



## **STATE FARM ANNOUNCEMENT Frequently Asked Questions (FAQ)**

### **The Facts**

- State Farm announced it would temporarily stop writing new homeowner's insurance and certain commercial policies in California.
- Current customers will not lose their insurance.
- No non-renewals are taking place with this announcement.
- State Farm continues to write new private passenger auto insurance policies.
- Many factors driving State Farm's decision are beyond the State of California's control. Global inflation, the impacts of climate change, and higher reinsurance costs have all been cited by the company as contributing factors.
- Approximately 115 insurance companies continue to write residential policies throughout the state.
- The [California FAIR Plan](#) is available as an insurance option of last resort.

### **Q: What did State Farm actually announce?**

On Friday, May 26, 2023, State Farm General Insurance Company announced that it will temporarily stop writing new homeowners' and certain commercial insurance policies in California.

This business decision is currently specific to State Farm. Many of the factors driving State Farm's decision are beyond the State of California's control. Global inflation, the impacts of climate change, and higher reinsurance costs have all been cited by the company as contributing factors.

### **Q: I have a home insurance policy. What does the State Farm announcement mean for me?**

Current customers will not lose their home insurance policies.

There are no non-renewals taking place with this announcement, and State Farm continues to write new private, passenger auto insurance policies.

**Q: I am looking for a home insurance policy. What does the State Farm announcement mean for me?**

Approximately 115 insurance companies continue to write residential policies throughout California. The California Department of Insurance has a [locator tool](#) to help consumers find a policy provider in their area, and a [tips guide for finding residential insurance](#).

Companies also continue to write these policies for homes in the wildland urban interface - depending on the particular features of the home, the home's wildfire risk score, and the community in which it resides. This business decision is specific to State Farm. The California Department of Insurance has a [resource](#) to help homeowners bring down their wildfire risk score. CDI also has a [list of companies](#) offering discounts based on wildfire risk reduction efforts.

The California FAIR Plan is also available as an insurance option of last resort. It is currently able to offer up to \$3 million coverage for homeowners. Later this year, the FAIR Plan will also offer up to \$20 million commercial insurance coverage for businesses, homeowners associations, and condominium complexes. Go to [cfpnet.com](#) for more information on the FAIR Plan.

**Q: I have a home insurance policy. Am I protected from being non-renewed by my insurance carrier after a fire or other state of emergency?**

Yes, there is a mandatory one-year moratorium on insurance companies cancelling or non-renewing residential insurance policies, in certain areas, after the Governor declares a state of emergency.

Following the declaration, the Department of Insurance partners with CAL FIRE and Cal OES to determine the ZIP codes covered by the moratorium. ZIP codes adjacent to the perimeter of the disaster may also be included. The protection from cancellation or non-renewal lasts for one year from the date of the Governor's emergency declaration.

This one-year protection applies to all residential policyholders within the affected areas who suffer less than a total loss, including those who suffer no loss. Those who suffer a total loss have additional protections under the law. The California Department of Insurance has a [tool](#) to help consumers find out if they live in a ZIP code covered by the moratorium.

**Q: Have more questions?**

Experts at the California Department of Insurance can also help consumers with insurance coverage or claim questions. Use the consumer hotline at (800) 927-4357 or online chat at [www.insurance.ca.gov](#).