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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 11. Cancellation and Failure to Renew Certain Property Insurance [675 - 679.7] (*Chapter 11 added by Stats. 1970, Ch. 313.*)

675. (a) Except as provided in Sections 676.8 and 679.6, this chapter shall apply to policies of insurance, other than automobile insurance and workers' compensation insurance, on risks located or resident in this state which are issued and take effect or which are renewed after the effective date of this chapter and insuring any of the following contingencies:

- (1) Loss of or damage to real property which is used predominantly for residential purposes and which consists of not more than four dwelling units.
- (2) Loss of or damage to personal property in which natural persons resident in specifically described real property of the kind described in paragraph (1) have an insurable interest, except personal property used in the conduct of a commercial or industrial enterprise.
- (3) Legal liability of a natural person or persons for loss of, damage to, or injury to, persons or property, but not including policies primarily insuring risks arising from the conduct of a commercial or industrial enterprise.

(b) This chapter shall not be construed so as to modify or negate any of the provisions of Chapter 3 (commencing with Section 330) of Part 1 of Division 1, nor to destroy any rights or remedies therein provided.

(c) On and after January 1, 2000, an insurer may not refuse to renew a policy of insurance specified in subdivision (a) solely on the grounds that a claim is pending under the policy. This subdivision is not applicable to claims made under coverage for loss or damage caused by the peril of earthquake as provided in Chapter 8.5 (commencing with Section 10081) or Chapter 8.6 (commencing with Section 10089.5), of Part 1 of Division 2.

(Amended by Stats. 1999, Ch. 313, Sec. 2. Effective January 1, 2000.)

675.1. (a) In the case of a total loss to the primary insured structure under a policy of residential property insurance subject to Section 675, the following provisions apply:

- (1) If reconstruction of the primary insured structure has not been completed by the time of policy renewal, the insurer, prior to or at the time of renewal, and after consultation by the insurer or its representative with the insured as to what limits and coverages might or might not be needed, shall adjust the limits and coverages, write an additional policy, or attach an endorsement to the policy that reflects the change, if any, in the insured's exposure to loss. The insurer shall adjust the premium charged to reflect any change in coverage.
- (2) The insurer shall not cancel coverage while the primary insured structure is being rebuilt, except for the reasons specified in subdivisions (a) to (e), inclusive, of Section 676. The insurer shall not use the fact that the primary insured structure is in damaged condition as a result of the total loss as the sole basis for a decision to cancel the policy pursuant to subdivision (e) of that section.
- (3) Except for the reasons specified in subdivisions (a) to (e), inclusive, of Section 676, the insurer shall offer, for at least the next two annual renewal periods, but no less than 24 months of coverage from the date of the loss, to renew the policy in accordance with paragraph (1) if the total loss to the primary insured structure was caused by a disaster, as defined in subdivision (b) of Section 1689.14 of the Civil Code, the loss was not also due to the negligence of the insured, and losses have not occurred subsequent to the disaster-related total loss that relate to physical or risk changes to the insured property that result in the property becoming uninsurable.

(4) With respect to policies of residential earthquake insurance, the California Earthquake Authority, or any insurer, including a participating insurer, as defined in subdivision (i) of Section 10089.5, may defer its initial implementation of this section until no later than October 1, 2005.

(5) With respect to a residential earthquake insurance policy issued by the California Earthquake Authority, the following provisions apply:

(A) The participating insurer that issued the underlying policy of residential property insurance on the primary insured structure shall consult with the insured as to what limits and coverages might or might not be needed as required by paragraph (1).

(B) The California Earthquake Authority, in lieu of meeting the requirements of paragraph (1), shall establish procedures and practices that allow it to reasonably accommodate the needs and interests of consumers in maintaining appropriate earthquake insurance coverage, within the statutory and regulatory limitations on the types of insurance coverages and the coverage limits of the policies that the authority may issue.

(b) (1) 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.

(2) For the purposes of this section, 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.

(c) Subdivision (b) does not apply in any of the following circumstances:

(1) If willful or grossly negligent acts or omissions by the named insured, or his or her representatives, are discovered that materially increase any of the risks insured against.

(2) If losses unrelated to the postdisaster loss condition of the property have occurred that would collectively render the risk ineligible for renewal.

(3) If there are physical or risk changes to the insured property beyond the catastrophe-damaged condition of the structures and surface landscape that result in the property becoming uninsurable.

(d) For the purposes of this section, "policy of residential property insurance" has the meaning described in subdivision (a) of Section 10087.

(Amended by Stats. 2018, Ch. 618, Sec. 1.5. (SB 894) Effective January 1, 2019.)

675.5. (a) In addition to any policy of insurance specified in Section 675, this chapter shall apply to policies of commercial insurance issued or issued for delivery in this state which are issued and take effect or are renewed on or after January 1, 1987.

(b) As used in this section, commercial insurance means commercial multiperil, commercial property, commercial liability, commercial special multiperil, commercial comprehensive multiperil, errors and omissions liability, and professional liability insurance, and any other insurance not included in subdivision (d) which covers any of the following contingencies:

(1) Loss of or damage to real property used or owned by a commercial or industrial enterprise.

(2) Loss of or damage to personal property, except personally owned motor vehicles, used in the conduct of a commercial or industrial enterprise.

(3) Legal liability of any person for loss of, damage to, or injury to persons or property, arising from the conduct of a commercial or industrial enterprise.

(c) As used in this section, the term commercial or industrial enterprise includes a business operated for profit, a professional practice, a nonprofit organization, or a governmental entity.

(d) As used in this section, the term commercial insurance does not include any of the following:

(1) Workers' compensation insurance.

(2) Insurance provided pursuant to the California FAIR plan or the California automobile assigned risk plan.

(3) Disability insurance.

(4) Automobile insurance covered by Section 660 and property insurance covered by Section 675.

(5) Ocean marine insurance.

(6) Fidelity and surety insurance.

(7) Surplus line insurance, which is nonadmitted insurance as defined in subdivision (m) of Section 1760.1.

(8) Reinsurance.

(9) Any insurance, other than professional liability insurance for malpractice, errors, or omissions, for which premiums are determined on a retrospective rating basis.

(10) Nuclear liability insurance.

(11) Nuclear property insurance.

(Amended by Stats. 2011, Ch. 83, Sec. 4. (AB 315) Effective July 15, 2011. Operative July 21, 2011, by Sec. 34 of Stats. 2011, Ch. 83.)

676. After a policy specified in Section 675 has been in effect for 60 days, or, if the policy is a renewal, effective immediately, no notice of cancellation shall be effective unless it is based on the occurrence, after the effective date of the policy, of one or more of the following:

(a) Nonpayment of premium, including nonpayment of any additional premiums, calculated in accordance with the current rating manual of the insurer, justified by a physical change in the insured property or a change in its occupancy or use.

(b) Conviction of the named insured of a crime having as one of its necessary elements an act increasing any hazard insured against.

(c) Discovery of fraud or material misrepresentation by either of the following:

(1) The insured or his or her representative in obtaining the insurance.

(2) The named insured or his or her representative in pursuing a claim under the policy.

(d) Discovery of grossly negligent acts or omissions by the insured or his or her representative substantially increasing any of the hazards insured against.

(e) Physical changes in the insured property which result in the property becoming uninsurable.

(Amended by Stats. 1986, Ch. 1321, Sec. 2.)

676.1. (a) The arbitrary cancellation of a policy of homeowners' insurance solely on the basis that the policyholder has a license to operate a family day care home at the insured location shall subject the insurer to administrative sanctions authorized by this code unless, there has been a material misrepresentation of fact, the risk has changed substantially since the policy was issued, there has been a nonpayment of premium, or the insurer no longer writes homeowners policies.

(b) The arbitrary refusal to renew a policy of homeowners' insurance solely on the basis that the policyholder has a license to operate a family day care home at the insured location shall subject the insurer to administrative sanctions authorized by this code unless, there has been a material misrepresentation of fact, the risk has changed substantially since the policy was issued, there has been a nonpayment of premium, or the insurer no longer writes homeowners' policies. For purposes of this subdivision, an insured's purchase of a policy of homeowner's insurance to cover a new, primary residence from the same insurer which insured his or her previous primary residence, provided that the insurer then underwrites homeowners' insurance in the geographic area containing the new residence, shall be deemed a renewal of the policy on the previous, primary residence.

(c) It shall be against public policy for a residential property insurance policy to provide coverage for liability for losses arising out of, or in connection with, the operation of a family day care home. This coverage shall only be provided by a separate endorsement or insurance policy for which premiums have been assessed and collected.

(Amended by Stats. 1991, Ch. 784, Sec. 1.)

676.2. (a) This section applies only to policies of commercial insurance that are subject to Section 675.5.

(b) After a policy has been in effect for more than 60 days, or if the policy is a renewal, effective immediately, no notice of cancellation shall be effective unless it complies with Section 677.2 and it is based on the occurrence, after the effective date of the policy, of one or more of the following:

(1) Nonpayment of premium, including payment due on a prior policy issued by the insurer and due during the current policy term covering the same risks.

(2) A judgment by a court or an administrative tribunal that the named insured has violated any law of this state or of the United States having as one of its necessary elements an act that materially increases any of the risks insured against.

(3) Discovery of fraud or material misrepresentation by either of the following:

(A) The insured or the insured's representative in obtaining the insurance.

(B) The named insured or the named insured's representative in pursuing a claim under the policy.

(4) Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by the named insured or the named insured's representative, which materially increase any of the risks insured against.

(5) Failure by the named insured or the named insured's representative to implement reasonable loss control requirements that were agreed to by the insured as a condition of policy issuance or that were conditions precedent to the use by the insurer of a particular rate or rating plan, if the failure materially increases any of the risks insured against.

(6) A determination by the commissioner that the loss of, or changes in, an insurer's reinsurance covering all or part of the risk would threaten the financial integrity or solvency of the insurer. A certification made under penalty of perjury to the commissioner by an officer of the insurer of the loss of, or change in, reinsurance and that the loss or change will threaten the financial integrity or solvency of the insurer if the cancellation of the policy is not permitted shall constitute this determination unless disapproved by the commissioner within 30 days of the filing. There shall be no extensions to this 30-day period.

(7) A determination by the commissioner that a continuation of the policy coverage would place the insurer in violation of the laws of this state or the state of its domicile or that the continuation of coverage would threaten the solvency of the insurer.

(8) A change by the named insured or the named insured's representative in the activities or property of the commercial or industrial enterprise that results in a material added risk, a materially increased risk, or a materially changed risk, unless the added, increased, or changed risk is included in the policy.

(c) (1) After a policy has been in effect for more than 60 days, or if the policy is a renewal, effective immediately upon renewal, no increase in the rate upon which the premium is based, reduction in limits, or change in the conditions of coverage shall be effective during the policy period unless a written notice is mailed or delivered to the named insured and the producer of record at the mailing address shown on the policy, at least 30 days prior to the effective date of the increase, reduction, or change. The time periods and procedures in subdivision (a) of Section 1013 of the Code of Civil Procedure shall be applicable if the notice is mailed. The notice shall state the effective date of, and the reasons for, the increase, reduction, or change.

(2) The increase, reduction, or change shall not be effective unless it is based upon one of the following reasons:

(A) Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards by the named insured that materially increase any of the risks or hazards insured against.

(B) Failure by the named insured to implement reasonable loss control requirements that were agreed to by the insured as a condition of policy issuance or that were conditions precedent to the use by the insurer of a particular rate or rating plan, if the failure materially increases any of the risks insured against.

(C) A determination by the commissioner that loss of or changes in an insurer's reinsurance covering all or part of the risk covered by the policy would threaten the financial integrity or solvency of the insurer unless the change in the terms or conditions or rate upon which the premium is based is permitted.

(D) A change by the named insured in the activities or property of the commercial or industrial enterprise that results in a materially added risk, a materially increased risk, or a materially changed risk, unless the added, increased, or changed risk is included in the policy.

(E) With respect to a change in the rate of a policy of professional liability insurance for a health care provider, the insurer's offer of renewal notifies the policyholder that the insurer has an application filed pursuant to Section 1861.05 pending with the commissioner for approval of a change in the rate upon which the premium is based, and the commissioner subsequently approves the rate change, or some different amount for the policy period. The change shall not be retroactive.

(d) The Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340), Chapter 4 (commencing with Section 11370), and Chapter 5 (commencing with Section 11500) of Title 2 of Division 3 of the Government Code) shall not apply to a determination pursuant to paragraph (6) or (7) of subdivision (b) or subparagraph (C) of paragraph (2) of subdivision (c). The commissioner shall charge an insurer who requests a determination pursuant to paragraph (6) or (7) of subdivision (b) a fee sufficient to recover the costs of making the determination. If the commissioner does not act upon a request by an insurer to cancel or change a policy pursuant to those provisions within 30 days, the request shall be deemed to be approved.

(e) This section shall not prohibit an insurer from increasing a premium during the policy period if the increase is calculated in accordance with the current rating manual of the insurer and is justified by a physical change in the insured property or by a change in the activities of the commercial or industrial enterprise that materially increases any of the risks insured against.

(f) This section shall not apply to a transfer of a policy without a change in its terms or conditions or the rate upon which the premium is based between insurers that are members of the same insurance group.

(Amended by Stats. 2022, Ch. 424, Sec. 4. (SB 1242) Effective January 1, 2023.)

676.3. Nothing in Section 676.2 shall preclude the imposition of remedial underwriting action upon coverage insuring dentists or physicians and surgeons against legal liability arising from the rendering of professional services by an insured licensed pursuant to Chapter 4 (commencing with Section 1600) or Chapter 5 (commencing with Section 2000) of Division 2 of the Business and Professions Code, respectively, if remedial underwriting action is imposed pursuant to the recommendation of an underwriting committee advising the insurer; provided that a majority of the members of that committee are licensed pursuant to the chapter of Division 2 of the Business and Professions Code that is applicable to that particular insured, and written notification of the proposed remedial underwriting action is first given to the insured, and the insured is afforded not less than 30 days to present opposition or argument to the underwriting committee as to why the remedial underwriting action should be modified or withheld, prior to any imposition thereof. Remedial underwriting action includes all actions described in subdivision (c) of Section 676.2. Remedial underwriting action imposed pursuant to this section shall not be subject to Article 7 (commencing with Section 1858) of Chapter 9 of Part 2, but nothing in this section shall deny the right of the commissioner to investigate, pursue enforcement action, and seek other remedies as authorized by Article 1 (commencing with Section 12919) of Chapter 2 of Division 3.

It is the intent of the Legislature to encourage peer review by insurers providing coverage to persons engaged in the provision of health services and the adoption of conditions of coverage which are intended to protect the public.

(Amended by Stats. 1995, Ch. 600, Sec. 1. Effective January 1, 1996.)

676.4. Nothing in Section 676.2 shall preclude, while the policies are in force, changes in the rate upon which the premium is based or the conditions of coverage, or both, of policies insuring health care facilities licensed pursuant to Chapter 2 (commencing with Section 1250) of Division 2 of the Health and Safety Code, if the change is imposed pursuant to the recommendation of a health care facility professional liability advisory committee advising the insurer; provided that a majority of the members of the committee are duly authorized representatives of health care facilities licensed pursuant to that Chapter 2 (commencing with Section 1250) of Division 2 of the Health and Safety Code, and written notification of the change is given to all affected insureds at least 30 days prior to any such change.

(Added by Stats. 1988, Ch. 1618, Sec. 2.)

676.5. (a) This section applies only to policies of commercial insurance which are subject to Section 675.5.

(b) Except as provided in subdivision (c), for purposes of this chapter only, a policy with no fixed expiration, or with a term of less than one year, shall be considered to be a policy for a term of one year, and a policy written for a term of more than one year shall be considered as if written for successive terms of one year.

(c) For purposes of this chapter, a policy shall be considered to be for a term of less than one year if the policy is issued for a specific risk which does not continue beyond the period of the policy, or if the insured requests a policy for a term of less than one year.

(Added by Stats. 1986, Ch. 1321, Sec. 4.)

676.6. (a) This section applies to commercial umbrella liability insurance policies, commercial excess liability insurance policies, and commercial excess property insurance policies.

(b) As used in this section:

(1) "Umbrella liability insurance policy" means an insurance policy providing liability coverage per person or per occurrence or per claim, when written over one or more underlying liability policies or over a specified amount of self-insured retention.

(2) "Excess liability insurance policy" means an insurance policy providing liability coverage per person or per occurrence or per claim when written over one or more underlying liability policies. Excess liability policies shall include policies written over umbrella liability policies.

(3) "Excess property insurance policy" means a policy providing property coverage per occurrence or per location when written over one or more underlying property insurance policies or a specified amount of self-insured retention.

(c) After a policy defined in subdivision (b) of this section has been in effect for more than 60 days, or if the policy is a renewal, effective immediately, no notice of cancellation shall be effective unless it complies with Section 677. 2, is based on one or more of the grounds set forth in subdivision (b) of Section 676.2, or is based on one or more of the following:

- (1) A material change in limits, type or scope of coverage, or exclusions in one or more of the underlying policies.
- (2) Cancellation or nonrenewal of one or more of the underlying policies where such policies are not replaced without lapse.
- (3) A reduction in financial rating or grade of one or more insurers, insuring one or more underlying policies based on an evaluation obtained from a recognized financial rating organization.

(d) A notice of nonrenewal shall not be required in any of the following situations:

- (1) The transfer of, or renewal of, a policy without a change in its terms or conditions or the rate on which the premium is based between insurers which are members of the same insurance group.
- (2) The policy has been extended for 90 days or less, if the notice required in subdivision (c) has been given prior to the extension.
- (3) The named insured has obtained replacement coverage or has agreed, in writing, within 60 days of the termination of the policy, to obtain that coverage.
- (4) The policy is for a period of no more than 60 days and the insured is notified at the time of issuance that it may not be renewed.
- (5) The named insured requests a change in the terms or conditions or risks covered by the policy within 60 days prior to the end of the policy period.
- (6) The insurer has made a written offer to the insured, within the time period specified in subdivision (c), to renew the policy under changed terms or conditions or at a changed premium rate. As used herein, "terms or conditions" includes, but is not limited to, a reduction in limits, elimination of coverages, or an increase in deductibles.

(Added by Stats. 1988, Ch. 1618, Sec. 3.)

676.7. (a) No admitted insurer, licensed to issue and issuing homeowner's or tenant's policies, as described in Section 122, shall (1) fail or refuse to accept an application for that insurance or to issue that insurance to an applicant or (2) cancel that insurance, solely on the basis that the applicant or policyholder is engaged in foster home activities in a licensed foster family home or licensed small family home, as defined in Section 1502 of the Health and Safety Code, or an approved resource family, as defined in Section 16519.5 of the Welfare and Institutions Code.

(b) Coverage under policies described in subdivision (a) with respect to a foster child shall be the same as that provided for a natural child. However, unless specifically provided in the policy, there shall be no coverage expressly provided in the policy for any bodily injury arising out of the operation or use of any motor vehicle, aircraft, or watercraft owned or operated by, or rented or loaned to, any foster parent.

(c) It is against public policy for a policy of homeowner's or tenant's insurance subject to this section to provide liability coverage for any of the following losses:

- (1) Claims of a foster child, or a parent, guardian, or guardian ad litem thereof, of a type payable by the Foster Family Home and Small Family Home Insurance Fund established by Section 1527.1 of the Health and Safety Code, regardless of whether the claim is within the limits of coverage specified in Section 1527.4 of the Health and Safety Code.
- (2) An insurer shall not be liable, under a policy of insurance subject to this section, to any governmental agency for damage arising from occurrences peculiar to the foster-care relationship and the provision of foster-care services.
- (3) Alienation of affection of a foster child.
- (4) Any loss arising out of licentious, immoral, or sexual behavior on the part of a foster parent intended to lead to, or culminating in, any sexual act.
- (5) Any loss arising out of a dishonest, fraudulent, criminal, or intentional act.

(d) There shall be no penalty for violations of this section prior to January 1, 1987.

(e) Insurers may provide a special endorsement to a homeowners' or tenants' policy covering claims related to foster care that are not excluded by subdivision (c).

(f) Insurers may provide by a separate policy for some or all of the claims related to foster care that are excluded by subdivision (c).

(Amended by Stats. 2016, Ch. 612, Sec. 56. (AB 1997) Effective January 1, 2017.)

676.75. (a) No admitted insurer, licensed to issue and issuing homeowner's or tenant's policies, as described in Section 122, shall (1) fail or refuse to accept an application for that insurance or to issue that insurance to an applicant or (2) cancel that insurance, solely on the basis that the applicant or policyholder is engaged in foster home activities in a certified family home, as defined in Section 1506 of the Health and Safety Code.

(b) Coverage under policies described in subdivision (a) with respect to a foster child shall be the same as that provided for a natural child. However, unless specifically provided in the policy, there shall be no coverage expressly provided in the policy for any bodily injury arising out of the operation or use of any motor vehicle, aircraft, or watercraft owned or operated by, or rented or loaned to, any foster parent.

(c) It is against public policy for a policy of homeowner's or tenant's insurance subject to this section to provide liability coverage for any of the following losses:

(1) An insurer shall not be liable, under a policy of insurance subject to this section, to any governmental agency for damage arising from occurrences peculiar to the foster care relationship and the provision of foster care services.

(2) Alienation of affection of a foster child.

(3) Any loss arising out of licentious, immoral, or sexual behavior on the part of a foster parent intended to lead to, or culminating in, any sexual act.

(4) Any loss arising out of a dishonest, fraudulent, criminal, or intentional act.

(d) There shall be no penalty for violations of this section prior to January 1, 2013.

(e) Insurers may provide a special endorsement to a homeowner's or tenant's policy covering claims related to foster care that are not excluded by subdivision (c).

(f) Insurers may provide by a separate policy for some or all of the claims related to foster care that are excluded by subdivision (c).

(Amended by Stats. 2013, Ch. 76, Sec. 133. (AB 383) Effective January 1, 2014.)

676.8. (a) This section applies only to policies of workers' compensation insurance.

(b) After a policy is in effect, a notice of cancellation shall not be effective unless it complies with the notice requirements of this section and is based upon the occurrence, after the effective date of the policy, of one or more of the following:

(1) The policyholder's failure to make any workers' compensation insurance premium payment when due.

(2) The policyholder's failure to report payroll, to permit the insurer to audit payroll as required by the terms of the policy or of a previous policy issued by the insurer, or to pay any additional premium as a result of an audit of payroll as required by the terms of the policy or of a previous policy.

(3) The policyholder's material failure to comply with federal or state safety orders or written recommendations of the insurer's designated loss control representative.

(4) A material change in ownership or any change in the policyholder's business or operations that materially increases the hazard for frequency or severity of loss, requires additional or different classifications for premium calculations, or contemplates an activity excluded by the insurer's reinsurance treaties.

(5) Material misrepresentation by the policyholder or its agent.

(6) Failure to cooperate with the insurer in the insurer's investigation of a claim.

(c) A policy shall not be canceled for the conditions specified in paragraph (1), (2), (5), or (6) of subdivision (b) except upon 10 days' written notice to the policyholder by the insurer. A policy shall not be canceled for the conditions specified in paragraph (3) or (4) of subdivision (b) except upon 30 days' written notice to the policyholder by the insurer, provided that notice is not required if an insured and insurer consent to the cancellation and reissuance of a policy effective upon a material change in ownership or operations of the insured. The time periods and procedures in subdivision (a) of Section 1013 of the Code of Civil Procedure shall be applicable if the notice is mailed. If the policyholder remedies the condition to the insurer's satisfaction within the specified time period, the policy shall not be canceled by the insurer.

(d) Nothing in this section shall preclude, while policies are in force, changes in the premium rate required or authorized by law, regulation, or order of the commissioner, or otherwise agreed to between the policyholder and insurer.

(e) Any policy written for a term longer than one year, or any policy with no fixed expiration date, shall be considered as if written for successive policy periods of one year.

(Amended by Stats. 2022, Ch. 424, Sec. 5. (SB 1242) Effective January 1, 2023.)

676.9. (a) This section applies to policies covered by Sections 675 and 675.5.

(b) No insurer issuing policies subject to this section shall deny or refuse to accept an application, refuse to insure, refuse to renew, cancel, restrict, or otherwise terminate, or charge a different rate for the same coverage, on the basis that the applicant or insured person is, has been, or may be, a victim of domestic violence.

(c) Nothing in this section shall prevent an insurer subject to this section from taking any of the actions set forth in subdivision (b) on the basis of criteria not otherwise made invalid by this section or any other act, regulation, or rule of law. If discrimination by an insurer is not in violation of this section but is based on any other criteria that are allowable by law, the fact that the applicant or insured is, has been, or may be the subject of domestic violence shall be irrelevant.

(d) For purposes of this section, information that indicates that a person is, has been, or may be a victim of domestic violence is personal information within the meaning of Article 6.6 (commencing with Section 791) of Chapter 1 of Part 2.

(e) No insurer that issues policies subject to this section, and no person employed by or under contract with an insurer that issues policies subject to this section, shall request any information the insurer or person knows or reasonably should know relates to acts of domestic violence or an applicant's or insured's status as a victim of domestic violence, or make use of this information however obtained, except for the limited purpose of complying with legal obligations, verifying a person's claim to be a subject of domestic violence, or cooperating with a victim of domestic violence in seeking protection from domestic violence or facilitating the treatment of a domestic violence-related medical condition. This subdivision does not prohibit an insurer from asking an applicant or insured about a property and casualty claim, even if the claim is related to domestic violence, or from using information thereby obtained in evaluating and carrying out its rights and duties under the policy, to the extent otherwise permitted by this section and other applicable law.

(f) As used in this section, "domestic violence" means domestic violence as defined in Section 6211 of the Family Code.

(Added by Stats. 1997, Ch. 845, Sec. 1. Effective January 1, 1998.)

676.10. (a) This section applies to policies covered by Section 675, 675.5, or 676.5 if the insured is a religious organization described in clause (i) of subparagraph (A) of paragraph (1) of subsection (b) of Section 170 of Title 26 of the United States Code, an educational organization described in clause (ii) of subparagraph (A) of paragraph (1) of subsection (b) of Section 170 of Title 26 of the United States Code, or other nonprofit organization described in clause (vi) of subparagraph (A) of paragraph (1) of subsection (b) of Section 170 of Title 26 of the United States Code that is organized and operated for religious, charitable, or educational purposes, or a reproductive health services facility, as defined in subdivision (h) of Section 423.1 of the Penal Code, or its administrative offices.

(b) No insurer issuing policies subject to this section shall cancel or refuse to renew the policy, nor shall any premium be excessive or unfairly discriminatory solely on the basis that one or more claims has been made against the policy during the preceding 60 months for a loss that is the result of a hate crime committed against the person or property of the insured, or an antireproductive rights crime.

(c) As it relates to this section, if determined by a law enforcement agency, a "hate crime" may include any of the following:

(1) By force or threat of force, willfully injure, intimidate, interfere with, oppress, or threaten any other person in the free exercise or enjoyment of any right or privilege secured to him or her by the Constitution or laws of this state or by the Constitution or laws of the United States because of the other person's race, color, religion, ancestry, national origin, disability, gender, gender identity, gender expression, or sexual orientation, or because he or she perceives that the other person has one or more of those characteristics. However, the foregoing offense does not include speech alone, except upon a showing that the speech itself threatened violence against a specific person or group of persons and that the defendant had the apparent ability to carry out the threat.

(2) Knowingly deface, damage, or destroy the real or personal property of any other person for the purpose of intimidating or interfering with the free exercise or enjoyment of any right or privilege secured to the other person by the Constitution or laws of this state or by the Constitution or laws of the United States, because of the other person's race, color, religion, ancestry, national origin, disability, gender, gender identity, gender expression, or sexual orientation, or because he or she perceives that the other person has one or more of those characteristics.

(d) As it relates to this section, if determined by a law enforcement agency, "anti-reproductive-rights crime" shall have the meaning set forth in subdivision (a) of Section 13776 of the Penal Code, and shall also include a violation of subdivision (e) of Section 423.2 of the Penal Code, if the crime results in a covered loss under a policy subject to this section.

(e) Upon cancellation of or refusal to renew a policy subject to this section after an insured has submitted a claim to the insurer that is the result of a hate crime committed against the person or property of the insured, or an anti-reproductive-rights crime, the insurer shall report the cancellation or nonrenewal to the commissioner.

(f) A violation of this section shall be an unfair practice subject to Article 6.5 (commencing with Section 790) of Chapter 1 of Division 2.

(g) Nothing in this section shall prevent an insurer subject to this section from taking any of the actions set forth in subdivision (b) on the basis of criteria not otherwise made invalid by this section or any other act, regulation, or law.

(Amended by Stats. 2011, Ch. 719, Sec. 25. (AB 887) Effective January 1, 2012.)

677. (a) All notices of cancellation shall be in writing, mailed to the named insured at the address shown in the policy, or to the insured's last known address, and shall state, with respect to policies in effect after the time limits specified in Section 676, all of the following:

(1) Which of the grounds set forth in Section 676 is relied upon.

(2) In accordance with the requirements of subdivisions (a) and (e) of Section 791.10, the specific information supporting the cancellation, the specific items of personal and privileged information that support those reasons, if applicable, and corresponding summary of rights.

(3) On or after July 1, 2020, a notification that if the policyholder believes the policy has been wrongfully canceled, the policyholder may have the matter reviewed by the department. The notification shall include the department's internet website, www.insurance.ca.gov, the department's telephone number, 1-800-927-HELP (4357), and the mailing address of the department's Consumer Services Division, 300 South Spring Street, Los Angeles, CA 90013.

(b) For purposes of this section, a lienholder's copy of those notices shall be deemed mailed if, with the lienholder's consent, it is delivered by electronic transmittal, facsimile, or personal delivery.

(Amended by Stats. 2019, Ch. 201, Sec. 1. (AB 1813) Effective January 1, 2020.)

677.2. (a) This section applies only to policies covered by Section 675.5.

(b) A notice of cancellation shall be in writing and shall be delivered or mailed to the producer of record, provided that the producer of record is not an employee of the insurer, and to the named insured at the mailing address shown on the policy. The time periods and procedures in subdivision (a) of Section 1013 of the Code of Civil Procedure shall be applicable if the notice is mailed.

The notice of cancellation shall include the effective date of the cancellation and the reasons for the cancellation.

(c) The notice of cancellation shall be given at least 30 days prior to the effective date of the cancellation, except that in the case of cancellation for nonpayment of premiums or for fraud the notice shall be given no less than 10 days prior to the effective date of the cancellation. Notice of a proposed cancellation pursuant to subdivision (d) of Section 676.2 given prior to a finding of the commissioner shall satisfy the requirements of this section if it is given no less than 30 days prior to the effective date of the cancellation and if it states that cancellation will be effective only upon the approval of the commissioner.

(d) This section applies only to cancellations pursuant to Section 676.2.

(Amended by Stats. 2022, Ch. 424, Sec. 6. (SB 1242) Effective January 1, 2023.)

677.4. A notice of cancellation with respect to a policy covered under Section 675 shall be delivered at least 20 calendar days prior to the effective date of the cancellation, except that in the case of a cancellation for nonpayment of premiums, or for fraud, the notice shall be given at least 10 calendar days prior to the effective date of the cancellation. The time periods and procedures in subdivision (a) of Section 1013 of the Code of Civil Procedure shall be applicable if the notice is mailed.

(Amended by Stats. 2022, Ch. 424, Sec. 7. (SB 1242) Effective January 1, 2023.)

678. (a) (1) At least 45 days before the policy expiration, an insurer shall deliver to the named insured or mail to the named insured at the address shown in the policy, either of the following:

(A) An offer of renewal of the policy contingent upon payment of premium as stated in the offer, stating each of the following:

(i) Any reduction of limits or elimination of coverage. That reduction of limits or elimination of coverage shall identify the specific limits being reduced or coverage being eliminated by the offer of renewal. The elimination of coverage for the previously covered peril of fire shall be subject to subdivision (b) of Section 10103.6.

(ii) The telephone number of the insurer's representatives who handle consumer inquiries or complaints. The telephone number shall be displayed prominently in a font size consistent with the other text of the renewal offer.

(B) A notice of nonrenewal of the policy. That notice shall contain all of the following:

(i) The specific reason or reasons for the nonrenewal.

(ii) The telephone number of the insurer's representatives who handle consumer inquiries or complaints. The telephone number shall be displayed prominently in a font size consistent with the other text of the notice of nonrenewal.

(iii) Until July 1, 2020, a brief statement indicating that if the consumer has contacted the insurer to discuss the nonrenewal and remains unsatisfied, the consumer may have the matter reviewed by the department. The statement shall include the telephone number of the unit within the department that responds to consumer inquiries and complaints.

(iv) On or after July 1, 2020, a statement that if the consumer has contacted the insurer to discuss the nonrenewal and remains unsatisfied, the consumer may have the matter reviewed by the department. The statement shall include the department's internet website, www.insurance.ca.gov, the department's telephone number, (800) 927-HELP (4357), and the mailing address of the department's Consumer Services Division, 300 S. Spring Street, Los Angeles, CA 90013.

(2) On and after July 1, 2022, the time periods and procedures in subdivision (a) of Section 1013 of the Code of Civil Procedure shall be applicable if an offer or notice is mailed.

(b) If 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 45 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.

(c) Notwithstanding subdivisions (a) and (b), with respect to a notice of nonrenewal for a policy that expires on or after July 1, 2020, the following timelines apply:

(1) At least 75 days before the policy expiration, the insurer shall deliver the notice of nonrenewal to the named insured or mail the notice of nonrenewal to the named insured at the address shown in the policy. The notice shall include the information contained in subparagraph (B) of paragraph (1) of subdivision (a). On and after July 1, 2022, the time periods and procedures in subdivision (a) of Section 1013 of the Code of Civil Procedure shall be applicable if a notice is mailed.

(2) If an insurer fails to give the named insured a notice of nonrenewal at least 75 days before the policy expiration, as required by paragraph (1), the existing policy, with no change in its terms and conditions, shall remain in effect for 75 days from the date that 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 notice of nonrenewal.

(d) A policy written for a term of less than one year shall be considered as if written for a term of one year. A policy written for a term longer than one year, or a policy with no fixed expiration date, shall be considered as if written for successive policy periods or terms of one year.

(e) A notice of nonrenewal for a residential property insurance policy expiring on or after July 1, 2021, shall be accompanied by the following notice:

The California Department of Insurance has developed the California Home Insurance Finder, an online tool that can assist you in obtaining insurance for your home. The Finder contains names, addresses, telephone numbers, and internet website links of licensed insurance agents, brokers, and insurance companies that may be able to sell insurance to you. The Finder is organized by ZIP Code and the languages in which the agent, broker, or insurance company sells insurance.

The California FAIR Plan (FAIR Plan) provides basic property insurance as the "insurer of last resort" if you cannot find insurance coverage for your property in the normal (voluntary) insurance market. The FAIR Plan provides basic property insurance coverage for residential structures, as well as personal property coverage for residential and business occupancies. However, FAIR Plan policies may not cover liability, theft, or water damage, among other things. There are also optional coverages available for both residential properties. Applications can be made directly with the FAIR Plan (cfpnet.com), although the FAIR Plan strongly encourages use of a licensed agent or broker for assistance in preparing and obtaining a quote. There is no additional cost for using an agent or broker for purchasing a FAIR Plan policy.

California law requires an agent or broker to assist a person seeking a FAIR Plan policy by (1) submitting a coverage application to the FAIR Plan on behalf of the consumer, (2) providing the consumer the FAIR Plan's internet website address and toll-free telephone number, or (3) obtaining a policy for the consumer through an admitted or nonadmitted insurer.

To supplement a FAIR Plan policy, a Difference in Conditions (DIC) policy should be considered. A DIC policy is sold by some private insurers, and provides coverage for things not covered by the basic property insurance policy provided by the FAIR Plan. A

consumer who wants broader coverage than that provided by the FAIR Plan policy should contact an agent, broker, or insurance company that offers a DIC policy to obtain this additional coverage. The Department of Insurance maintains a list of insurance companies that sell DIC policies on its internet website (insurance.ca.gov). Additional assistance may be obtained by contacting an agent or broker listed with the department's online agent locator.

(f) An insurer may use a notice substantially similar to the notice set forth in subdivision (e) to the extent that the notice provides additional or more detailed information.

(g) This section applies only to policies of insurance specified in Section 675.

(Amended by Stats. 2022, Ch. 424, Sec. 8. (SB 1242) Effective January 1, 2023.)

678.1. (a) This section applies only to policies of insurance of commercial insurance that are subject to Sections 675.5 and 676.6.

(b) A notice of nonrenewal shall be in writing and shall be delivered or mailed to the producer of record and to the named insured at the mailing address shown on the policy. The time periods and procedures in subdivision (a) of Section 1013 of the Code of Civil Procedure shall be applicable if the notice is mailed.

(c) An insurer, at least 60 days, but not more than 120 days, in advance of the end of the policy period, shall give notice of nonrenewal, and the reasons for the nonrenewal, if the insurer intends not to renew the policy, or to condition renewal upon reduction of limits, elimination of coverages, increase in deductibles, or increase of more than 25 percent in the rate upon which the premium is based.

(d) If an insurer fails to give timely notice required by subdivision (c), the policy of insurance shall be continued, with no change in its terms or conditions, for a period of 60 days after the insurer gives the notice.

(e) With respect to policies defined in subdivision (b) of Section 676.6, in addition to the bases for conditional renewal set forth in subdivision (c), an insurer may also condition renewal upon requirements relating to the underlying policy or policies. If the requirements are not satisfied as of (1) the expiration date of the policy, or (2) 30 days after mailing or delivery of such notice, whichever is later, the conditional renewal notice shall be treated as an effective notice of nonrenewal, provided the insurer has sent written confirmation to the first named insured and the producer of record that the conditions were not met and that coverage ceased at the expiration date shown in the expiring policy.

(f) A notice of nonrenewal shall not be required in any of the following situations.

(1) The transfer of, or renewal of, a policy without a change in its terms or conditions or the rate on which the premium is based between insurers that are members of the same insurance group.

(2) The policy has been extended for 90 days or less, if the notice required in subdivision (c) has been given prior to the extension.

(3) The named insured has obtained replacement coverage or has agreed, in writing, within 60 days of the termination of the policy, to obtain that coverage.

(4) The policy is for a period of no more than 60 days and the insured is notified at the time of issuance that it may not be renewed.

(5) The named insured requests a change in the terms or conditions or risks covered by the policy within 60 days prior to the end of the policy period.

(6) The insurer has made a written offer to the insured, within the time period specified in subdivision (c), to renew the policy under changed terms or conditions or at a changed premium rate. As used herein, "terms or conditions" includes, but is not limited to, a reduction in limits, elimination of coverages, or an increase in deductibles.

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

(Amended by Stats. 2022, Ch. 424, Sec. 9. (SB 1242) Effective January 1, 2023.)

678.2. The provisions of subdivisions (c) and (e) of Section 678.1 which prohibit notice of nonrenewal earlier than 120 days in advance of the end of the policy period shall not apply to professional liability policies issued to health care providers.

(Added by Stats. 1993, Ch. 103, Sec. 2. Effective January 1, 1994.)

678.5. No policy specified in Section 675 that is issued, amended, or renewed on or after January 1, 1990, may be canceled, and an insurer may not refuse to renew such a policy solely on the grounds of corrosive soil conditions if the policy or renewal policy contains an existing exclusion for payment of loss for that peril.

(Added by Stats. 1989, Ch. 1073, Sec. 2.)

679. There shall be no liability on the part of, and no cause of action of any nature shall arise against, any insurer or its authorized representatives, agents, or employees, or any licensed insurance agent or broker, for any statement made, unless shown to have been made in bad faith with malice in fact, by any of them in (a) any written notice of cancellation or in any other oral or written communication specifying the reasons for cancellation, (b) any communication providing information pertaining to such cancellation, or (c) evidence submitted at any court proceeding or informal inquiry in which such cancellation is an issue.

(Added by Stats. 1970, Ch. 313.)

679.5. Proof of mailing of a notice of cancellation and the reasons therefor or of intention not to renew to the named insured at the address shown in the policy shall be sufficient proof of the notice required by this chapter.

(Added by Stats. 1970, Ch. 313.)

679.6. The commissioner may, after hearing, exempt from the provisions of this chapter insurance in respect to any risk or class of risk that is eligible under Section 1763 for placement with nonadmitted insurers by and through licensed surplus line brokers upon a finding by him that application of this chapter would diminish or tend to diminish the availability, or substantially increase the cost, of such insurance.

(Added by Stats. 1971, Ch. 989.)

679.7. (a) Upon receiving a written request from an insured or the agent or broker of record where authorized by the insured, an insurer shall provide a premium and loss history report to the requesting party for the account's tenure or the three-year period ending with the inception of the current policy period, whichever is shorter, plus loss experience during the current policy period that is in force if any of the following occur:

(1) The policy is canceled or nonrenewed.

(2) The policyholder requests the information within 60 days prior to the renewal date of an existing policy.

(3) The policyholder's current insurer's rating is downrated by a nationally recognized insurance rating service to a financial rating below secure or good or to a rating that would negatively impact the ability of the policyholder to conduct its business operations.

(4) The policyholder's current insurer is conserved by the department under Section 1011, or is ordered to cease writing business under Sections 1065.1 and 1065.2.

The premium and loss history report, and the loss experience information for the current policy period, shall be provided within 10 business days of receiving the request.

(b) This section applies only to policies of commercial insurance that are subject to Sections 675.5 and 676.6, except for professional liability insurance.

(c) This section shall not apply to a policyholder who, through automated or other means, is provided direct, ongoing access to claims information by the insurer.

(d) For purposes of this section, a loss history report includes, but is not limited to, a list of individual claims detailed by date of claim and total incurred and paid losses.

(Added by Stats. 2001, Ch. 102, Sec. 2. Effective January 1, 2002.)