RICARDO LARA
CALIFORNIA INSURANCE COMMISSIONER

NOTICE

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

FROM: **Insurance Commissioner Ricardo Lara**

DATE: **October 23, 2025**

RE: **Federal Government Shutdown – Grace Period for Federal Workforce**

This Notice is directed to all admitted and non-admitted insurance companies, insurance agents and brokers, and other related insurance organizations (insurance organizations) doing business in the State that transact or provide any insurance coverage in California including, life, health, auto, property, casualty, commercial, and other types of insurance.

The partial shutdown of the federal government is adversely impacting many California residents. As California Insurance Commissioner, I am is committed to protecting all California residents and businesses who may be impacted during this difficult time. **In light of the current difficult circumstances, I am requesting that all insurance organizations doing business in the State to make reasonable accommodations to prevent those impacted by the federal shutdown from losing coverage due to non-payment of premium, meeting underwriting guidelines, or having their insurance claims delayed or denied due to missed policy deadlines.**

More specifically, I am requesting that the insurance industry immediately consider implementing the following protective measures for policyholders who are federal employees:

Grace Period for payment of premiums: Insurance organizations are requested to postpone or withdraw any previous notice of cancellation or nonrenewal in which the cancellation or nonrenewal occurs on or after October 1, 2025, on any in-force policy due to non-payment of premium. Insurers are asked to continue coverage in cases of unpaid premium for at least 30 days or through the duration of the federal shutdown, whichever is longer. This request includes insurance companies and other related organizations to defer premium payments, extend grace periods, accept partial payment(s), and waive late fees and penalties that would normally be owed as a result of a late payment.

Grace Period for Claims or Underwriting Deadlines: Insurance organizations are requested to waive any policy or statutory deadlines on policyholders for at least thirty (30) days or through the duration of the federal shutdown, whichever is longer. This includes, but is not limited to, deadlines for the submission of a sworn proof of loss, other claim forms, examinations under oath, medical examinations, physical inspections of insured property, required repairs in order to meet underwriting guidelines, and any other policy, statutory, or insurer-imposed deadlines placed on the policyholder where failure to comply could result in the forfeiture limitation, or waiver of any policyholder(s) rights to coverage or benefits under any policy of insurance.

The insurance industry in California has stepped up to assist residents and businesses in prior times of need, most notably during the COVID-19 pandemic, recent wildfires, and other major events. It is my hope and expectation that insurers will likewise step up here.