



RICARDO LARA
CALIFORNIA INSURANCE COMMISSIONER

BULLETIN PURSUANT TO INSURANCE CODE SECTION 675.1(b)

TO: All Admitted and Non-Admitted Insurers Writing Residential Property Insurance in California

FROM: Commissioner Ricardo Lara

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.¹ 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 Code² 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.**" (Emphasis added.)

¹ See: <http://www.insurance.ca.gov/0400-news/0100-press-releases/2019/release063-2019.cfm>.

² All statutory references are to the Insurance Code, unless otherwise specified.

Section 10087, subdivision (a) provides:

“...**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).³

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.⁴

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.⁵

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.⁶ 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:⁷

³ Subject to the exceptions permitted by section 675.1, subdivision (c).

⁴ See: <https://www.gov.ca.gov/wp-content/uploads/2019/10/10.11.19-State-of-Emergency-Due-to-Fires-attested.pdf>.

⁵ See: <https://www.gov.ca.gov/2019/10/25/governor-newsom-declares-state-of-emergency-in-sonoma-and-los-angeles-counties-due-to-fires/>.

⁶ See: <https://www.gov.ca.gov/wp-content/uploads/2019/10/2019-17-Fire-weather-conditions-State-of-Emergency-Signed-10.27.19.pdf>.

⁷ ZIP Codes within or adjacent to the fire perimeters for the Sandalwood Fire, Reche Fire, and Wolf Fire are forthcoming.

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:⁸

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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⁸ 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.