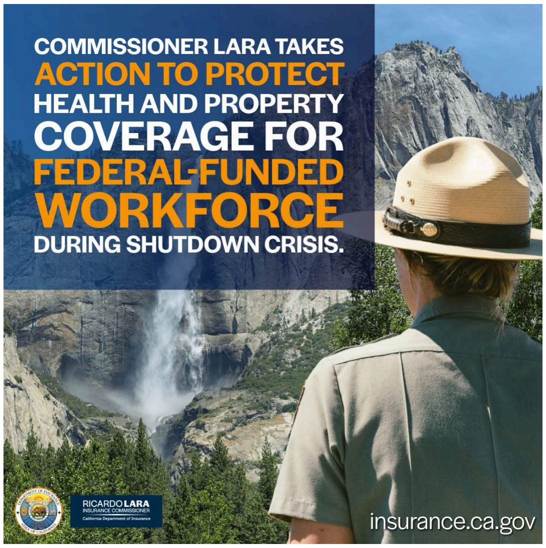
Commissioner Lara takes action to protect California’s federal workers during government shutdown

October 24, 2025 — As the federal government shutdown enters its fourth week, Insurance Commissioner Ricardo Lara is stepping up to safeguard California workers from losing their insurance coverage due to financial strain. He has issued a formal notice urging insurance companies to promptly implement protective measures for policyholders who depend on federal funding.



This action impacts approximately 160,000 civilian workers who, by law, could face cancellation or non-renewal of home, health, or other types of insurance if they are unable to pay premiums on time since the shutdown began on October 1. It also extends to small businesses and others affected by interrupted federal contracts and grants.

“Nobody should lose their health or home coverage because of Congress's ongoing inaction, especially during the current insurance crisis and challenging market conditions in our state,” said Commissioner Lara. “The federal government shutdown has serious consequences for Californians who are already struggling to find coverage and affordable options. It is crucial for us at the state level to take every possible measure to protect our civil servants and those who rely on federal funds during this leadership crisis and neglect of duty.”

Commissioner Lara’s notice requests that insurance companies provide the following measures for affected policyholders:

- **Grace Periods:** Postponing or withdrawing any previous notice of cancellation or non-renewal issued after October 1 due to non-payment of premiums. The notice requests that insurance companies maintain coverage in cases of unpaid premium for at least 30 days or for the duration of the federal shutdown, whichever is longer.
- **Waiver of Late Fees and Penalties:** Eliminating late fees and penalties associated with late payments.
- **Extension of Claims and Underwriting Deadlines:** This includes extending deadlines for submitting sworn proof of loss or other claim forms, conducting examinations under oath, medical examinations, physical inspections of insured property, and meeting required repairs to comply with underwriting guidelines, among others.