

1 NIKKI S. MCKENNEDY (SBN 184269)  
2 MELISSA A. WURSTER (SBN 198899)  
3 DUNCAN E. MONTGOMERY (SBN 176138)  
4 CALIFORNIA DEPARTMENT OF INSURANCE  
5 1901 Harrison Street, Sixth Floor  
6 Oakland, CA 94612  
7 Tel: (415) 538-4162  
8 Fax: (510) 238-7829  
9 Email: [nikki.mckennedy@insurance.ca.gov](mailto:nikki.mckennedy@insurance.ca.gov)  
10 [melissa.wurster@insurance.ca.gov](mailto:melissa.wurster@insurance.ca.gov)  
11 [duncan.montgomery@insurance.ca.gov](mailto:duncan.montgomery@insurance.ca.gov)

12 *Attorneys for the California Department of Insurance*

13 **BEFORE THE INSURANCE COMMISSIONER**  
14 **OF THE STATE OF CALIFORNIA**

15 In the Matter of the Rating and  
16 Underwriting Practices and Procedures of  
17  
18 KNIGHTBROOK INSURANCE  
19 COMPANY,  
20  
21 Respondent.

22 **File No. NC-2024-00014**

23 **NOTICE OF NONCOMPLIANCE**  
24 **[Ins. Code § 1858 *et seq.*]**

25 **TO: KNIGHTBROOK INSURANCE COMPANY**

26 **NOTICE OF NONCOMPLIANCE**

27 **PURSUANT TO CALIFORNIA INSURANCE CODE SECTION 1858.1:**

28 THE CALIFORNIA DEPARTMENT OF INSURANCE (“Department”) NOTIFIES YOU  
that the Insurance Commissioner of the State of California (“Commissioner”) has good cause to  
believe that KNIGHTBROOK INSURANCE COMPANY (hereafter “Respondent”) violated  
various provisions of California law, including but not limited to California Insurance Code  
 (“Insurance Code”) section 674.6. Pursuant to Insurance Code section 1858.1, this Notice sets  
forth the manner and extent of noncompliance. The Department is informed and believes, and  
thereon alleges, the following:

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1 **BACKGROUND FACTS**

2 1. Respondent is, and was at all relevant times, an insurer licensed to transact the business of  
3 insurance in the State of California, including but not limited to homeowners classes of insurance  
4 as discussed below.

5 2. Respondent transacts the business of insurance in California on risks or lines subject to the  
6 provisions of the California Insurance Code (hereafter, "Insurance Code") and Title 10 of the  
7 California Code of Regulations (hereafter "Regulations").

8 3. On May 22, 2019, Respondent submitted a new program filing for its Homeowners Multi-  
9 Peril Program (CDI File No. 19-1894/SERFF No. MISF-131946868). The application was  
10 approved on or about September 25, 2019, and Respondent began issuing renters HO-4 policies  
11 (hereafter "Renters Program").

12 4. During a March 6, 2024 meeting to discuss KnightBrook's then-pending request for a rate  
13 increase (CDI No. 23-1222, SERFF No. MOCC-133652682), the Department discovered that  
14 Respondent had commenced, but not yet completed, nonrenewal of its entire Renters Program,  
15 without providing prior notice to the Commissioner as required by Insurance Code section 674.6.  
16 Respondent agreed to immediately cease issuing nonrenewal notices as requested by the  
17 Department.

18 5. On May 10, 2024, Respondent submitted a Withdraw Program filing (CDI File No. 24-  
19 939/SERFF No. MOCC-134082294) ("Filing") to formally notify the Commissioner that  
20 Respondent had taken steps to non-renew its Renters Program because Respondent was unable to  
21 obtain reinsurance. Review of the Filing and information provided by Respondent showed that, as  
22 of April 22, 2024, Respondent had issued nonrenewal notices to 7,791 policyholders, and there  
23 were still 3,501 policies in force.

24 6. Through its review of the Filing, the Department discovered that Respondent, through its  
25 agent Goodcover Insurance Solutions, LLC ("Goodcover"), began issuing non-renewals on or  
26 about July 2023, without notifying the Commissioner as required by Insurance Code Section  
27 674.6(b).

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1 referred to above is found to constitute willful acts involving the use of rates, rating plans, and/or  
2 rating systems in violation of Chapter 9, Part 2, Division 1 of the Insurance Code, the Department  
3 may seek civil penalties pursuant to Insurance Code Section 1858.07 in the amount of \$10,000.00  
4 for each act.

5 The Department may amend this Notice to set forth additional willful noncompliant acts  
6 in violation of Chapter 9, Part 2, Division 1, of the Insurance Code and to seek additional penalties  
7 in the amount of \$10,000.00 for each act.

8 THE DEPARTMENT FURTHER NOTIFIES RESPONDENT that, in the alternative, if  
9 the Commissioner does not find those acts involving the use of rates, rating plans, and/or rating  
10 systems in violation of Chapter 9, Part 2, Division 1 of the Insurance Code to be willful violations  
11 of that chapter, the Department may seek civil penalties in the amount of \$5,000.00 for each act  
12 pursuant to Insurance Code Section 1858.07.

13 The Department may amend this Notice to set forth additional non-willful noncompliant  
14 acts in violation of Chapter 9, Part 2, Division 1, of the Insurance Code and seek additional  
15 penalties in the amount of \$5,000.00 for each act.

16 THE DEPARTMENT FURTHER NOTIFIES RESPONDENT that if the noncompliance  
17 referred to above constitutes a willful failure to comply with a final order of the Commissioner  
18 under Chapter 9, Part 2, Division 1 of the Insurance Code, the Department may seek civil penalties  
19 pursuant to Insurance Code Section 1859.1 in in an amount not exceeding \$250,000.00.

20 THE DEPARTMENT FURTHER NOTIFIES RESPONDENT that, in addition to  
21 penalties, the Commissioner shall, pursuant to Insurance Code Section 1858.4, suspend or revoke,  
22 in whole or in part, the license of any rating organization or the certificate of authority of any  
23 insurer with respect to the class or classes of insurance specified in that order, which fails to  
24 comply within the time limited by that order or any extension thereof which the commissioner  
25 may grant, with an order of the commissioner lawfully made by him or her pursuant to Insurance  
26 Code Sections 1858.3 and 1858.6.

27 The Department may amend this Notice to set forth additional willful noncompliant acts  
28 in violation of Chapter 9, Part 2, Division 1, of the Insurance Code and to seek additional penalties

1 in the amount of \$50,000.00 for each act.

2 Dated: March 25, 2026

CALIFORNIA DEPARTMENT OF INSURANCE

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By Melissa A. Wurster

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Melissa Wurster  
Staff Counsel

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