



Residential Insurance: Homeowners and Renters

The cost of homeowners and renters insurance depends on a number of factors such as location, local fire protection, age and construction of building, choice of deductibles, application of discounts, and the scope and amount of insurance coverage you purchase.

Under California law, each insurance company calculates its own rates, subject to California Department of Insurance (CDI) approval. Since each company's loss experience differs, the rates will differ as well. It is wise, when shopping, to review and compare all quotations to determine if the coverage, deductibles, and limits are similar to each other. Make a list of what is important to you and be sure to discuss it with the agent.

To help find competitive rates CDI is pleased to offer online premium comparisons that cover over 90% of California's homeowners and renters insurance market. You can review these comparisons via the CDI website at www.insurance.ca.gov, or by calling the CDI Hotline at 1-800-927-4357.

What Is Covered By Homeowners Insurance?

The homeowners policy contains two sections. Section I provides property coverages, while Section II provides liability coverages. A brief description of the individual coverages follows:

Dwelling

Provides major property coverage that protects your house and attached structures if it is damaged by a covered peril.

Other Structures

This coverage provides protections to other structures on the residence premises that are not attached to the dwelling. Items covered include detached garages, tool sheds, etc. It is normally limited to 10% of the dwelling coverage limit. However, you may purchase more coverage for an additional premium.

Personal Property

This coverage provides protection for the contents of your home and other personal belongings owned by you and other family members who live with you.

Loss of Use (Additional Living Expenses/Fair Rental Value)

Homeowners policies provide coverage for Loss of Use if a covered loss makes the part of the residence where the insured resides, or rents to others, uninhabitable.

Personal Liability

This section of the homeowners policy will provide coverage in the event you or a resident of your household are legally responsible for injury to others.

Medical Payments to Others

This coverage pays for reasonable medical expenses for persons accidentally injured on your property

Coverage Exclusions

It is important to read the exclusions in your insurance contract. Earthquake, flood, earth movement, and "wear and tear" are some of the perils that are usually excluded.

Renters Insurance

Your landlord does not provide insurance for your personal property. To protect your belongings, you should consider purchasing renter's insurance, also known as "tenant's insurance." Coverage is also provided for loss of use, personal liability protection and medical payments to others.

Condominium Insurance

Like renters insurance, condominium unit-owners insurance provides coverage for personal property, loss of use, personal liability and medical payments to others. However, it also includes coverage for damages to the interior of the unit and improvements for which the unit owner is responsible to maintain in accordance with the governing rules of the condominium association.

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Problems Obtaining Insurance

The California Fair Access to Insurance Requirements (FAIR) Plan

The FAIR Plan is an association of all property insurers licensed to conduct business in California. It is designed to make property insurance more readily available to people who have difficulty obtaining it from private insurers because their property is considered “high risk.” Detailed information is available from the California FAIR Plan. You may contact them at (800) 339-4099 or visit their website, www.cfpnet.com

National Flood Insurance Program (NFIP)

Insurance coverage for losses resulting from floods is generally not provided in a homeowners or renters policy. In 1968, Congress created the National Flood Insurance Program (NFIP) in response to the rising cost of taxpayer funded disaster relief for flood victims and the increasing amount of damage caused by floods. For information about flood insurance, property owners or renters should contact their insurance agent, call the NFIP’s Referral Center toll-free at 1-800-427-4661, or visit the NFIP’s website at www.floodsmart.gov

Surplus Lines Market

If you are having difficulty finding the coverages you want, you may try obtaining coverage in the “surplus lines” market. Ask your agent or broker if they are able to obtain coverage with a surplus lines insurer or obtain coverage through a surplus lines broker.

What are Your Rights?

Cancellations and Nonrenewals

After a residential policy has been in effect for sixty days, the insurance company can only cancel a policy for reasons specified by law, which include; nonpayment of premium, fraud, material misrepresentation, or physical changes in the insured property that increase any hazard insured against.

The company must mail or deliver a notice of cancellation to you at your last known address at least 20 days prior to the effective date of cancellation, and 10 days for nonpayment of premium or for fraud.



Led by Insurance Commissioner Ricardo Lara, the California Department of Insurance is the consumer protection agency for the nation’s largest insurance marketplace and your best resource for honest and impartial answers to insurance questions. Knowledgeable insurance professionals are available through our consumer hotline. Call 1-800-927-HELP (4357) or visit www.insurance.ca.gov to view all of our consumer information guides and insurance resources. These tools are available to consumers free of charge.

A written notice of nonrenewal must be forwarded to you at least 75 days before the expiration date. If the company fails to give you the proper notice as required by law, your existing policy, with no change in its terms and conditions, will remain in effect for 75 days from the date the notice is sent.

Both cancellation and nonrenewal notices must contain the reason for the cancellation or nonrenewal.

Online Home Insurance Finder Tool

The Department of Insurance has created several online tools at www.insurance.ca.gov to help you scour the marketplace. Our Home Insurance Finder tool can help you identify those insurers writing in high risk regions to help narrow your search.

Filing a Complaint (Request for Assistance)

The California Department of Insurance is committed to protecting your rights. Many questions can be answered over the phone. If we are unable to resolve the issue over the phone, you can file a Request for Assistance form by mail or online on our website. The system will allow you to attach copies of all necessary documents, such as policies, canceled checks and correspondence. Some examples of the issues the Department may be able to help with include:

- Improper Denial of Claim
- Cancellation or non-renewal of a policy
- Delay in settlement
- Alleged misappropriation of premiums paid
- Alleged misrepresentation by an Agent/Broker or solicitor
- Unfair underwriting practices
- Dishonest or deceptive insurance sales tactics

Contact Us

Consumer Assistance Hotline:

1-800-927-4357

TTY 1-800-482-4833

Visit us on the web at:

www.insurance.ca.gov

To order additional materials contact
Community Relations & Outreach at:

crob@insurance.ca.gov