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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 9.6. Reasons for Denial of Motor Vehicle Liability Insurance [657 - 658] (*Chapter 9.6 added by Stats. 1977, Ch. 914.*)

657. (a) Where any admitted insurer, licensed to issue motor vehicle liability policies as defined in Section 16450 of the Vehicle Code, or any licensed insurance agent refuses to accept an application for such a policy or refuses to issue such a policy when a written application has been made, the refusing agent or refusing insurer shall furnish to the applicant for insurance a written statement explaining the reason or reasons relied upon for such action if within 30 days of such refusal the applicant requests in writing, from the agent or insurer who has refused to accept the application or to issue the policy, such a written explanation. Such statement shall be furnished within 30 days of receipt of such request.

(b) Any insurer or agent willfully violating any provisions of this section is guilty of a misdemeanor and is punishable by a fine not exceeding one thousand dollars (\$1,000) for each violation thereof.

(c) 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 the reasons for such a refusal, for any statement made by any of them in any written notice of reasons for refusing to accept the application or issue the policy or in any other communication, oral or written, specifying the reasons for such action or the providing of the information pertaining thereto, or for statements made or evidence submitted in any hearings conducted in connection therewith.

(Amended by Stats. 1983, Ch. 1092, Sec. 177. Effective September 27, 1983. Operative January 1, 1984, by Sec. 427 of Ch. 1092.)

658. Where any admitted insurer, licensed to issue motor vehicle liability policies as defined in Section 16450 of the Vehicle Code, refuses to accept an applicant for a good driver discount policy as defined in paragraph (1) of subdivision (b) of Section 1861.02 or refuses to issue a good driver discount policy when written application has been made, and where the applicant meets the criteria for purchase of a good driver discount policy, the refusing insurer shall furnish the applicant for insurance a written statement within 10 days of the refusal explaining the reason or reasons relied upon for denying insurance coverage. Notwithstanding Section 1633.3 of the Civil Code, the written statement explaining the reason or reasons for denying the coverage may not be electronically delivered to the applicant unless the application for the good driver discount was electronically delivered to the insurer.

(Amended by Stats. 2009, Ch. 433, Sec. 7. (AB 328) Effective January 1, 2010.)