

**DEPARTMENT OF INSURANCE**

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**NOTICE****TO: All Property/Casualty Insurers Offering Private Passenger Auto Policies****DATE: December 8, 2017****SUBJECT: Insurer Moratoriums/Restrictions due to Impending Wildfire Not Allowed Under California Law on Personal Auto Coverage**

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It has come to the Department's attention that some insurers are imposing or have imposed a moratorium on writing new Private Passenger Automobile business or adjusting coverage on existing policies when a catastrophic event or natural disaster is underway such as the ongoing fires in Southern California.

This practice is in violation of California Insurance Code (CIC) Section 1861.02(b) and California Code of Regulations Section 2632.14, which require that insurers offer policies and all coverage options to Statutory Good Drivers.

CIC 1861.02(b) states in part: "An insurer shall not refuse to offer and sell a Good Driver Discount policy to any person who meets the standards of this subdivision." This provision does not provide any exceptions for moratoriums during catastrophic events, temporary or otherwise.

This notice is intended to alert insurers that moratoriums of any duration on the offer to write Private Passenger Automobile policies for Statutory Good Drivers, and/or restrictions on adding or amending coverage to such policies, are prohibited.

Any such existing moratoriums and/or restrictions must be terminated immediately. Failure to heed this notice may result in appropriate fines and penalties for violation of California Insurance Codes & Regulations.