than four dwelling units, individually owned condominium units, or individually owned mobilehomes,

and their contents, located in this state and used exclusively for residential purposes or a tenant's policy insuring personal contents of a residential unit located in this state.” (Emphasis added.)

Accordingly, insurers shall not cancel or non-renew any homeowners, condo unit owners, mobile homeowners, or residential renters policies due to wildfire risk that are located in a ZIP Code identified by this bulletin or any subsequent bulletin as subject to Section 675.1, subdivision (b)(1). [FN3]

On October 11, 2019, Governor Gavin Newsom declared a state of emergency for Los Angeles and Riverside Counties due to the Saddleridge Fire in Los Angeles County, and the Eagle Fire, Sandalwood Fire, Reche Fire, and Wolf Fire in Riverside County. [FN4]

On October 25, 2019, Governor Newsom declared a state of emergency for Sonoma and Los Angeles Counties due to the Kincade Fire in Sonoma County and the Tick Fire in Los Angeles County. [FN5]

On October 27, 2019, Governor Newsom declared a state of emergency for the state of California due to extreme fire weather conditions in 43 Counties. [FN6] The following fires began during the state of emergency:

- Getty Fire (Los Angeles County)
- Hill Fire, Water Fire, 46 Fire (Riverside County)
- Hillside Fire (San Bernardino County)
- Easy Fire, Maria Fire (Ventura County)
- Sky Fire, Glen Cove Fire (Solano and Contra Costa Counties)

Section 675.1, subdivision (b)(2) further provides:

“ . . . the fire perimeter shall be determined by the Department of Forestry and Fire Protection in consultation with the Office of Emergency Services. The department shall provide the commissioner with data describing the fire perimeter sufficient FOR THE COMMISSIONER TO DETERMINE WHICH ZIP CODES ARE WITHIN OR ADJACENT TO THE FIRE PERIMETER. THE COMMISSIONER SHALL THEN ISSUE A BULLETIN TO INFORM INSURERS WHICH ZIP CODES ARE SUBJECT TO THIS SUBDIVISION.” (Emphasis added.)

The Department of Forestry and Fire Protection, in consultation with the Governor's Office of Emergency Services, has provided the Commissioner with data describing the fire perimeter and the Commissioner has relied upon that data to determine which ZIP Codes are subject to Section 675.1, subdivision (b)(1).

Therefore, due to the Governor's October 11, 2019 Declaration, insurers shall not cancel or non-renew for one year policies of residential property insurance due to wildfire risk in the following ZIP Codes: [FN7]

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SADDLERIDGE FIRE

91342, 91344, 91326, 91311, 91321, 91381, 93063, 91331, 91350, 91355, 91387, 91304, 91354, 91343, 91306, 91351, 91352, 91325, 91042, 91324, 91040, 91384, 91340, 91390, 91345, 93015, 93510, 93040, and 91330.

EAGLE FIRE

95423, 95422, 95451, 95493, 95458, 95987, 95464, 95485, 95979, and 95443.

Therefore, due to the Governor's October 25, 2019 Declaration, insurers shall not cancel or non-renew for one year policies of residential property insurance due to wildfire risk in the following ZIP Codes:

KINCADE FIRE

95403, 95404, 95492, 95448, 95425, 94515, 95461, 95441, 94928, 95401, 95409, 95407, 95405, 95451, 94574, 95446, 95436, 95467, 95457, 95442, 94951, 95445, 95421, 94508, 95449, 95452, 95439, 94567, and 94576.

TICK FIRE

91387, 91351, 91390, 91342, 93551, 91350, 91354, 91321, 91384, 93510, and 93532.

Therefore, due to the Governor's October 27, 2019 Declaration, insurers shall not cancel or non-renew for one year policies of residential property insurance due to wildfire risk in the following ZIP Codes: [\[FN8\]](#)

GETTY FIRE

90049, 90025, 90024, 90272, 90403, 91403, 91436, 90402, 90077, 90095, and 90073.

HILL FIRE

92509, 92504, 92324, 92505, 91752, 92337, 92316, and 92501.

MARIA FIRE

93060, 93066, 93003, 93010, 93012, 93021, 93001, 93036, 93004, 93023, 93015, and 93022.

In addition, all admitted and non-admitted insurers writing residential property insurance in the state of California must offer to rescind any notices of cancellation or non-renewal issued since the Governor's October 11, 25, or 27, 2019 Declarations, respectively, and offer to reinstate or renew the policies in place at the time of Declaration, if any such notices of cancellation or nonrenewal were issued due to wildfire risk and the properties are located in ZIP Codes identified by this bulletin.

The data required for the Commissioner to determine the full extent of the ZIP Codes within or adjacent to the fire perimeters for all fires identified by this bulletin is not yet available. As the data becomes available, the Commissioner will issue a subsequent bulletin with additional ZIP Codes within or adjacent to the fire perimeters for the fires identified by this bulletin.

If you are an insurer with questions regarding this notice, please contact:

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[FN1] See: <http://www.insurance.ca.gov/0400-news/0100-press-releases/2019/release063-2019.cfm>.

[FN2] All statutory references are to the Insurance Code, unless otherwise specified.

[FN3] Subject to the exceptions permitted by section 675.1, subdivision (c).

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[FN4] See: <https://www.gov.ca.gov/wp-content/uploads/2019/10/10.11.19-State-of-Emergency-Due-to-Fires-attested.pdf>.

[FN5] See: <https://www.gov.ca.gov/2019/10/25/governor-newsom-declares-state-of-emergency-in-sonoma-and-los-angeles-counties-due-to-fires/>.

[FN6] See: <https://www.gov.ca.gov/wp-content/uploads/2019/10/2019-17-Fire-weather-conditions-State-of-Emergency-Signed-10.27.19.pdf>.

[FN7] ZIP Codes within or adjacent to the fire perimeters for the Sandalwood Fire, Reche Fire, and Wolf Fire are forthcoming.

[FN8] ZIP Codes within or adjacent to the fire perimeters for the Water Fire, 46 Fire, Hillside Fire, Easy Fire, Sky Fire, and Glen Cove Fire are forthcoming.