NOTICE

TO: All Admitted and Non-Admitted Insurance Companies, all Licensed Producers, Independent Adjusters, and Other Interested Parties

FROM: Commissioner Ricardo Lara

DATE: March 18, 2020

RE: Insurance Company Obligations to Comply with Insurance Laws during the Coronavirus (COVID-19) Outbreak

Insurers and other licensees of the California Department of Insurance (Department) are subject to numerous legal and commercial obligations and timeframes.

In response to the disruption caused by the novel coronavirus (COVID-19) outbreak, Insurance Commissioner Ricardo Lara strongly encourages all insurance companies and other Department licensees to take steps during the crisis necessary to maintain their ability to process and pay insurance claims and provide other required consumer services for insureds in a reasonable and timely manner.

The Department of Insurance is also aware that an increasing number of local public health departments throughout the state have issued “shelter in place” directives requiring residents to stay home and directing workplaces to implement telecommuting procedures where feasible.

The Department recognizes that the COVID-19 outbreak continues to strain insurance industry resources and reduce the staff available to conduct mandatory on-site inspections or audits, to adjust and pay claims, process underwriting documents, and perform other required insurance transactions.

Please be informed that the Department of Insurance intends to consider the extraordinary circumstances relating to the COVID-19 outbreak and the resulting disruptions to normal business operations when evaluating whether insurers and other Department licensees have complied with their respective legal and commercial obligations during the COVID-19 pandemic.