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Code: Section:

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INSURANCE CODE - INS

DIVISION 1. GENERAL RULES GOVERNING INSURANCE [100 - 1879.8] (*Division 1 enacted by Stats. 1935, Ch. 145.)*

PART 1. THE CONTRACT [100 - 679.75] (*Part 1 enacted by Stats. 1935, Ch. 145.)*

CHAPTER 10. Cancellation or Failure to Renew [660 - 669.5] (*Chapter 10 repealed and added by Stats. 1968, Ch. 137.)*

660. As used in this chapter:

(a) "Policy" means an automobile liability, automobile physical damage, or automobile collision policy, or any combination thereof, delivered or issued for delivery in this state, insuring a single individual or individuals residing in the same household, as named insured, and under which the insured vehicles therein designated are of the following types only:

(1) A motor vehicle of the private passenger or station wagon type that is not used as a public or livery conveyance for passengers, nor rented to others; or

(2) Any other four-wheel motor vehicle with a load capacity of 1,500 pounds or less; provided, however, that this chapter shall not apply to any of the following:

(A) Any policy issued under an automobile assigned risk plan.

(B) Any policy insuring more than four automobiles.

(C) Any policy covering garage, automobile sales agency, repair shop, service station, or public parking place operation hazards.

(3) A motorcycle.

(b) "Automobile liability coverage" includes only coverage of bodily injury and property damage liability, medical payments, and uninsured motorists coverage.

(c) "Automobile physical damage coverage" includes all coverage of loss or damage to an automobile insured under the policy except loss or damage resulting from collision or upset.

(d) "Automobile collision coverage" includes all coverage of loss or damage to an automobile insured under the policy resulting from collision or upset.

(e) "Renewal" or "to renew" means to continue coverage with either the insurer which issued the policy or an affiliated insurer, as defined in Section 1215, for an additional policy period upon expiration of the current policy period of a policy, provided that if coverage is continued with an affiliated insurer, it shall be the same or broader coverage as provided by the present insurer, and the insured shall be notified in writing at least 20 days prior to expiration of the current policy period of all of the following:

(1) That the insurer has determined that it will not offer renewal of the policy with the present insurer.

(2) That it is offering replacement in an affiliated insurer.

(3) That the insured may obtain in writing the reasons for the change in insurers if he or she requests in writing not later than one month following the expiration of the policy period the reason or reasons for the change in insurers. Any policy with a policy period or term of six months or less, whether or not made continuous for successive terms upon the payment of additional premiums, shall, for the purpose of this chapter be considered as if written for a policy period or term of six months. Any policy written for a term longer than one year, or any policy with no fixed expiration date, shall for the purpose of this chapter, be considered as if written for successive policy periods or terms of one year.

(f) "Nonpayment of premium" means failure of the named insured to discharge when due any of his obligations in connection with the payment of premiums on a policy, or any installment of such premium, whether the premium is payable directly to the insurer or its agent or indirectly under any premium finance plan or extension of credit.

(g) "Cancellation" means termination of coverage by an insurer (other than termination at the request of the insured) during a policy period.

(h) "Nonrenewal" means a notice by the insurer to the named insured that the insurer is unwilling to renew a policy.

(i) "Expiration" means termination of coverage by reason of the policy having reached the end of the term for which it was issued or the end of the period for which a premium has been paid.

(Amended by Stats. 2016, Ch. 304, Sec. 1. (AB 2884) Effective January 1, 2017.)

661. (a) A notice of cancellation of a policy shall be effective only if it is based on one or more of the following reasons:

(1) Nonpayment of premium.

(2) The driver's license or motor vehicle registration of the named insured or of any other operator who either resides in the same household or customarily operates an automobile insured under the policy has been under suspension or revocation during the policy period or, if the policy is a renewal, during its policy period or the 180 days immediately preceding its effective date.

(3) Discovery of fraud by the named insured in pursuing a claim under the policy provided the insurer does not rescind the policy.

(4) Discovery of material misrepresentation of any of the following information concerning the named insured or any resident of the same household who customarily operates an automobile insured under the policy:

(A) Safety record.

(B) Annual miles driven in prior years.

(C) Number of years of driving experience.

(D) Record of prior automobile insurance claims, if any.

(E) Any other factor found by the commissioner to have a substantial relationship to the risk of loss.

Any insured who negligently misrepresents information described in this paragraph may avoid cancellation by furnishing corrected information to the insurer within 20 days after receiving notice of cancellation and agreeing to pay any difference in premium for the policy period in which the information remained undisclosed.

(5) A substantial increase in the hazard insured against.

(b) Modification of automobile physical damage coverage by the inclusion of a deductible not exceeding one hundred dollars (\$100) shall not be deemed a cancellation of the coverage or of the policy.

(c) This section shall not apply to nonrenewal.

(Amended by Stats. 2012, Ch. 786, Sec. 5. (AB 2303) Effective January 1, 2013.)

662. (a) (1) A notice of cancellation of a policy shall not be effective unless mailed or delivered by the insurer to the named insured, lienholder, or additional interest at least 20 days prior to the effective date of cancellation; provided, however, that where cancellation is for nonpayment of premium, at least 10 days' notice of cancellation after nonpayment of premium due by the specified due date accompanied by the reason for the cancellation shall be given. Unless the reason accompanies or is included in the notice of cancellation, the notice of cancellation shall state or be accompanied by a statement that upon written request of the named insured, mailed or delivered to the insurer not less than 15 days prior to the effective date of cancellation, the insurer will specify the reason for the cancellation.

(2) A cancellation based on nonpayment of premium shall only be effective on the date specified in the notice if the insured has not cured the nonpayment of premium due identified in the notice by the end of the 10-day period.

(b) This section shall not apply to nonrenewal.

(c) Notices made to lienholders pursuant to this section may be done electronically with the consent of the lienholder.

(Amended by Stats. 2024, Ch. 793, Sec. 1. (SB 1295) Effective January 1, 2025.)

662.1. Proof of mailing or delivery of a notice of cancellation to a lienholder or an additional interest on a policy to which this chapter applies shall be sufficient to terminate the interest of the parties provided the notice is mailed or delivered at least the maximum number of days prior to termination of the parties' interest as required by Section 662. For purposes of this section, "delivery" includes electronic transmittal or facsimile or personal delivery. No lienholder or additional interest shall require a more restrictive form of notice.

(Amended by Stats. 1993, Ch. 401, Sec. 1. Effective January 1, 1994.)

663. (a) Before policy expiration, an insurer shall deliver to or mail to the named insured, at the address shown on the policy, one of the following:

(1) At least 20 days before expiration, a written or verbal offer of renewal of the policy, contingent upon payment of premium as stated in the offer.

(2) At least 30 days before expiration, a written notice of nonrenewal of the policy, including the statement required by Section 666.

(b) (1) An insurer that delivers a verbal offer to renew that is declined by an insured shall, at least 20 days before expiration of the policy, deliver to or mail to the named insured, at the address shown on the policy, a written confirmation of the offer and rejection.

(2) An insurer that attempts to satisfy subdivision (a) with a verbal offer to renew, but is unable to contact the named insured directly at least 20 days before policy expiration, shall, at least 20 days before policy expiration, deliver to or mail to the named insured, at the address shown on the policy, a written offer to renew the policy, contingent upon payment of premium as stated in the offer.

(c) In the event that an insurer fails to give the named insured either an offer of renewal or notice of nonrenewal as required by this section, the existing policy, with no change in its terms and conditions, shall remain in effect for 30 days from the date that either the offer to renew or the notice of nonrenewal is delivered or mailed to the named insured. A notice to this effect shall be provided by the insurer to the named insured with the policy or the notice of renewal or nonrenewal. Notwithstanding the failure of an insurer to comply with this section, the policy shall terminate on the effective date of any other replacement or succeeding automobile insurance policy procured by the insured, or his agent or broker, with respect to any automobile designated in both policies.

(d) The insurer shall not be required to notify the named insured, or any other insured, of nonrenewal of the policy if the insurer has mailed or delivered a notice of expiration or cancellation, on or prior to the 30th day preceding expiration of the policy period.

(e) This section shall become operative on January 1, 2019.

(Repealed (in Sec. 6) and added by Stats. 2013, Ch. 369, Sec. 7. (SB 251) Effective January 1, 2014. Section operative January 1, 2019, by its own provisions.)

663.5. (a) No insurer shall fail to renew a policy solely on the basis of the age of the insured.

(b) On and after January 1, 2000, no insurer shall fail to renew a policy solely on the grounds that a claim is pending under the policy. This subdivision shall not be construed to limit an insurer's ability to nonrenew a policy based upon a directive from the commissioner for solvency or other financially related issues. This subdivision shall not be construed to limit an insurer's right to cancel a policy pursuant to Section 676.

(Amended by Stats. 1999, Ch. 313, Sec. 1. Effective January 1, 2000.)

664. Proof of mailing of notice of cancellation, or of intention not to renew or of reasons for cancellation, to the named insured at the address shown in the policy or to the named insured's latest known address, shall be sufficient proof of notice.

(Repealed and added by Stats. 1968, Ch. 137.)

664.5. Any insurer who requires periodic physical examinations of an insured as a condition of renewal of a policy shall pay the cost of such physical examinations, except that an insurer shall not pay any cost if it elects to accept the certified written results of an insured's physical examination voluntarily conducted within 12 months preceding the policy expiration or renewal date.

(Added by Stats. 1975, Ch. 296.)

665. When a policy of automobile liability insurance is canceled, other than for nonpayment of premium, or in the event of failure to renew a policy of automobile liability insurance to which Section 663 applies, the insurer shall notify the named insured of his possible eligibility for automobile liability insurance through the automobile liability assigned risk plan. Such notice shall accompany or be included in the notice of cancellation or the notice of intent not to renew.

(Added by Stats. 1968, Ch. 137.)

666. Where the reason for cancellation does not accompany or is not included in the notice of cancellation, the insurer shall upon written request of the named insured, mailed or delivered to the insurer not less than 15 days prior to the effective date of cancellation, specify in writing the reason for the cancellation. The reason shall be mailed or delivered to the named insured within five days after receipt of the request. Notwithstanding Section 1633.3 of the Civil Code, the writing specifying the reason for cancellation may not be delivered electronically to the insured unless the insured electronically delivered the request to the insurer.
(Amended by Stats. 2009, Ch. 433, Sec. 9. (AB 328) Effective January 1, 2010.)

667. There shall be no liability on the part of, and no cause of action of any nature shall arise against, the Insurance Commissioner or against any insurer, its authorized representative, its agents, its employees, or any firm, person, or corporation furnishing to the insurer information as to reasons for cancellation or nonrenewal, for any statement made by any of them in any written notice of cancellation or nonrenewal, or in any other communication, oral or written, specifying the reasons for cancellation or nonrenewal, or the providing of information pertaining thereto, or for statements made or evidence submitted at any hearings conducted in connection therewith.
(Amended by Stats. 1969, Ch. 227.)

667.5. Unless a policy specifically provides otherwise, the cancellation of a policy, or any change in the policy, executed by an insurer, at the request of the named insured designated on the declarations page of the policy, shall be binding upon any other insured or named insured.

Notice of cancellation or an endorsement evidencing the named insured's request shall be mailed or delivered to the address stated in the policy to all individuals or to all entities designated as named insureds on the declarations page of the policy.
(Added by Stats. 1985, Ch. 1266, Sec. 1.)

668. Section 663 shall not apply to policies of liability insurance issued pursuant to assigned risk plans.
(Added by Stats. 1968, Ch. 595.)

669. Any insurer willfully violating any provisions of Section 663 is guilty of a misdemeanor and is punishable by a fine of not exceeding one thousand dollars (\$1,000) for each violation thereof.
(Amended by Stats. 1983, Ch. 1092, Sec. 178. Effective September 27, 1983. Operative January 1, 1984, by Sec. 427 of Ch. 1092.)

669.5. No insurer shall fail to renew any private automobile insurance policy of a peace officer, member of the California Highway Patrol, or firefighter, with respect to his or her operation of a private motor vehicle, for the reason that the insured has been involved in an accident while operating an authorized emergency vehicle, as defined in subdivision (a) of Section 165 of the Vehicle Code or in paragraph (1) or (2) of subdivision (b) or (f) of Section 165 of the Vehicle Code, in the performance of his or her duty during the hours of his or her employment. As used in this section, "peace officer" means every person defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 and Section 830.6 of the Penal Code, and "firefighter" means every person defined in Section 50925 of the Government Code.

In the case of a volunteer firefighter, this section applies to the regular employer of the volunteer firefighter to the extent that the involvement of the volunteer firefighter in the accident shall not be cause for the employer's insurer's decision to renew the employer's insurance policy as it applies to the employee covered by this section.
(Amended by Stats. 1993, Ch. 1098, Sec. 5.5. Effective January 1, 1994.)