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Home/Residential Insurance and Wildfire FAQs

Can an insurance company cancel, nonrenew or decline to issue a residential property insurance policy due to wildfire risk?

After the policy has been in effect 60 days or more, the insurer is restricted from cancelling a policy before the end of the policy term except for limited reasons, including physical changes in the property that make it uninsurable. Depending on the reason for cancellation, the insurer must give either 10 or 20 days' notice. In order to nonrenew a policy (decline to renew for another term), an insurer is required to give the insured at least 45 days' notice prior to the expiration date, and must provide specific reasons for the nonrenewal. Insurance laws allow insurers to set their own eligibility guidelines that apply to decisions to cancel, nonrenew or decline coverage. However, the guidelines must be specific, objective factors that have a substantial relationship to an insured's risk of future loss.

What should I do if an insurer cancels, nonrenews, or declines to issue my policy?

If you receive a notice of cancellation or nonrenewal, you may contact the insurer to find out if there are actions you can take to avoid cancellation or nonrenewal. If not successful, shop around. Different insurers may have different underwriting guidelines. One insurer may issue a policy when another insurer will not. We encourage you to contact multiple agents, brokers and insurers to thoroughly investigate your insurance options. Contact information for agents, brokers and insurers is available on the California Department of Insurance (CDI) website at <https://www.insurance.ca.gov/01-consumers/105-type/5-residential/index.cfm>. This website also contains guides, tips and tools pertaining to residential property insurance.

What if I am still unable to obtain residential property insurance?

You may apply for coverage through the California Fair Access to Insurance Requirements (FAIR) Plan. As the insurer of last resort, the FAIR Plan should only be considered after a diligent search for coverage has been made in the voluntary and surplus lines insurance marketplace. You may search for brokers who sell FAIR Plan coverage at <http://www.cfpnet.com/index.php/broker-search>, or you may contact the FAIR Plan directly at 1-800-339-4099.

The FAIR Plan policy covers fire, but does not include all the perils and coverages provided under a traditional residential property insurance policy, such as theft and liability. You may be able to purchase a "Difference in Conditions" policy, in addition to the FAIR Plan policy, that will cover these additional risks. An agent or broker should be able to locate an insurance company that sells this type of coverage. A list of insurers that offer Difference in Conditions policies is provided on the CDI website at <https://www.insurance.ca.gov/01-consumers/105-type/5-residential/carriersDICpolicies.cfm>.

What if I have questions or believe that my insurance policy was improperly cancelled, nonrenewed, or declined?

You may contact the CDI Consumer Hotline at 1-800-927-4357, or submit a consumer complaint online on the CDI website at <http://www.insurance.ca.gov/01-consumers/101-help/>. Dedicated insurance experts are available to assist you with questions on all aspects of insurance.