



**RICARDO LARA**  
CALIFORNIA INSURANCE COMMISSIONER

## NOTICE

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

**FROM: Commissioner Ricardo Lara**

**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.<sup>1</sup> 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<sup>2</sup> 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<sup>3</sup> due to extreme fire danger conditions, one of several such Declarations<sup>4</sup> 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.

---

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

<sup>2</sup> 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.

<sup>3</sup> See: <https://www.gov.ca.gov/wp-content/uploads/2019/10/2019-17-Fire-weather-conditions-State-of-Emergency-Signed-10.27.19.pdf>.

<sup>4</sup> 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/>.

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<sup>5</sup> due to wildfire risk that are located in a ZIP Code identified by that bulletin, or any subsequent bulletin containing additional ZIP Codes.

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

Risa Salat-Kolm  
Attorney III  
Legal Division - Enforcement Bureau  
45 Fremont Street, 21<sup>st</sup> Floor  
San Francisco, CA 94105  
(415) 538-4127  
[Risa.Salat-Kolm@insurance.ca.gov](mailto:Risa.Salat-Kolm@insurance.ca.gov)

---

<sup>5</sup> Id. at fn. 2.