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INSURANCE CODE - INS

DIVISION 2. CLASSES OF INSURANCE [1880 - 12880.8] (*Division 2 enacted by Stats. 1935, Ch. 145.*)

PART 1. FIRE AND MARINE INSURANCE [1880 - 10108.1] (*Part 1 enacted by Stats. 1935, Ch. 145.*)

CHAPTER 5. County Mutual Fire Insurers [5050 - 7060] (*Chapter 5 enacted by Stats. 1935, Ch. 145.*)

ARTICLE 5. Risks [6040 - 6050] (*Article 5 enacted by Stats. 1935, Ch. 145.*)

6040. Such insurer may issue policies on dwellings, schoolhouses, churches, fraternal or lodge halls, community, creamery, or farm buildings and property contained in or on such premises or owned by the insured and stored in public or private warehouses.

(*Amended by Stats. 1955, Ch. 1904.*)

6040.5. Insurers authorized to eliminate their assessment liability in accordance with the terms of this chapter (commencing with Section 5050) shall not be restricted as to the type of risks they may insure by the provisions of Section 6040.

(*Added by Stats. 1961, Ch. 464.*)

6041. Insurance permitted by this chapter upon personal property owned by the insured, including automobiles and livestock, shall continue in full force and effect during the use or transportation of the property in the ordinary course of the insured's affairs if the primary situs of the property is located at the time of loss within this State. Otherwise such insurance is governed by Section 6048.

(*Amended by Stats. 1961, Ch. 463.*)

6042. Policies may be executed for any time not exceeding five years and not extending beyond the time limited for the existence of the insurer.

(*Enacted by Stats. 1935, Ch. 145.*)

6043. All members of such an insurer shall agree in writing to pay their pro rata share to the insurer of the necessary expense and loss sustained by any member thereof during the time for which their respective policies are in force. They shall also, at the time of effecting the insurance, pay the insurer such percentage of the estimated cost and such other charges as are required by law or the insurer's rules and by-laws.

(*Amended by Stats. 1939, Ch. 931.*)

6044. All such insurers shall classify the subject matter insured by them at the time of issuing policies thereon. Such classification shall be under rates corresponding as nearly as practicable to the greater or less risk from loss attached to the several kinds of subject matter insured.

(*Amended by Stats. 1939, Ch. 931.*)

6045. For the purpose of this chapter:

(a) "A city or town block" is an area of not more than one hundred sixty thousand square feet having at least one frontage in a closely built up district fronting on a used public highway, surrounded on all sides by a clear space at least equal in width to the clear space of such public highway.

(b) "Closely built up district" means territory abutting a public highway where for not less than a quarter of a mile the buildings average less than one hundred feet apart.

(c) "One risk" means one hazard under one or more policies, subject to one fire and relates to the amount named in the policy or policies.

(d) "Clear space" means space free from combustible material likely to communicate fire.

(Enacted by Stats. 1935, Ch. 145.)

6047. Except as provided in this section, such insurer shall not issue policies to an amount in excess of six thousand dollars (\$6,000) on any one risk, whether under one or more policies, without immediately reinsuring the excess amount in some other insurer. Any such insurer having more than ten million dollars (\$10,000,000) direct insurance in force as shown by its books may, for each one million dollars (\$1,000,000) in excess of ten million dollars (\$10,000,000), write five hundred dollars (\$500) additional insurance in excess of six thousand dollars (\$6,000) on each such risk; provided, however, that any such insurer 90 percent of whose business in force is reinsurance assumed and which has more than ten million dollars (\$10,000,000) gross insurance in force may, for each one million dollars (\$1,000,000) in excess of ten million dollars (\$10,000,000), write five hundred dollars (\$500) additional insurance in excess of six thousand dollars (\$6,000) on each such risk. Any such insurer issuing nonassessable policies as provided in Section 7015 (c) (3) hereof, may issue policies in accordance with Section 3080 of this code.

(Amended by Stats. 1953, Ch. 459.)

6048. Except as provided in Section 6041 such insurer shall insure only property within the limits of the county wherein it is organized, or in a county next adjoining the county of organization. In the event that no such insurer may, under the provisions of the preceding sentence, insure property in a county contiguous to the said next adjoining county, then such insurer may also insure property in the said contiguous county.

(Amended by Stats. 1955, Ch. 817.)

6049. Such an insurer shall not assume any risks on property situated within any one block of a closely built-up district or of territory within the limit of any incorporated city, unless on a single risk in such block it immediately reinsures all of the amount at risk which is in excess of the limit provided in this article or unless in the case of more than one risk in any such block it immediately reinsures all of the amount at risk which is in excess of one-quarter of 1 percent of its direct amount of insurance in force; provided, however, that any such insurer 90 percent of whose business in force is reinsurance assumed, and which has more than ten million dollars (\$10,000,000) gross insurance in force, in the case of more than one risk in any such block, shall immediately reinsure all of the amount at risk which is in excess of one-quarter of 1 percent of its net amount of insurance in force.

(Amended by Stats. 1953, Ch. 1390.)

6050. Where the amount of insurance in policies already written equals the amount limited by the provisions of this article, no additional insurance shall be written by such insurer on country property within a radius of one hundred feet of an existing risk. Such radius shall continue at not less than seventy-five feet during the life of the policy, unless insurance within the radius is covered by reinsurance.

(Enacted by Stats. 1935, Ch. 145.)