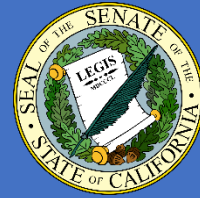


# Department of Insurance and the Legislature:



## Working together for consumer protection

California insurance consumers are facing unprecedented challenges exacerbated by climate change and economic forces affecting our entire country. Led by Insurance Commissioner Ricardo Lara, the California Department of Insurance (CDI) is the consumer protection agency for the nation's largest insurance marketplace and safeguards all of the state's consumers by fairly regulating the insurance industry. The Department of Insurance and Legislature are working together to protect homeowners, drivers, and businesses. This document is intended to help legislative staff communicate with constituents about the work being done on their behalf and the resources available to help them.

### The Department of Insurance is here to help


**Office of the Ombudsman:** If a constituent has a question about insurance that you don't feel comfortable answering please contact the Department of Insurance Ombudsman's Office. The Ombudsman is a direct line for legislative staff and can follow up for you with any constituent casework or issue. Contact them at 916-492-3545 or [ombudsman@insurance.ca.gov](mailto:ombudsman@insurance.ca.gov).


**Community Relations and Outreach:** Since 2019 the Department and Legislature have jointly held hundreds of town halls and meetings in all parts of the state focused on specific issues. These meetings have informed policies and legislation that better protects consumers. Your CDI Liaison will be able to help you with meetings or events to help educate your constituents. Please email [crob@insurance.ca.gov](mailto:crob@insurance.ca.gov) to get connected with your CDI liaison.

**Communications and Press Relations:** If you need assistance seeking information about CDI or information for media responses, please call (916) 492-3566 or [cdipress@insurance.ca.gov](mailto:cdipress@insurance.ca.gov)

**Report suspected fraud:** As the state's leading law enforcement agency charged with investigating insurance-related fraud and misconduct, the California Department of Insurance has developed this online form for members of the general public and licensed California agents and brokers to report cases of suspected insurance fraud. [Consumer Insurance Fraud Reporting](#)

### Key online links

 [insurance.ca.gov](https://insurance.ca.gov)

 [@insurancecagov](https://www.facebook.com/insurancecagov)

 [@cdinews](https://twitter.com/cdinews)

 [@cadeptofinsurance](https://www.instagram.com/cadeptofinsurance)



## Homeowners insurance

Finding Homeowners Insurance can be difficult in today's marketplace. Here are a number of tips to help you through this process. [Top Ten Tips for Finding Residential Insurance \(ca.gov\)](#)

The Home Insurance Finder Tool allows you to find insurance companies and licensed agents/brokers that are appointed with them who sell homeowners, renters, condominium, or mobile home insurance. You can find agents in multiple languages and search by ZIP Code or location. [Home Insurance Finder \(ca.gov\)](#)

The Homeowners Insurance Comparison Tool provides assistance for those shopping for homeowners, condominium, renters, or earthquake coverages. It is based upon several scenarios, or hypothetical risks, that represent the most common variables applied to homeowners, condominium, renters and earthquake insurance premiums quoted today. It provides you with a general cost comparison between insurers and lists a number of insurers offering the coverage selected: [Homeowners Insurance Comparison Tool \(ca.gov\)](#)

### FAIR Plan

Created 50 years ago as an insurance safety net for those who cannot find other coverage, the California FAIR Plan — short for Fair Access to Insurance Requirements — is controlled by a consortium of insurance companies. Currently it offers only limited coverage for fire and smoke damage requiring consumers to purchase an additional policy at a higher cost for water damage, liability, and other risks. Commissioner Lara has used his authority to order the FAIR Plan to offer additional coverage for residents and business: [FAIR Plan webpage](#) (ca.gov)

If after shopping the market you are still having difficulty obtaining residential or commercial insurance, you may apply for coverage under the FAIR Plan through an agent or broker licensed to sell property insurance, or you may contact the [FAIR Plan](#) directly at 800-339-4099. However, we recommend you contact a licensed insurance broker that is registered to sell FAIR Plan coverage. The [FAIR Plan Website's Broker Finder](#) tool can assist you in finding a broker in your area: [Home page - The California FAIR Plan \(cfpnet.com\)](#)

**How the Legislature and Department are working together to help homeowners:** The Department is enacting a comprehensive [Sustainable Insurance Strategy](#) with support from the Legislature that enhances insurance access, fairness, and resilience for both the market and consumers.

The Strategy:

- Increases Insurance Availability and Access: insurance companies to write a minimum of 85% of their statewide market share in historically underserved areas.
- Decreases FAIR Plan Policyholders: Priority is given to homes and businesses that mitigate wildfire risk by following the Insurance Commissioner's "Safer from Wildfires" regulation.
- Allows Catastrophe Models and Mitigation: Incorporates catastrophe models that consider mitigation and hardening requirements.
- Modernizes the FAIR Plan: By expanding commercial coverage limits to \$20 million per structure, addressing coverage gaps, benefiting homeowner associations (HOAs), affordable housing, and infill developments.

**Mandatory moratoriums after a wildfire protected more than 4 million policyholders in surrounding communities from non-renewals:** Senate Bill 824 (Lara, 2018)



**Consumer protections post-wildfire:** Increased payouts and evacuation benefits for wildfire survivors ([SB 872](#), Dodd, 2020) and created new disclosures and coverage to meet upgraded building codes ([AB 2756](#), Limón and Bloom, 2020)

**Expanding coverage options under the FAIR Plan:** Farms, ranches, wineries and other agricultural businesses now qualify for the FAIR Plan, California's insurance of last resort, under SB 11 (Rubio, 2021).

The Legislature has also created FAIR Plan clearinghouse programs for residential policyholders through AB 3012 (Wood, 2020) and SB 505 (Rubio, 2023).

The Department has expanded residential and commercial coverage limits through administrative actions to make the FAIR Plan a more effective backstop for homeowners and businesses. The Department is working to further increase commercial coverage limits to address coverage gaps for homeowner associations (HOAs), affordable housing, and infill developments through the Sustainable Insurance Strategy.



## Auto insurance

California is the nation's largest auto insurance market with more than 100 companies providing coverage. California law requires drivers to maintain liability coverage to protect themselves and others in case of an accident. Standard or comprehensive auto insurance covers damage to the vehicle itself in case of an accident or flood and storm damage.

Auto insurance companies in California also are required to offer and sell insurance at a discount to all persons who qualify as "Good Drivers." Good Drivers are those who have been licensed for at least three consecutive years, have no more than one point on their driving record, and were not principally at fault as the driver in a motor vehicle accident that resulted in bodily injury or death of any person. Those who do not qualify for the Good Driver Discount can also find coverage.

Auto Insurance Information Guides - This information can help you compare policies and make informed decisions when you buy auto insurance. It can help you understand your auto policy: [Automobile Insurance](#)

The Automobile Insurance Comparison Tool provides assistance for those shopping for personal lines of coverage for automobile insurance. Compare premiums for insurance based on common car types and locations: [Automobile Insurance Premium Comparison \(ca.gov\)](#)

This online service allows you to search the list of nearly 400,000 licensed insurance agents or brokers who the Department of Insurance authorizes to sell automobile insurance, along with health, life and annuity, long-term care, and worker compensation insurance: [Find an Agent \(ca.gov\)](#)

Following is the list of insurers and their respective telephone and/or Web address information: [Toll Free Numbers for Auto Premium Quote \(ca.gov\)](#)

Automobile Claims Mediation. One of the responsibilities of the California Department of Insurance (Department), is to help consumers in dealing with their own insurance company and who are having difficulty resolving their physical damage claims: [Automobile Claims Mediation Program](#)



Driving for Seniors Information Guides. This guide provides useful information to mature drivers. You will find information that will assist you in discussing your automobile insurance needs, asking informed questions, and understanding your rights and responsibilities: [Driving for Seniors](#)

Vehicle Service Contracts Information Guides: Many people try to protect themselves from costly car repairs by purchasing some kind of mechanical breakdown repair agreement, such as a vehicle service contract or “extended warranty.” This guide provides information on buying a good auto repair agreement at a fair price: [Guide to Auto Service Contracts & Agreements \(ca.gov\)](#)

Auto Accidents. This guide discusses what to do after an accident and what to expect when you file an automobile insurance claim with your insurance company: [So You've Had an Accident, What's Next? \(ca.gov\)](#)

Automobile Insurance Terms. A general explanation of frequently used automobile insurance terms. [Automobile Insurance Terms \(ca.gov\)](#)

**[California's Low Cost Automobile Insurance Program:](#)** If you have a valid driver’s license and drive a vehicle, the law requires that you have auto insurance. California’s Low Cost Auto (CLCA) Insurance program is a state-sponsored program that makes auto insurance affordable, helping you drive responsibly and legally.

**[How the Legislature and Department are working together to improve automobile coverage:](#)** The Legislature has expanded the Low Cost Auto Insurance Program to make insurance more available for drivers with few years of experience and low incomes with SB 570 (Rubio, 2020).

The Legislature increased minimum auto insurance coverage limits in order to better protect drivers in case of an accident, starting in 2025, with SB 1107 (Dodd, 2022).



## Earthquake insurance

The California Earthquake Authority makes earthquake insurance as affordable as possible for all California residents, while helping reduce their risk of earthquake loss wherever they live.

[Protect your home against earthquake damage - California Earthquake Authority | CEA](#)

Grants are available for retrofitting in California - [Earthquake Brace + Bolt \(EBB\): Grants for Earthquake Retrofitting in California](#)

[Earthquake Insurance Resources - 2024 Best California Residential Earthquake Insurance Policies | CEA \(earthquakeauthority.com\)](#)



## Wildfire recovery and readiness

The threat of climate change-intensified wildfire affects millions of Californians. The Department of Insurance is here to help wildfire survivors from when disaster strikes until the job is done through direct consumer assistance. Recovery is a process that can take months or even years, and we are here to help you access the insurance benefits that you paid for. Call us at **800-927-4357 (HELP)**. Visit our [wildfire recovery page](#) to use online chat and access resources and tips for survivors: [Wildfire recovery resources \(ca.gov\)](#)

Having safer communities helps keep insurance affordable and available. After meeting with consumers from across California, Commissioner Lara promulgated permanent regulations that require insurance companies to give wildfire safety discounts to property owners who have reduced their risk of loss from wildfire by undertaking specific mitigation efforts. These achievable and effective property-level and community-level mitigation efforts were identified in the **Safer from Wildfires** framework, an interagency collaboration between the Department of Insurance and the state's emergency response and readiness agencies: [Safer from Wildfires web page \(ca.gov\)](#)

The Department has protected more than 4 million homes under a California law requiring a mandatory one-year moratorium on insurance companies cancelling or non-renewing residential insurance policies in certain areas within or adjacent to a fire perimeter after a declared state of emergency is issued by the Governor. Following a Governor declaration of a state of emergency, the Department of Insurance partners with CAL-FIRE and the Governor's Office of Emergency Services to identify wildfire perimeters and adjacent ZIP codes within the mandatory moratorium areas. 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: [Mandatory One Year Moratorium on Non-Renewals web page \(ca.gov\)](#)

**How the Legislature and Department are working together for wildfire survivors:** The Legislature has made record budget investments in wildfire safety and recovery that drive down risks and support access to affordable insurance. Following deadly and destructive wildfires in 2017 and 2018, the Legislature has passed important legislation that improves insurance benefits for wildfire survivors and evacuees.

By cutting red tape, we have made insurance benefits easier to access after an emergency. Recent legislation includes SB 872 (Dodd, 2020), AB 2756 (Limón/Bloom, 2020), AB 3012 (Wood, 2020), SB 894 (Dodd, 2018) and AB 1772 (Aguiar-Curry, 2018).

The Legislature also prevented insurance companies from non-renewing homeowners living within or near a wildfire perimeter for one year following a governor-declared emergency, which has protected more than 4 million homes since 2019 under SB 824 (Lara, 2018).



## Flood and storm recovery

Many people may not be aware that homeowners', renters', and commercial insurance policies typically exclude flood, mudslide, debris flow, and other similar disasters. However, they can cover water damage from wind-driven rain that occurs during a storm and damage from fallen trees. Comprehensive vehicle insurance can also cover flood damage and other winter storm damage. The Department has resources and guides [online](#) for help with filing a claim.

The Department has posted a [Top Ten Tips for People Affected by Winter Storms](#) to answer questions about what consumers' insurance policies cover.

In most cases, if a consumer suffers flood damage, a homeowners' or renters' insurance policy does not cover flood damage, generally a separate flood policy is needed with either a private insurance company or the National Flood Insurance Program (NFIP). The Department has a flood insurance resources web page with information about how to get covered: [Flood insurance resources \(ca.gov\)](#)

The Department of Insurance urges consumers to begin the claims process by contacting their flood insurance company or agent and file a claim. If consumers have questions or concerns about their claim, what their insurer is telling them, or settlement offers, the Department's consumer services team can assist and there is no charge for that assistance.



## Preventing scams and fraud

The Department of Insurance is the leading agency charged with investigating insurance scams, with 300 sworn officers protecting Californians and working with local prosecutors to hold them accountable.

People are vulnerable to scams when rebuilding after a natural disaster. The Department has posted "[Don't Get Scammed After a Disaster](#)" tips in English and Spanish urging consumers not to rush into decisions and to report any suspected illegal actions by contractors or public adjusters. View our tips to [avoid scams after a disaster](#) and do not rush into repairs or rebuilding without first considering all your alternatives.

Before choosing a contractor, make sure the contractor is licensed by contacting the Contractors State License Board (CSLB) in your area. Call the CSLB toll free at 1-800-321-2752 to check a contractor's license or get further information on home and property repairs, or log onto the internet and access their web site at [www.cslb.ca.gov](#) for further information.

Your CDI Liaison can help make presentations to seniors and give them tips on how to stay safe.

**How the Legislature and Department are working together to protect public safety:** The Legislature has supported restitution for victims of unlicensed insurance scams under SB 1040 (Rubio, 2022).

As part of its public safety mission, the Department also oversees the for-profit bail industry and licenses bail agents. The Legislature has expanded oversight of the bail industry by requiring licensing for fugitive recovery persons with AB 2043 (Jones-Sawyer, 2022).