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2025

ANNUAL REPORT OF THE COMMISSIONER

California Department of Insurance

RICARDO LARA
CALIFORNIA INSURANCE COMMISSIONER

July 31, 2026

The Honorable Gavin Newsom
Governor, State of California
1021 O Street, Suite 9000
Sacramento, CA 95814

Dear Governor Newsom,

The California Department of Insurance (CDI or Department) respectfully submits the *2025 Annual Report of the Insurance Commissioner* as required by California Insurance Code section 12922. As set forth in statute, this report describes the condition of the insurance market in California and my Department's vital consumer protection role.

In my eight years serving as California's Insurance Commissioner, we have been repeatedly tested by disasters and growing challenges of climate change and global inflation. I have met these challenges by engaging with Californians like never before and taking executive and legislative action to meet their needs. I created the Sustainable Insurance Strategy, a bold and comprehensive plan to stabilize our state's insurance market by modernizing my Department's tools and holding all parties in the Prop. 103 rate filing process accountable.

The Los Angeles wildfires of 2025 were a real-time proving-ground. Without the Sustainable Insurance Strategy in place, California's insurance market would have faced a far more severe crisis, with insurers pausing coverage or withdrawing from California altogether, as well as acceleration of non-renewals, stalled rate filings for months or years, and no binding commitment from carriers to expand writing new business in the wildfire distressed areas of our state. Instead, insurers stayed, approvals moved faster, and the market is stabilizing at a moment when it could have collapsed.

Because of our actions, Californians have experienced dramatic, positive changes:

- From 2019 through 2025, the Department's expert review of insurance rate filings saved Californians $6.6 billion in premiums and secured $3.3 billion in refunds for drivers during the COVID-19 pandemic.
- 11 homeowners insurance groups expanding coverage in California under the SIS – with more to come.
- In July 2025, my Department completed its review of the first wildfire catastrophe model, paving the way for insurers to file their rate applications to close coverage gaps statewide. In September 2025, I announced major reforms to the intervenor process to bring transparency to the rate review process and prevent administrative

bottlenecks which can delay filings for months beyond statutory timelines. This benefits consumers through increased availability of insurance.

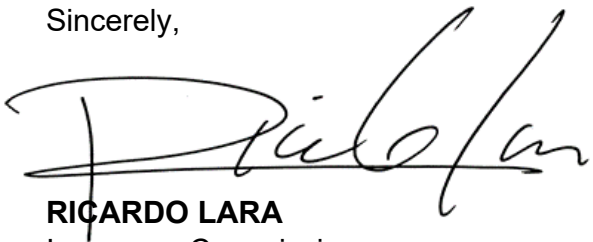
- Increased speed of rate change application review and approval times. All but one approved Sustainable Insurance Strategy filing has been completed in less than 120 days from Public Notice -- the fastest, most transparent rate-review environment California has ever had.

When the disastrous Los Angeles wildfires occurred in January 2025, my Department acted immediately – as we have after more than 120 disasters in my tenure. Tens of thousands of families were displaced, entire communities were contaminated by smoke, and the insurance system had to respond at a speed and scale it had never faced before. My Department enforced the law aggressively and, as of April 2026, 94% of claims have been paid fully or partially, with $158 million being returned to consumers through my Department's direct investigations. We have opened legal enforcement actions against several of California's largest companies to seek relief for wildfire survivors. Through it all, we have continued the important day-to-day work of my Department: making sure licenses are processed, businesses can thrive, drivers have access to the coverage options they need, and consumers are protected.

Through it all, we have continued looking to the future. We have been the most active Department in state history in sponsoring legislation to expand access to health insurance, improve disaster recovery, and strengthen our oversight of insurance companies in the face of unrelenting technological and climate change. When I became Insurance Commissioner eight years ago, I inherited a California insurance market in crisis with regulatory tools that were simply not up to the job. I have used every tool available to make real and lasting change, including updating our outdated regulations, driving forward legislative change, and engaging with consumers and our partners to amplify our efforts. The partnerships with you, the State Legislature, and many other stakeholders have been critical in achieving the success we have seen to date. I sincerely thank you for your support of my staff in ensuring the success of the Sustainable Insurance Strategy and strengthening my Department with encouragement, attention, and resources. Together, we have embraced innovative changes to create a more sustainable insurance market for our Golden State.

Should you or your staff have any questions regarding this report, please do not hesitate to contact me or my staff at MandatedReports@insurance.ca.gov. Thank you for your continued partnership.

Sincerely,



RICARDO LARA
Insurance Commissioner

cc: Erika Contreras, Secretary of the Senate
Sue Parker, Chief Clerk of the Assembly
Senator Steve Padilla, Chair, Senate Insurance Committee
Assembly Member Lisa Calderon, Chair, Assembly Insurance Committee
Cara L. Jenkins, Legislative Counsel

Highlights
California Department of Insurance

- **Commissioner Lara implemented landmark regulations as part of the Sustainable Insurance Strategy** to help make insurance more available and affordable to residents and businesses. Multiple new rate filings, containing **commitments to write and maintain policies in California's wildfire distressed areas** were submitted to the Department for review under the Sustainable Insurance Strategy. The Strategy uses a data-driven approach, based on **the multi-year wildfire data collections by CDI** to create a package of executive actions aimed at improving insurance choices and protecting Californians from increasing climate threats while addressing the long-term sustainability of the nation's largest insurance market. The **largest insurance reform** since state voters' passage of Proposition 103 nearly 35 years ago, California's Sustainable Insurance Strategy is a comprehensive approach building on Commissioner Lara's multi-year effort to modernize California's insurance market after meeting with thousands of Californians since he took office in 2019.

- As the co-chair of the National Association of Insurance Commissioners' (NAIC) Climate and Resiliency (EX) Task Force, Commissioner Lara worked with a **bipartisan group of state insurance regulators to implement** the first-ever **NAIC National Climate Resilience Strategy**. The Task Force developed two innovative tools to proactively address climate risks – the Natural Catastrophe Risk Dashboard and Forward-looking Scenario Testing. The goal of the NAIC National Climate Resilience Strategy for Insurance is to identify nationwide trends earlier to **drive faster and more effective risk reduction by state insurance regulators** to ensure that insurance continues to be available and reliable as a crucial backbone to communities facing climate risks.

- The Commissioner approved a **temporary expansion of FAIR Plan coverage** for high-value commercial properties, homeowners associations, and affordable housing developments, available July 26, 2025. This new "high-value" commercial coverage option would cover properties with limits up to $20 million for each building with a total maximum limit of $100 million per location, and is set to sunset on July 26, 2028, although policies issued on or before sunset could remain in effect for one year after policy inception. The Commissioner also **expanded transparency of the FAIR Plan** through increased reporting requirements effective July 1, 2025, including requiring them to post total exposures, policy counts, certain financial data, and other information on the FAIR Plan public website and share information with policymakers.

- Commissioner Lara issued Bulletin 2025-4 **protecting consumers from bearing the full cost of a FAIR Plan assessment**, with limitations placed on how insurers can recoup assessments from their policyholders. An insurer can only

seek to recoup up to half of its allocated assessment under $1 billion, subject to the Commissioner's prior approval under Proposition 103, via a temporary supplemental fee as a percentage of the policy premium for no more than two years and a prohibition of any pass-through of assessment costs on to consumers in future rates.

- The Rate Regulation Branch (RRB), in collaboration with other department branches, successfully implemented new regulations to allow insurers to start utilizing forward-looking catastrophe models and incorporate specified amounts of the net cost of reinsurance (NCOR) in their rate filings as part of Commissioner Lara's Sustainable Insurance Strategy designed to stabilize the homeowners and commercial property insurance marketplace in California.

- RRB began receiving Sustainable Insurance Strategy rate filings in the second half of 2025, of which **the first two filings were approved by year's end** with the **approvals taking on average less than 95 days**.

- In Fiscal Year 2024-2025, **Department detectives handled 2,343 cases, executed 407 search warrants, made 434 arrests, and submitted 570 cases to district attorneys for prosecution**. As a result, 358 defendants were convicted and 356 were sentenced from Fraud Division cases.

- The Fraud Liaison Bureau in the Department's Legal Branch **recovered approximately $23,848,000** in monetary penalties, costs recovery, and negotiated settlements in Qui Tam matters, resulting in **distributions of over $9,644,600 to CDI and the General Fund combined**.

- The Rate Enforcement Bureau in the Department's Legal Branch **assessed monetary penalties and required consumer refunds** that resulted in **distributions of over $7,000,000 to California consumers, CDI and the General Fund** as part of negotiated settlements in noncompliance matters involving Proposition 103 rating and underwriting violations by insurers.

- In 2025, the Department received 107,081 individual license applications, scheduled 76,989 license examinations, **issued 80,582 new licenses**, and **responded to 161,288 calls, chats, and email inquiries related to licensing**.

- CDI's Office of Insurance Diversity & Innovation published its first-ever Economic Impact Report – an inaugural publication that highlights the cumulative economic impact of California's insurance industry's procurement with the state's diverse business enterprises as a result of prior CDI-sponsored legislation. Among its key findings, California insurance companies that reported spending **$3.1 billion with diverse-owned businesses in California** have contributed a total economic output of **$6.7 billion to the state's economy, supporting more than 29,000 jobs and generating more than $917 million in state tax revenues**.

- CDI **sponsored 16 bills** in 2025, **8 of which were signed into law by the Governor** with 3 bills vetoed, 2 that did not move forward, and 3 turning into two-

year bills. Legislative Office staff closely monitored, provided technical assistance to, took positions on, and/or **advocated for or against 311 bills** this past legislative calendar.

- The California Organized Investment Network (COIN) has begun **raising $4.6 billion of capital in 2025** through its COIN Investment Bulletin program to **fund 20 approved investment opportunities** that benefit California's underserved communities, affordable housing projects, and environmental projects. The economic impact of these potential investments is estimated to **create over 24,000 jobs in the state**.

- The Health Actuarial Office's review of medical insurance rate increase filings led to voluntary rate reductions by insurers, **saving California consumers an estimated $42.7 million in 2025**.

- In 2025, the Office of the Special Counsel evaluated **or developed 23 rulemaking projects** and reviewed and **filed 10 rulemaking projects** with the Office of Administrative Law.

- In 2025, our efforts to serve consumers culminated in **201,939 telephone calls and in-person assistance with 62,286 complaints closed**.

- The Department **recovered $319,154,554 for consumers** as a result of direct intervention on consumer complaints and market conduct examinations.

- Consumer Services Division staff **deployed to 5 Local Assistance and Disaster Centers as well as 4 Disaster Recovery Workshops**. We **assisted 7,660 consumers face-to-face** to answer questions with regards to their rights and responsibilities and to help them receive additional living expense checks, contents advances, as well as on-site claims assistance supported by CDI staff in the Community Relations and Outreach Branch and the Enforcement Branch.

- The Department increased statewide consumer engagement by delivering **918 meetings and events**, partnering with **193 community organizations**, and hosting educational events with federal, state, county, and city offices—including **6 Congressional, 38 Senate, 51 Assembly, 107 county, and 161 city engagements**.

- Additional statewide initiatives included **114 senior focused in-person educational events** and significant growth in the California Low Cost Auto Insurance Program, which reached **66,998 active policies** – a more than **40% increase** from 2024. Through these efforts, the Department strengthened consumer protection, expanded access to services, and reinforced CDI's leadership in meeting California's evolving insurance needs.

- The Department issued **77 news releases and handled more than 750 media inquiries** in 2025 related to consumer protection and education, disaster

preparedness, improving access to insurance, promoting wildfire safety, fighting the effects of climate change, expanding access to health care, and protecting Californians from insurance fraud.

- To promote sound financial solvency regulation, the Department is subject to the accreditation reviews of the NAIC Financial Regulation Standards and Accreditation Program. In early 2025, our Financial Surveillance Branch, in partnership with the Legal Branch, **successfully underwent the Interim Annual Accreditation Review for the Department to maintain its Accredited status and CDI's accredited status was affirmed**.

2025 Organizational Chart
California Department of Insurance

OFFICE OF THE COMMISSIONER
- Conservation and Liquidation Office

ADMINISTRATION AND LICENSING SERVICES BRANCH
- Administrative Hearing Bureau
- Financial and Business Management Division
- Human Resources Management Division
- Information Technology Division
- Licensing Services Division

CLIMATE AND SUSTAINABILITY BRANCH
- Climate Risk and Sustainability
- Data Analytics and Reporting

COMMUNICATIONS AND PRESS RELATIONS BRANCH

COMMUNITY RELATIONS AND OUTREACH BRANCH
- California Low Cost Auto Insurance Program
- Community Relations and Outreach Northern California
- Community Relations and Outreach Southern California
- Office of the Ombudsman

CONSUMER SERVICES AND MARKET CONDUCT BRANCH
- Administrative Unit
- Consumer Law Unit
- Consumer Services Division
- Market Conduct Division

ENFORCEMENT BRANCH
- Fraud Division
- Investigation Division

EXECUTIVE OPERATIONS BRANCH
- Executive Operations and Scheduling
- Office of Civil Rights
- Office of Insurance Diversity and Innovation
- Office of Strategic Planning and Initiatives
- Organizational Accountability Office

FINANCIAL SURVEILLANCE BRANCH
- Field Examinations Division
- Financial Analysis Division

- Property Casualty Actuarial Office
- Life Actuarial Office
- Office of Principle-Based Reserving

LEGAL BRANCH
- Litigation Division
- Regulatory and Legal Services Division

POLICY AND LEGISLATION BRANCH
- California Organized Investment Network
- Health Actuarial Office
- Health Equity and Access Office
- Legislative Office

RATE REGULATION BRANCH
- Rate Actuary Office
- Rate Regulation Division

SPECIAL COUNSEL TO THE COMMISSIONER
- Special Counsel’s Office

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ADMINISTRATION *and* LICENSING SERVICES BRANCH

ADMINISTRATION AND LICENSING SERVICES BRANCH

The Administration and Licensing Services Branch (ALSB) provides administrative support services to CDI including budgets, accounting, business services, human resources, and information technology. The Branch also provides licensing services to insurance agents, brokers, adjusters, and bail agents, as well as aids the California Insurance Commissioner (Commissioner) in performing adjudicatory tasks. ALSB consists of:

- Administrative Hearing Bureau
- Financial and Business Management Division
- Human Resources Management Division
- Information Technology Division
- Licensing Services Division

ADMINISTRATIVE HEARING BUREAU

The Administrative Hearing Bureau (AHB) assists the Insurance Commissioner in performing adjudicatory tasks provided for by statute or regulation. Specifically, AHB provides Administrative Law Judges (ALJ) to conduct hearings authorized by the California Insurance Code (CIC) and its applicable regulations. As quasi-judicial officers, the ALJs must adhere to the tenets of the Model Code of Judicial Conduct as well as the California Code of Judicial Ethics. Accordingly, the ALJs must remain insulated from CDI's legal, enforcement, and regulatory branches.

Evidentiary Hearings

As directed by statute, AHB conducts formal and informal evidentiary hearings in accordance with the Administrative Procedure Act and other controlling statutes or regulations. Evidentiary hearings range from single-day trials to hearings lasting several weeks or months. Most hearings involve more than two parties, and all require expertise in insurance law as well as evidentiary procedure. All AHB hearings employ a court reporter, and many require significant pre- and post-hearing briefings. At the conclusion of hearings, the ALJs submit proposed decisions to the Commissioner, who then issues the final decision in each case. The ALJs also mediate disputes upon request, thereby avoiding the necessity of an evidentiary hearing.

AHB reviews Request for Compensation petitions referred by the Public Advisor pursuant to the CIC. AHB also, by delegation of the Commissioner, issues proposed decisions to the Public Advisor for adoption, amendment or rejection in such matters.

In 2025, AHB Judges presided over the following types of matters:

- Prior Approval Rate
- Applications for Written Consent by Prohibited Persons
- Requests for Compensation Petitions
- Workers' Compensation Insurance Rating Bureau (WCIRB) Non-Compliance
- Appeals from decisions of the WCIRB or insurance carriers regarding application of the workers' compensation insurance rating system and plans, including proceedings related to workers' compensation insurance rate filings

AHB also mediated resolutions in several workers' compensation appeals and issued decisions in Request for Compensation cases.

AHB primarily conducts in-person hearings, which are favored under state law and credited for their effectiveness in evaluating evidence, ensuring fairness, and maintaining public confidence. In-person formats reduce, if not eliminate, technical issues, support self-represented litigants, and encourage settlements. Remote service remains available when needed for accommodation. Hearings are streamed to comply with public access laws. Substantive aspects of Prop 103 cases continue to be managed entirely in person, with livestreaming for trials available to enhance public observation options.

In 2025, AHB opened 22 cases and closed 14 cases in the case types listed in the table below. These figures are still far below AHB's case load prior to the COVID-19 pandemic. However, the trend demonstrates that the number of workers' compensation insurance appeals continues to rebound each year.

2025 ADMINISTRATIVE HEARINGS BY CASE TYPE

CASE TYPE	OPENED	CLOSED
Prior Approval - Settlement	7	0
Prior Approval - Rates	30	0
Prohibited Persons	1	1
Request for Compensation Petitions	0	3
Workers' Compensation Appeals *(Including procedures re: rate filings)*	11	11

FINANCIAL AND BUSINESS MANAGEMENT DIVISION

The Financial and Business Management Division (FBMD) is responsible for ensuring the fiscal integrity and accountability of CDI's fiscal condition and administrative oversight over various business services. FBMD consists of the following bureaus:

- The Accounting Services Bureau (ASB) provides support and administrative services surrounding financial transactions, including payables, receivables, revolving fund, cashiering, general ledger, time/activity reporting systems for cost accounting purposes, security deposits, and Insurance (Premium) Tax collection to ensure effective management of CDI's financial affairs for accurate financial reports to state control agencies.

- The Budget and Revenue Management Bureau develops CDI's annual budget submitted to the Department of Finance, develops and monitors CDI annual budget allotments, monitors expenditures and revenue collection in FI$Cal for CDI, and develops various assessments that support CDI's operations.

- The Business Management Bureau provides a full range of administrative and business services in the areas of non-IT procurement, facilities, records, forms, reprographics, physical assets, fleet, emergency and continuity planning, mail, and supply services.

Tax Collection Program – ASB oversees the timely processing and reporting of Insurance (Premium) Tax filings filed by insurers and surplus line brokers. For calendar year 2024, ASB processed 3,579 tax returns. Additionally, CDI collected approximately $4.34 billion in Insurance (Premium) Tax revenue for Fiscal Year (FY) 2024-25 to support the state's General Fund.

PROCESSED TAX RETURNS
CALENDAR YEAR 2024

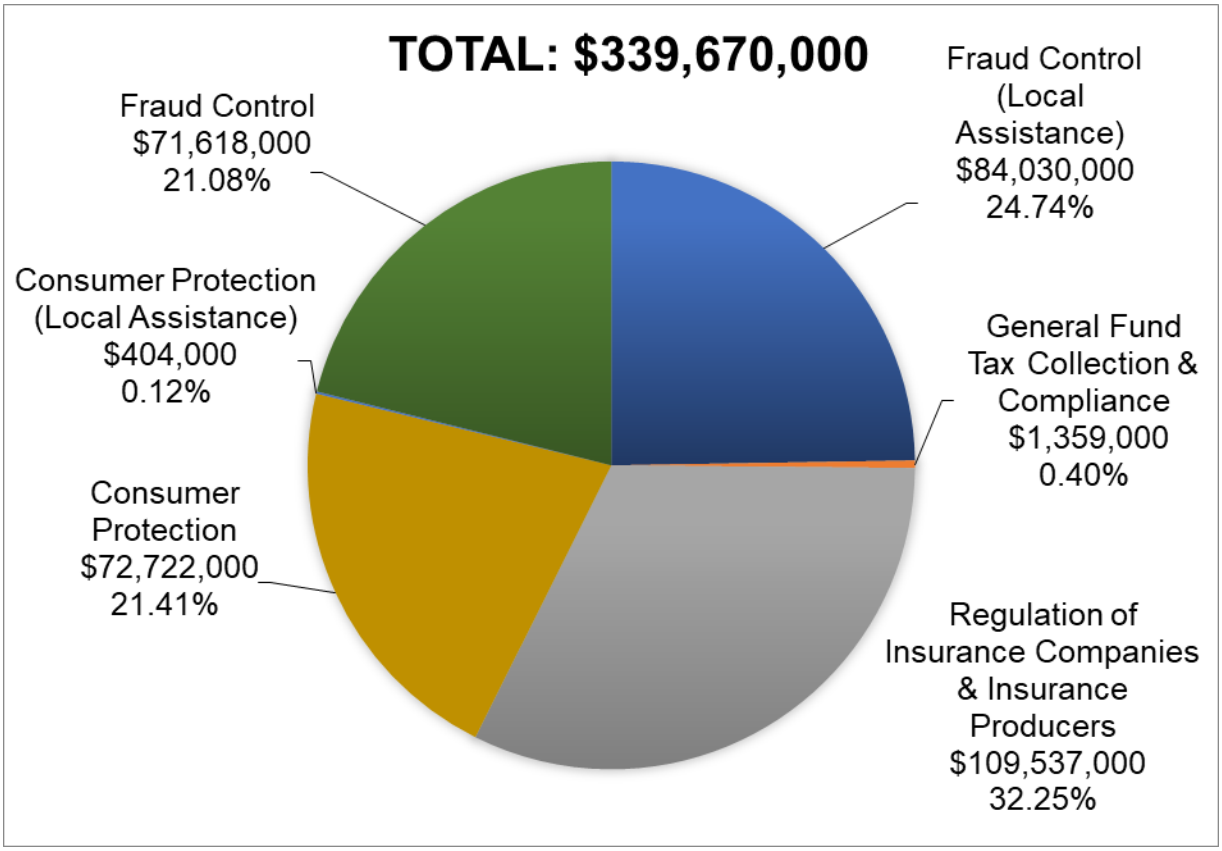
INSURANCE TYPE	NUMBER OF ANNUAL TAX RETURNS	TAX RATE	LAW REFERENCE
Surplus Line	1,558	3%	CIC § 1775.5
Property & Casualty	949	2.35%	RTC § 12202
Ocean Marine	602	5%	RTC § 12101
Life	434	2.35% or 0.5%	RTC § 12202
Title	23	2.35%	RTC § 12202
Home	13	2.35%	RTC § 12202
TOTAL	**3,579**		

California Insurance Code (CIC), California Revenue and Taxation Code (RTC)

FIVE-YEAR SUMMARY OF INSURANCE (PREMIUM) TAXES
COLLECTED BY CDI FOR THE STATE'S GENERAL FUND

FISCAL YEAR	TAXES COLLECTED
2020-21	$2,959,124,000
2021-22	$3,616,208,000
2022-23	$3,623,038,000
2023-24	$3,958,513,000
2024-25	$4,343,206,000

TOTAL EXPENDITURES BY PROGRAM
FISCAL YEAR 2024-25



Note: The chart "Total Expenditures by Program, Fiscal Year 2024-25" includes Distributed Administration expenditures of $43,957,000. (Distributed Administration represents the cost of centralized administrative functions that benefit all CDI programs and include Executive Operations, Financial and Business Management, Human Resources Management, Information Technology, and other essential administrative functions. The costs of these administrative functions are passed on to all CDI programs as an indirect cost.)

CDI's expenditures fall into the following categories:

- **Personal Services** – Costs related to services performed by CDI employees to support operations. This includes salaries, wages, and staff benefits.
- **Operating Expenses and Equipment** – Costs of goods and services (other than personal services previously defined) incurred by CDI to support its operations.
- **Local Assistance** – Funds provided to local entities (e.g., district attorneys) in support of CDI's programs.

EXPENDITURES BY CATEGORY
FISCAL YEAR 2024-25

CATEGORY	EXPENDITURES
Personal Services	$202,499,000
Operating Expenses and Equipment	$52,737,000
Local Assistance	$84,434,000
TOTAL	**$339,670,000**

Revenues – In FY 2024-25, CDI generated $372.0 million in revenue for the Insurance Fund and General Fund from fees, licenses, and various assessments paid by insurers, insurance producers, other licensees, fines and penalties, and settlement and judgements. Insurance Fund revenue generally is received from insurance companies and insurance producers that CDI regulates. Both insurers and producers pay license, filing, and other fees. General Fund revenue generally is received as a result of examinations of insurers and civil actions related to qui-tam cases.

REVENUE COLLECTION BY TYPE
FISCAL YEAR 2024-25
INSURANCE FUND

TYPES OF REVENUE	AMOUNT	% OF TOTAL
Fraud (shown by subset below):	$149,154,000	42.56%
-Workers' Compensation	($90,283,000)	-60.53%
-Auto ($1.50)	($43,251,000)	-29.00%
-Disability and Healthcare	($9,261,000)	-6.21%
-General	($6,359,000)	-4.26%
Fees and License	$107,312,000	30.63%
Proposition 103	$53,869,000	15.37%
Examination Fees	$22,938,000	6.55%
Auto Consumer Services ($0.26)	$9,154,000	2.61%

Principle-Based Reserving (Life/LTC)	$4,619,000	1.32%
Seismic Safety	$1,353,000	0.39%
Independent Medical Review	$943,000	0.27%
Life and Annuity	$1,050,000	0.30%
TOTAL	**$350,392,000**	**100.00%**

The revenue reflected in the table “Revenue by Collection Type, Fiscal Year 2024-25, Insurance Fund” was generated from the following assessments:

- **Fraud** – Fraud Control revenue is derived from the following fees and assessments:
    - Fraud Workers’ Compensation – Annual assessment determined by the Fraud Assessment Commission used to fund workers' compensation fraud investigation and prosecution.
    - Fraud Auto ($1.50) – Annual assessment for each vehicle insured. $1.00 funds the investigation and prosecution of automobile insurance fraud and $0.50 funds the organized automobile Fraud Activity Interdiction Program (self-assessed quarterly).
    - Fraud Disability and Healthcare – Annual assessment not to exceed $0.20 for each insured person to fund investigation and prosecution of fraudulent disability insurance claims.
    - Fraud General – Annual assessment up to $5,100 for each insurer doing business in the state to support the Fraud Division.
- **Fees and License** –
    - License Fees and Penalties – Fees to cover the cost of issuing and making changes to licenses (paid by companies and individual licensees) to support the Department’s general operations.
    - General Fees – Fees to cover the costs associated with processing and maintaining Action Notices, Policy Approvals, Insurer Certifications, Annual Statements, and Workers’ Compensation Rate Filings.

- **Proposition 103** – Annual assessment to recover costs of administering Proposition 103 including participating in rate hearings and conducting inquiries into consumer complaints.

- **Examination Fees** – Hourly rate developed annually to recover the costs of performing insurance practice exams, financial analysis reviews, field exams, and actuarial reviews.

- **Auto Consumer Services ($0.26)** – Annual assessment for each vehicle insured to fund the consumer services functions related to regulating automobile insurers. Part of the fee (i.e., up to $0.05) is specifically used to support the California Low-Cost Auto Program (self-assessed quarterly).

- **Principle-Based Reserving** –

    - Life – Annual assessment for costs associated with principle-based reserving valuation.

    - Long-Term Care – Annual assessment for costs associated with principle-based reserving for long-term care policies.

- **Seismic Safety** – Annual assessment up to $0.15 per earned property exposure to fund the Office of Emergency Services - Seismic Safety Commission (pass-through from CDI to the Commission).

- **Independent Medical Review** – Annual assessment to cover the costs of administering the Independent Medical Review System.

- **Life and Annuity** – Annual fee of $1.00 for each individual life insurance and individual annuity product issued (self-assessed bi-annually).

REVENUE COLLECTION BY TYPE
FISCAL YEAR 2024-25
GENERAL FUND

TYPES OF REVENUE	AMOUNT
Penalty Assessments	$6,528,000
Settlement and Judgements	$15,073,000
-Settlement and Judgements (Non-Qui-Tam)	($0)
-Settlement and Judgements (Qui-Tam)	($15,073,000)
TOTAL	**$21,601,000**

The revenue reflected in the table “Revenue by Collection Type, Fiscal Year 2024-25, General Fund” was generated from the following assessments/settlements:

- **Penalties Assessments/Settlement and Judgements (Non-Qui-tam)** – Penalties assessed due to examinations conducted by CDI and the associated enforcement related actions/settlements.

- **Settlement and Judgements (Qui-tam)** – CDI monitors and prosecutes civil qui tam actions, filed under the Insurance Frauds Prevention Act pursuant to California Insurance Code section 1871.7. Per this statute, any assessments and fees awarded from these cases are paid to the General Fund. This same statute also provides for the Legislature to appropriate these funds to CDI to be used for enhanced fraud and investigation efforts.

HUMAN RESOURCES MANAGEMENT DIVISION

The Human Resources Management Division (HRMD) is responsible for all personnel matters and provides overall policy direction on human resource functions related to the management of employees. HRMD supports the organization in recruiting, training, and retaining a high-quality workforce. The Division is responsible for the following functions:

- Administering employee pay and benefits

- Monitoring and ensuring compliance with state and federal laws, rules, and regulations related to personnel administration and employee relations

- Determining appropriate position classification, gathering and evaluating pay data, tracking position movement, and managing the examination and recruitment programs

- Facilitating cooperative and productive labor relations among CDI employees and respective labor organizations

- Overseeing the Employee Assistance Program, Reasonable Accommodation Program, Employee Recognition Program, Safety Program, Wellness Program, and Return to Work Program

- Developing, delivering, and coordinating in-house instructor-led and web-based training

- Providing ongoing management advice and consultation concerning human resource issues

- Administering career development, and employee engagement services and programs

INFORMATION TECHNOLOGY DIVISION

The Information Technology Division (ITD) is responsible for providing reliable, supportable, and innovative information technology (IT) services and solutions to the Department to meet business and operational requirements. ITD consists of the following bureaus:

- **The Application Development and Maintenance Bureau (ADAM)** provides custom software development and supports a variety of commercial-off-the-shelf products/applications to meet the business needs of the Department. ADAM keeps abreast of the latest application tools and technology advancements, including maintaining CDI's internet and intranet application servers, as well as supporting and improving usability of CDI's website content, online services, and intranet.

- **The Business Technology Management Bureau (BTMB)** provides departmental and divisional support which includes IT procurement, IT project management, IT business analysis, control agency compliance, division expenditure tracking and human resources coordination, IT and Department infrastructure budget tracking and monitoring, and training request coordination. BTMB also coordinates the development of the IT Strategic Plan with a focus on Department-wide strategic IT projects.

- **The Statewide Network Support Bureau (SNSB)** provides departmental support for the technology infrastructure consisting of telecommunication services, Local Area Network, Wide Area Network, hardware and software installation, e-mail services, video services, security, and maintenance for personal computers and other devices. SNSB monitors and maintains the Oracle database infrastructure, commonly referred to as the 'middle tier', and hosts all production data in-house serving as CDI's Data Center.

LICENSING SERVICES DIVISION

The Licensing Services Division (LSD) is responsible for ensuring all license applicants and licensees meet all eligibility requirements specified in the California Insurance Code and the California Code of Regulations. On July 1, 2024, LSD restructured its bureaus to align the licensing and background staff to optimize tasks and duties to streamline operations. LSD consists of the following newly named bureaus:

- **The Licensing and Administrative Business Bureau** issues, maintains, and updates records of all insurance agents, brokers, adjusters, bail agents, and other licenses; obtains information and documentary evidence regarding criminal

convictions and other adverse actions in the backgrounds of individual and business entity license applicants and licensees; and completes LSD's administrative functions.

- **The Curriculum and Licensing Background Bureau** prepares and administers written qualifying insurance examinations; reviews and approves education courses submitted by insurance companies, educational institutions, and others; analyzes evidence and makes recommendations as to the actions, if any, to be taken against individual or business entity applicants and licensees; performs background reviews of insurance company officers and individuals seeking appointment by the Commissioner to various boards and committees; and assists in processing the applications of non-admitted insurers applying to be added to the Department's List of Approved Surplus Line Insurers.

LICENSE PROCESSING STATISTICS
CALENDAR YEARS 2024 AND 2025

WORKLOAD	2024	2025	PERCENTAGE CHANGE
Individual License Applications Received	104,807	107,081	2%
License Examinations Scheduled	74,172	76,989	4%
New Licenses Issued	82,944	80,582	-3%
Licenses Renewed	172,071	189,206	10%
Insurer Appointments/Terminations	942,173	977,487	4%
Bonds Processed	1,715	2,275	33%
Licensing Calls	102,304	121,359	19%
Licensing Chats	21,086	17,043	-19%
Email Inquiries	65,224	22,886	-65%

APPLICATIONS RECEIVED BY LICENSE TYPE
CALENDAR YEARS 2024 AND 2025

LICENSE TYPE	2024	2025	PERCENTAGE CHANGE
Life	24,261	25,732	6%

LICENSE TYPE	2024	2025	PERCENTAGE CHANGE
Property and Casualty	17,149	19,177	12%
Accident / Health or Sickness	12,553	11,682	-7%
Personal Lines	12,339	11,216	-9%
Limited Lines Automobile	381	257	-33%

NEW LICENSES ISSUED BY LICENSE TYPE
CALENDAR YEARS 2024 AND 2025

LICENSE TYPE	2024	2025	PERCENTAGE CHANGE
Life	51,268	51,410	0.3%
Accident / Health or Sickness	40,582	39,677	-2%
Property and Casualty	13,738	29,390	114%
Personal Lines	11,277	9,955	-12%
Limited Lines Automobile	333	246	-26%

LICENSE BACKGROUND STATISTICS
CALENDAR YEARS 2024 AND 2025

WORKLOAD	2024	2025	PERCENTAGE CHANGE
Insurance agent and broker background reviews	5,280	4,879	-8%
Cases referred to Legal Branch for disciplinary action	125	105	-16%
Insurance agent and broker alternative resolution program cases	961	924	-4%
Insurance company officer and director background reviews	470	427	-9%

WORKLOAD	2024	2025	PERCENTAGE CHANGE
Updates to List of Approved Surplus Line Insurers	9	8	-11%
Orders of Administrative Bar for cheating on examinations	20	42	110%
Commissioner Board and Committee appointments background reviews	38	17	-55%

LSD Licensing Examination First-Time Pass Rates:

The following tables are the examination pass rates for individuals taking the license examination on their first attempt. In addition to the pass rates for each license type, a breakdown of first-time pass rates by gender, ethnic group, and education levels is also included, which the examinees provide to CDI on a voluntary basis.

FIRST-TIME EXAMINATION PASS RATES
CALENDAR YEAR 2025

LICENSE TYPE	EXAMINEES	PASS RATE
Property / Casualty	3,153	57%
Life and Accident / Health or Sickness	9,117	60%
Life	10,075	63%
Accident / Health or Sickness	2.565	76%
Personal Lines	1,015	45%
Limited-Lines Automobile	174	66%

FIRST-TIME EXAMINATION PASS RATES BY GENDER
CALENDAR YEAR 2025

LICENSE TYPE	EXAMINEES	PASS RATE
Property / Casualty -		
Female	2,553	53%
Male	2,432	63%
Declined to Participate	325	61%
Life and Accident / Health or Sickness -		
Female	6,419	58%
Male	6,946	64%
Declined to Participate	1,460	62%
Life -		
Female	6,544	63%
Male	7,001	70%
Declined to Participate	2,346	51%
Accident / Health or Sickness -		
Female	1,562	73%
Male	1,505	79%
Declined to Participate	219	83%
Personal Lines -		
Female	1,025	37%
Male	858	53%
Declined to Participate	364	57%
Limited Lines Automobile -		
Female	188	63%
Male	68	74%
Declined to Participate	9	67%

FIRST-TIME EXAMINATION PASS RATES BY ETHNIC GROUP
CALENDAR YEAR 2025

LICENSE TYPE	EXAMINEES	PASS RATE
Property / Casualty -		
American Indian / Alaskan Native	28	43%
Asian	680	64%
Black	210	47%
Filipino	106	63%
Hispanic	1,479	44%
Pacific Islander	33	58%
White	1,808	69%
Declined to Participate	966	60%
Life and Accident / Health or Sickness -		
American Indian / Alaskan Native	82	63%
Asian	2,581	67%
Black	1,261	50%
Filipino	694	51%
Hispanic	2,896	46%
Pacific Islander	110	50%
White	4,159	74%
Declined to Participate	3,042	62%
Life -		
American Indian / Alaskan Native	73	67%
Asian	1,835	76%
Black	1,540	64%
Filipino	668	70%
Hispanic	4,292	58%
Pacific Islander	109	65%
White	2,655	80%
Declined to Participate	4,719	55%

FIRST-TIME EXAMINATION PASS RATES BY ETHNIC GROUP
CALENDAR YEAR 2025 (Continued)

LICENSE TYPE	EXAMINEES	PASS RATE
Accident / Health or Sickness -		
American Indian / Alaskan Native	22	73%
Asian	464	80%
Black	341	71%
Filipino	106	70%
Hispanic	805	68%
Pacific Islander	24	54%
White	870	84%
Declined to Participate	654	80%
Personal Lines -		
American Indian / Alaskan Native	3	33%
Asian	75	71%
Black	127	50%
Filipino	20	55%
Hispanic	1,104	39%
Pacific Islander	8	38%
White	257	60%
Declined to Participate	653	49%
Limited Lines Automobile -		
American Indian / Alaskan Native	1	0%
Asian	0	0%
Black	2	50%
Filipino	0	0%
Hispanic	211	68%
Pacific Islander	0	0%
White	4	75%
Declined to Participate	47	55%

FIRST-TIME EXAMINATION PASS RATES BY EDUCATION LEVEL
CALENDAR YEAR 2025

LICENSE TYPE	EXAMINEES	PASS RATE
Property / Casualty -		
High School/ GED	828	43%
Some College	1,323	50%
2-Year College Degree	404	54%
4-Year College Degree	1,736	71%
Master's Degree	331	75%
Doctoral Degree	29	82%
Declined to Participate	616	57%
Life and Accident / Health or Sickness -		
High School/ GED	1,750	42%
Some College	2,970	52%
2-Year College Degree	1,249	53%
4-Year College Degree	4,706	72%
Master's Degree	1,540	77%
Doctoral Degree	244	82%
Declined to Participate	2,231	60%
Life -		
High School/ GED	2,958	54%
Some College	3,438	65%
2-Year College Degree	1,235	69%
4-Year College Degree	2,891	82%
Master's Degree	910	84%
Doctoral Degree	132	91%
Declined to Participate	4,150	52%

FIRST-TIME EXAMINATION PASS RATES BY EDUCATION LEVEL
CALENDAR YEAR 2025 (Continued)

LICENSE TYPE	EXAMINEES	PASS RATE
Accident / Health or Sickness -		
High School/ GED	444	59%
Some College	779	72%
2-Year College Degree	344	74%
4-Year College Degree	969	84%
Master's Degree	263	88%
Doctoral Degree	42	95%
Declined to Participate	413	80%
Personal Lines -		
High School/ GED	596	30%
Some College	630	48%
2-Year College Degree	154	51%
4-Year College Degree	256	62%
Master's Degree	27	70%
Doctoral Degree	1	100%
Declined to Participate	568	52%
Limited Lines Automobile -		
High School/ GED	159	64%
Some College	50	68%
2-Year College Degree	9	78%
4-Year College Degree	8	100%
Master's Degree	1	100%
Doctoral Degree	0	0%
Declined to Participate	38	58%

FIRST-TIME EXAMINATION PASS RATES BY LANGUAGE
CALENDAR YEAR 2025

LICENSE TYPE	EXAMINEES	PASS RATE
Property / Casualty -		
Chinese (Simplified)	27	36%
English	3,154	57%
Korean	9	47%
Spanish	11	17%
Tagalog*	1	25%
Vietnamese	1	33%
Life and Accident / Health or Sickness -		
Chinese (Simplified)	469	74%
English	9,117	60%
Korean	98	60%
Spanish	115	26%
Tagalog*	5	26%
Vietnamese	5	16%
Life -		
Chinese (Simplified)	942	81%
English	10,075	63%
Korean	11	42%
Spanish	463	34%
Tagalog*	2	33%
Vietnamese	3	30%

FIRST-TIME EXAMINATION PASS RATES BY LANGUAGE
CALENDAR YEAR 2025 (Continued)

LICENSE TYPE	EXAMINEES	PASS RATE
Accident / Health or Sickness -		
Chinese (Simplified)	67	74%
English	2,565	76%
Korean	26	79%
Spanish	62	61%
Tagalog*	0	0%
Vietnamese	3	43%
Personal Lines -		
Chinese (Simplified)	1	25%
English	1,015	45%
Korean	1	100%
Spanish	16	18%
Tagalog*	0	0%
Vietnamese	0	0%
Limited Lines Automobile -		
Chinese (Simplified)	1	100%
English	174	65%
Korean	0	0%
Spanish	3	75%
Tagalog*	0	0%
Vietnamese	0	0%

2025 ANNUAL REPORT

CLIMATE *and* SUSTAINABILITY BRANCH

CLIMATE AND SUSTAINABILITY BRANCH

The Climate and Sustainability Branch (CSB) was established in January 2019 to develop and oversee policy initiatives related to understanding and reducing climate risk and promoting a sustainable insurance market in California. The climate and sustainability portfolio includes contributing to policy development for climate resilience to wildfire, flood, storms, and extreme heat and cold risks, collecting and analyzing climate risk and insurance market data, exploring new scenario analyses of physical and transition risks, leading new initiatives through the National Association of Insurance Commissioners (NAIC) Climate Risk and Resilience Executive Task Force, and implementing recent legislation and regulations, including on the use of catastrophe modeling, net cost of reinsurance, and risk mitigation actions. The following summary describes some of the highlights from 2025, all aligning with the California Department of Insurance's (CDI) focus on Disaster Recovery and Climate Change.

Implementation of Insurance Data Collections and Reporting

CSB coordinated and implemented a substantial year for the collection and use of CDI-collected data on many issues, including wildfire risk and insurance, and annual overviews of different insurance lines to inform CDI policy priorities and decisions. The Data Analytics and Reporting (DAR) Division collected, analyzed, and reported data on non-renewals and FAIR Plan policies in the residential market, implemented data collections on losses in relation to wildfire risk categories, and provided regular updates to the Department's wildfire data webpage to provide a consistent, publicly accessible place for data resources related to wildfire. This data provided the backbone of information used to implement the Commissioner's Sustainable Insurance Strategy, including regulations adopted in 2024. Among the many data-driven reports and information releases in 2025, DAR produced an innovative new rapid-response "Wildfire Claims Tracker" in response to the Eaton and Palisades Fires, based on successive rapid data calls to share claims and losses with the public.

Implemented major components of the Sustainable Insurance Strategy Regulations on Catastrophe Modeling, Distressed Areas, and Net Cost of Reinsurance

CSB staff collaborated with the Department's Office of Special Counsel, Rate Regulation Branch and Legal Branch to implement the new regulations of the Sustainable Insurance Strategy. This included the first-ever model reviews of three wildfire catastrophe models used by California insurers, the first-ever analysis of confidential reinsurance data, and the analysis and development of wildfire distressed areas to align insurance company commitments to grow and maintain policies in wildfire risk areas of California. The new Sustainable Insurance Strategy regulations are the most substantial regulatory changes in over thirty years and include, for the first time ever, commitments by insurance companies to write more policies in wildfire distressed areas.

These areas serve as the essential guidance system for where insurance availability is most concentrated and where insurance companies should target their increase in written policies.

Took major steps to implement the NAIC National Climate Resilience Strategy for Insurance

In 2025, CSB worked with the NAIC Climate and Resiliency Executive Committee Task Force members to finalize the first two deliverables of the National Climate Resilience Strategy:

- A nationwide Natural Catastrophe Risk Dashboard. The Dashboard brings together national and international metrics for climate risks, insurance coverage trends, protection gaps, and catastrophe losses related to wildfires, severe convective storms, extreme heat and cold, hurricanes, and flooding risks.

- In addition, the Task Force, led by California, tested forward-looking scenarios to better understand the solvency implications of high severity wildfires and hurricanes on the insurance sector.

The goal of the NAIC National Climate Resilience Strategy for Insurance is to identify nationwide trends earlier to drive faster and more effective risk reduction by state insurance regulators to ensure that insurance continues to be available and reliable as a crucial backbone to communities facing climate risks.

Implementation of Novel Rapid-Response Claims Tracker Strategy

In response to the Eaton and Palisades Fires in January 2025, CSB created a novel, rapid-response claims tracking system to inform the public on the scope of claims payments by insurers. DAR implemented successive, quick-turnaround data collections focused on residential and commercial losses and claims to publish information within three weeks of the fires.

The "Los Angeles County Wildfire Claims Tracker" was then updated every few weeks until four months had passed, and then approximately quarterly from there forward. This innovative approach to claims data provided the public with a consistent portfolio of metrics to track the progress of claims payments, increased public understanding of disaster recovery funding, and helped inform CDI decision-making. Additionally, this new strategy provides a chronology of the first few weeks of insurance sector response to a catastrophic fire, which will be used by CDI and other state regulators to prepare consumer assistance strategies for future catastrophic wildfires.

Advanced insurance regulator understanding of protection gaps, solvency implications, and use of long-term climate risk scenarios

As a member of the International Association of Insurance Supervisors, and in collaboration with 13 other insurance regulators from jurisdictions across the globe, CDI co-authored multiple reports on key climate risk and resilience issues for insurance availability and affordability:

- Published in November 2025, a special topic edition of the Global Insurance Market Report (GIMAR), focusing on the potential financial stability implications of natural catastrophe (NatCat) insurance protection gaps. The report draws on six detailed case studies, including historical events and forward-looking scenarios, to illustrate the diverse impacts from NatCat events and how insurance protection gaps could pose risks to financial stability. It assesses the key drivers, trends and impacts of these gaps and emphasizes the importance of coordinated global action.

- Published in May 2025, an Application Paper to support insurance regulators in their efforts to integrate climate-related risks in their supervision of the insurance sector. Climate-related risks are a source of financial risk that can impact the resilience of communities with substantial protection gaps, as well as financial stability of insurers and the economy. This paper specifically focused on clarifying climate risks within macroprudential supervision, evaluation of climate scenario analyses and review of market-conduct related issues.

2025 ANNUAL REPORT

COMMUNICATIONS *and* PRESS RELATIONS BRANCH

COMMUNICATIONS AND PRESS RELATIONS BRANCH

The Communications and Press Relations Branch (CPRB) manages communications within the California Department of Insurance (CDI) and disseminates CDI's work on behalf of the public to consumers, media, CDI staff, and other stakeholders at the local, state, national, and international level.

The function of CPRB is to keep a wide variety of stakeholders, such as media, the general public, consumer advocates, the Governor's Office, allied agencies, public policy officials, and regulated entities informed about significant insurance issues and actions. CPRB staff works closely with other branches of the Department to advance CDI's goals and objectives, and serves as an effective liaison with the media (including television, newspapers, radio, online publications, and bloggers) via press releases, phone calls, emails, social media outreach, videos, and events.

During 2025, major initiatives included:

- **Consumer Protection and Education:** CPRB communicated and coordinated with numerous international, national, state, and local reporters to promote the Consumer Services and Market Conduct Branch and Consumer Hotline. The Branch supported outreach regarding pending legislation, including media coverage, developing fact sheets, consumer stories, in person and virtual events, briefing calls, town halls, and graphic design and promotion.

- **Eaton and Palisades Wildfire Recovery:** CPRB worked with the Commissioner, the Community Relations and Outreach Branch, the Consumer Services Division and other internal and external partners to organize recovery efforts for survivors impacted by the historic Eaton and Palisades fires. CPRB worked with media, disseminated press releases, organized press conferences, assisted with wildfire recovery town halls, and created digital resources for survivors.

- **Improving Access to Insurance:** CPRB worked with multiple branches across the Department to announce and implement major milestones of the Sustainable Insurance Strategy implementation, a comprehensive approach building on Commissioner Lara's multi-year effort to modernize California's insurance market and the largest insurance reform since the passage of Proposition 103. CPRB coordinated press conferences, media briefings, press releases, fact sheets, videos, graphics, PowerPoints and numerous other materials to support each of the executive actions and announcements that were part of the Department's efforts to improve insurance choices for consumers and stabilize the insurance market as part of the Sustainable Insurance Strategy.

- **Promoting Wildfire Safety:** CPRB worked with agencies and other stakeholders to continue to promote Safer from Wildfires, the insurance framework for wildfire safety. This included a public education effort in support of new insurance pricing

regulation recognizing and rewarding wildfire safety and mitigation efforts made by homeowners and businesses. Commissioner Lara's regulation is the first in the nation requiring insurance companies to provide discounts to consumers under the Safer from Wildfires framework.

- **Fighting the Effects of Climate Change:** In addition to the continued work of the Climate Insurance Working Group, CPRB produced press releases, speeches, and social media by the Commissioner about his comprehensive effort to reduce the effects of climate change. CPRB produced video, social media, press releases, talking points, PowerPoint presentations, and arranged interviews with reporters to highlight the work of the Department, the Commissioner, the National Association of Insurance Commissioners (NAIC), and partners from around the world focused on climate solutions.

- **Increasing Access to Health Care:** CPRB produced news materials, press releases, and speeches by the Commissioner about proposed changes to increase access to health care, including continuing the fight for health protections for LGBTQ+ individuals and defending the right to reproductive freedom in the face of continued attacks. CPRB arranged interviews about health insurance changes and other health care system information to media outlets across the nation.

- **Protecting Californians from Insurance Fraud:** CPRB produced multiple news materials, press releases, and speeches about the efforts to curb insurance fraud. CDI partnered with district attorneys across the state to not only fight insurance fraud but to deliver strong deterrent messages and warn the public of potential scams following disasters as well as the consequences and dangers of insurance fraud, including the creation of a new Insurance Fraud Task Force focused on protecting survivors of the Los Angeles wildfires. CPRB worked with the Enforcement Branch to produce Public Service Announcements to share with media and consumers.

- **Message Amplification through Social Media:** CPRB expanded CDI's presence on social media and launched stories and videos to deliver relevant and timely information about resources for consumers, to inform the public about breaking news, and to participate in several state and national campaigns, including Wildfire Awareness Month, International Fraud Awareness Week, the Great California Shakeout, National Preparedness Month, and Public Service Recognition Week. CPRB also increased consumer engagement on social media, increasing CDI's audience and reach while sharing important information for consumers.

2025 ANNUAL REPORT

COMMUNITY RELATIONS *and* OUTREACH BRANCH

COMMUNITY RELATIONS AND OUTREACH BRANCH

The Community Relations and Outreach Branch (CROB) is dedicated to consumer education and outreach, working with our partners in federal, state, and local elected district offices. Together, we expand CDI's efforts to assist wildfire survivors, local governments, small businesses, community service organizations, neighborhood associations, and consumers in accessing the Department's services. This includes educating consumers through the development and distribution of insurance Informational Guides in print and online to meet consumer needs and statutory provisions in compliance with California Insurance Code (CIC) Section 12921.3 and 12921.5.

CONSUMER EDUCATION AND OUTREACH

A dedicated team of outreach professionals collaborate with federal, state, county, and local city elected officials' district offices to inform a variety of groups on timely and important insurance topics. In addition to providing speakers at regularly scheduled events, staff works collaboratively with these partners to organize workshops, health forums, town hall meetings, seminars, roundtables and educational panels to promote and deliver comprehensive consumer education.

Wildfire survivors dealing with ongoing insurance claims issues are assisted through workshops held in their local areas in conjunction with the Consumer Services Division. In addition to CDI's hotline, 1-800-927-4357, CROB provides guides to help consumers understand insurance coverages and terms, prepare them for the process of making and settling a claim and help them avoid some of the pitfalls that can occur along the way.

In 2025, the Department continued to strengthen its consumer outreach through a coordinated mix of in-person events, virtual presentations, email communications, and social media engagement. These efforts ensured that timely and relevant insurance information reached diverse communities across the state, including those most affected by economic, linguistic, or technological barriers.

Email-based Consumer Alerts remained a core component of the Department's communication strategy. In 2025, these alerts generated 246,238 impressions, with an 8 percent click-through rate and a 27 percent open rate—performance levels that exceed national benchmarks for government and public-sector email outreach. These metrics reflect both the relevance of the content and the Department's continued focus on delivering clear, actionable information to consumers.

Social media also played a critical role in expanding public access to insurance resources. The Department's Facebook audience grew to 5,688 followers, representing a 5 percent increase over the previous year. This growth demonstrates sustained public

interest and the effectiveness of digital engagement strategies aimed at connecting with consumers across multiple platforms.

Through these combined efforts, the Department increased its visibility, broadened its engagement with Californians, and ensured that accurate insurance information remained widely accessible through trusted, high-reach communication channels.

During 2025, CROB engaged with every federal, state, county and local city elected official district office to expand CDI's efforts to inform consumers about the services available through the Department. CROB held meetings, roundtable discussions, townhalls, and hosted informational booths at events, among other efforts. Meetings and events included:

- Six events with Members of Congress, 38 events with Members of the California Senate, 51 events with Members of the Assembly, 107 events with county officials and 161 events with city officials.

- Partnered with 193 local community-based organizations, including chambers of commerce, national, state-wide, and local service associations.

- The CROB Outreach Team held a total of 918 virtual and in-person insurance informational meetings and events focusing on insurance resources, wildfire preparedness, annuities and fraud awareness for seniors. Events included town halls, briefings, roundtables, exhibits, clinics, forums, and virtual Zoom and Facebook Live events that informed consumers on actions taken by the Commissioner to assist consumers.

Disaster Response Workshops

In response to the wildfires in Altadena and Pacific Palisades and the urgent needs that followed, Commissioner Lara directed CDI branches to organize a series of Insurance Support Workshops. CROB coordinated these efforts, providing 1,726 residents with critical insurance claims assistance and recovery resources. Participants met directly with CDI experts for guidance and later were escorted to meet with their insurance company representatives, including the California FAIR Plan. CROB partnered with several community organizations and the National Association of Insurance Commissioners to provide additional on-site services such as SBA/FEMA support, mental health counseling, childcare, and pet-care stations – ensuring families could focus on navigating their insurance needs during a difficult time.

To meet the scale of community demand, we partnered closely with Consumer Services and Enforcement branches, mobilizing more than 100 CDI staff across four weekend workshops. Their collective expertise and presence allowed us to deliver immediate, hands-on support and ensure affected Californians received the guidance necessary to begin their recovery with confidence.

Climate Preparedness Hub For Municipalities

CROB advanced its climate resilience efforts through strategic partnerships with local municipalities and the CDI Climate and Sustainability Branch. In 2025, CROB launched the Local Climate Planning Hub, a comprehensive resource that supports local governments in developing effective climate adaptation strategies and strengthening preparedness for increasingly severe weather events. The Hub offers a community-centered framework, quarterly educational webinars, and practical tools that integrate insurance considerations into resilience planning.

CROB conducted research on municipal climate adaptation practices and developed an extreme weather planning guide featuring innovative insurance strategies, including parametric insurance, community-based insurance pools, and nature-based mitigation solutions. Additional resources – such as one-page briefs and assessment tools – were created to help municipalities evaluate climate vulnerabilities and enhance local planning.

To further expand community education, CROB also designed and delivered a four-part climate resilience webinar series in collaboration with the Climate and Sustainability Branch. Covering topics such as insurance impacts, community-centered resilience, partnership development, and climate funding mechanisms, the series engaged 347 live participants and reached 569 stakeholders overall. This initiative has become one of CROB's most impactful and ongoing programs supporting statewide climate resilience.

Partnership Initiative

CROB launched a comprehensive statewide Partnership Initiative that provides accessible toolkits on Insurance Essentials and Insurance Fraud Prevention, supported by targeted outreach efforts. By collaborating with direct service organizations, we aim to ensure this information reaches consumers who need it most.

Our toolkits and tailored outreach presentations are available to all Californians, with a focus on underserved communities that benefit greatly from clear, reliable insurance guidance. This initiative strengthens everyday coverage awareness and emergency preparedness, and our partners play a crucial role in expanding our reach through their networks.

OFFICE OF THE OMBUDSMAN

The Ombudsman's primary function is to ensure the Department provides the highest level of customer service to consumers, insurers, agents, brokers, and public officials. The Ombudsman is responsible for ensuring that complaints about Department staff or actions receive full and impartial review. The Ombudsman also serves as the primary contact for information on constituent cases referred by legislative offices.

During 2025, Ombudsman staff monitored and facilitated 1,932 cases. This included responding to 1,224 consumer requests for assistance, 500 legislative inquiries, 19 local government requests, 80 agent and applicant inquiries, 24 insurance industry inquiries, and 10 general requests from other divisions within the Department or other state agencies.

LIFE AND ANNUITY CONSUMER PROTECTION PROGRAM (LACPP)

CDI is tasked with educating consumers on all aspects of life insurance and annuity products, including consumer rights and protections, the purchasing and utilization of life insurance and annuity products, claims filing, benefit delivery, and dispute resolution for the Life and Annuity Consumer Protection Program.

CROB continues to distribute *Annuities - What Seniors Need to Know, Informing Seniors: Senior Insurance Bill of Rights, and Driving for Seniors* brochures at consumer outreach events, to other states agencies, and to district attorneys' offices throughout the state.

The Seniors Information Center on CDI's website provides useful information through alerts and advisories issued by CDI. The website also includes videos and insurance guides specific to seniors. The website's Health Coverage Programs and Resources section provides links to programs and resources such as Health Insurance Counseling and Advocacy Program (HICAP), Medicare Advantage Plan, California Health Advocates, and Social Security.

CROB continues to host the Senior Gateway, an inter-agency website designed to provide meaningful resources to seniors and their families, to inform them about health care and insurance options, and empower them to protect themselves against financial fraud, abuse, and neglect. To date, Senior Gateway has received more than 400,000 page views with 28,510 in 2025 alone, and continues to be a source of valuable information to consumers.

In order to reach more seniors, we are advertising on social media, Facebook/Meta and Instagram. In 2025 social media ads ran across Meta in English and Spanish. We had 889,782 impressions and 14,138 clicks.

English – 428,833 impressions

Spanish – 460,949 impressions

To further educate seniors about life insurance and annuity products, CROB participated in 114 senior events in 2025. The senior events provided information regarding scams committed against seniors, the purchase and use of insurance and annuity products, claim filings, and dispute resolution.

Ongoing relationships with the California Department of Financial Protection and Innovation, Contractors State License Board Senior Scam Stoppers, Department of

Consumer Affairs, AARP, and various legislative offices, as well as our presence at senior expos and health fairs, enhanced the Department's ability to reach the public with our resources.

The following educational materials were distributed during 2025:

- Annuities, What Seniors Need to Know (English and Spanish)
- Informing Seniors and Senior Insurance Bill of Rights (English and Spanish)
- Driving for Seniors (English and Spanish)
- Personal Planning Guide

PATIENT AND PROVIDER PROTECTION ACT (PPPA)

CIC Section 10133.661 requires that CDI "provide announcements that inform health insurance consumers and their health care providers of the Department's toll-free telephone number that is dedicated to the handling of complaints and of availability of the internet web page established under this section, and the process to register a complaint with the Department and to submit an inquiry to it."

In order to reach more consumers we are advertising CDI's toll-free telephone number on social media, Facebook/Meta and Instagram. In 2025, social ads ran across Meta in English and Spanish. There were 6,307,935 impressions and 36,721 clicks**,** which represents an increase of 180% percent from 2024.

- English – 4,119,164 impressions
- Spanish – 2,188,771 impressions

Announcements have been made throughout the year at public events CROB staff has been involved in, whether in-person or through social media and virtual platforms. The announcements emphasized CDI's ability to help consumers and providers resolve disputes with insurers through our toll-free telephone number. In addition, consumers and providers are informed of the availability of the Provider Complaint Center located at CDI's website www.insurance.ca.gov under Resolve Disputes or File A Complaint.

CALIFORNIA LOW COST AUTOMOBILE INSURANCE PROGRAM

The California Low-Cost Auto Insurance (CLCA) Program, created to provide income-eligible drivers with affordable insurance that meets state requirements, has served more than 461,175 Californians since launching in 2000. In 2025, the program experienced significant growth and modernization. A total of 48,395 new applications were assigned, with 32,735 policy renewals and 4,075 reinstatements. By year-end, CLCA maintained 66,998 active policies – an increase of more than 40 percent over

2024. Seventy-three percent of applicants were uninsured at the time they applied, underscoring the program's role in reducing uninsured driving.

CDI implemented major improvements in 2025 to enhance accessibility and consumer experience. A new mobile-enabled payment system now allows applicants to enroll, make payments, and receive reminders directly from their devices, eliminating barriers such as office visits and mailed payments. Expanded training for program partners and new educational efforts – such as a specialized webinar for community college staff – improved program understanding and increased satisfaction among certified producers.

Statewide outreach continued through trusted community organizations, who integrated CLCA information into their existing services and supported screening and referrals for eligible individuals. These efforts helped increase program visibility, generating more than 128 million impressions and driving 1.2 million website sessions. Additionally, collaboration with the DMV resulted in more than 19,000 scans of silent advertisements in English and Spanish.

Overall, the enhancements made in 2025 strengthened CLCA's operational efficiency, expanded access for underserved communities, increased digital engagement, and reinforced partnerships. These advancements positioned CLCA as a more accessible and effective tool for reducing the number of uninsured drivers in California. Consumers can learn more at (866) 602-8861 and www.mylowcostauto.com.

2025 ANNUAL REPORT

CONSERVATION *and* LIQUIDATION OFFICE

CONSERVATION & LIQUIDATION OFFICE

SECTION ONE – THE CONSERVATION & LIQUIDATION OFFICE

Background

The California Insurance Commissioner (Commissioner), an elected official of the State of California, acts under the supervision of the Superior Court (Court) when conserving and liquidating insurance enterprises. In this statutory capacity, the Commissioner is charged with the responsibility for taking possession and control of the assets and affairs of financially troubled insurance enterprises domiciled in California. An impaired enterprise subject to a conservation or liquidation order is commonly referred to as an estate.

The Commissioner, through the Office of the Attorney General, applies to the Court for a conservation order to place the financially troubled enterprise in conservatorship. Under a conservation order, the Commissioner takes possession of the estate's financial records and real and personal property, and conducts the business of the estate until a final disposition regarding the estate is determined. The conservation order allows the Commissioner to begin an investigation to determine, based on the estate's financial condition, if the estate can be rehabilitated, or if continuing business would be hazardous to its policyholders, creditors, or the public.

If, at the time the conservation order is issued or anytime thereafter, it appears to the Commissioner that it would be futile to proceed with the conservation, the Commissioner will apply for an order to liquidate the estate's business. In response to the Commissioner's application, the Court generally orders the Commissioner to liquidate the estate's business in the most expeditious fashion.

The Conservation & Liquidation Office ("CLO") performs conservation and liquidation services on behalf of the Commissioner with respect to insurance companies domiciled in California.

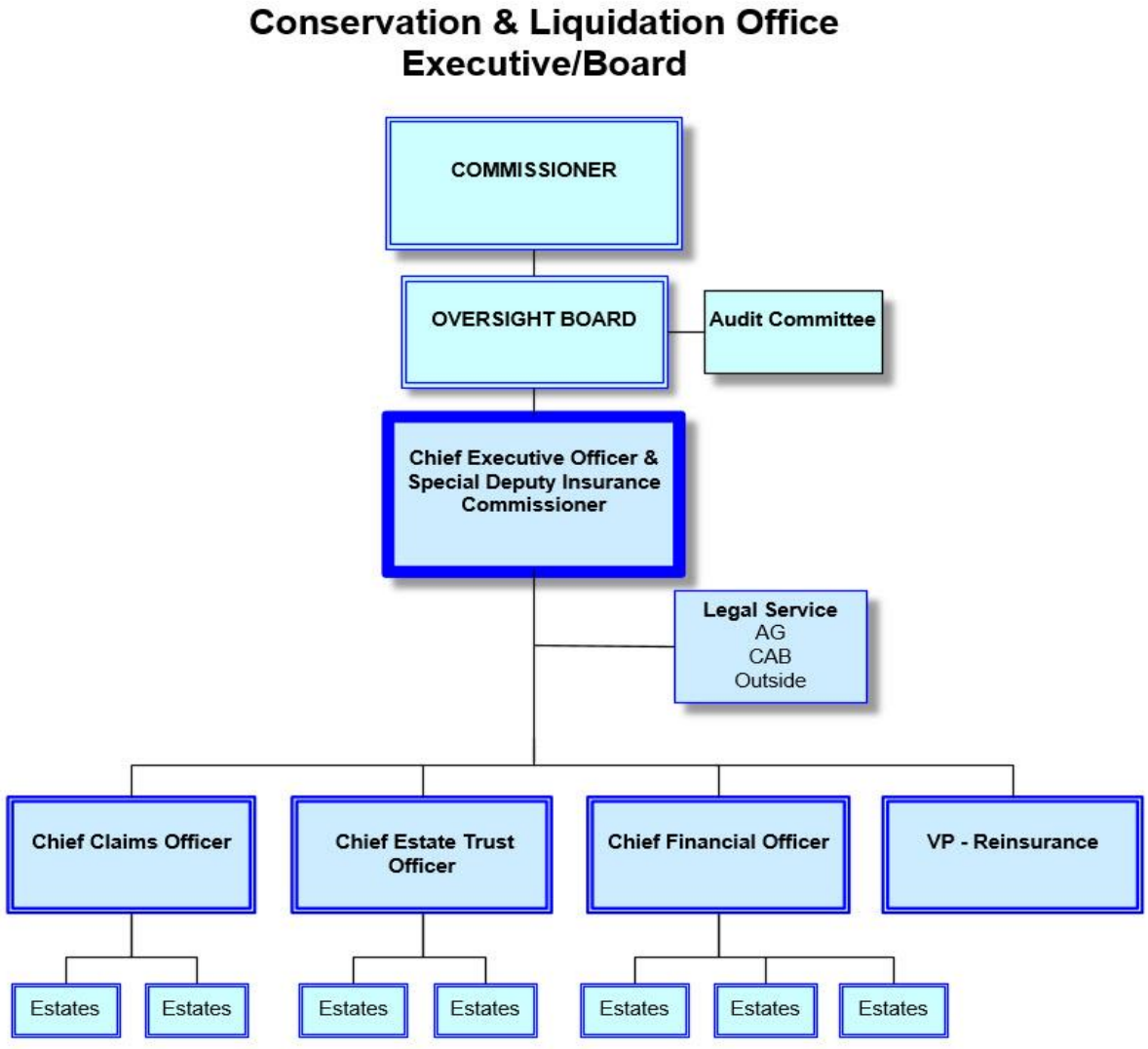
The CLO was created in 1994 as the successor to the Conservation & Liquidation Division of the California Department of Insurance which was managed by state employees. The CLO is based in San Francisco, California. As of December 31, 2025, the CLO is responsible for the administration of 10 insurance estates.

In addition to the role described above, the CLO at times provides special examination services. The CLO is reimbursed directly by the company being examined. During 2025, the CLO assisted with one special examination.

In 2014, the CLO's Oversight Board authorized the CLO/Regulatory Services Group (RSG) (name used when doing work other than traditional California conservation and liquidations) to enter an engagement with the Nevada Insurance Commissioner to provide receivership management services. In 2016, the Board authorized engagements with Insurance Commissioners from the states of Colorado, Hawaii, Oregon, and Wyoming. In 2017, the Board authorized an engagement with the State of

Arizona to assist in the Meritas insolvency. In 2020, the Board again authorized an engagement with the State of Nevada to assist in the Physicians Indemnity Risk Retention Group insolvency. In 2023, the Board authorized an engagement with the State of Colorado to assist with the Administrative Supervision of a Colorado domiciled company. In 2024 and 2025, the Board authorized engagements with the State of Oregon to assist with the Administrative Examination of two Oregon domiciled insurance companies. By providing professional troubled company and receivership services to other states, the CLO and RSG are able to maintain proven receivership skills and institutional knowledge in California at a time when receiverships/liquidations are declining. These engagements further help to reduce the overall cost to California estates under the management of the CLO.

Organizational Structure



Oversight Board and Audit Committee Meetings

CLO activities are overseen by an Oversight Board composed of three senior executives of the California Department of Insurance. The Board also serves as the Audit Committee members. During 2025, the Oversight Board and Audit Committee members were the Chief Deputy Commissioner, General Counsel / Deputy Commissioner, and Deputy Commissioner of the Financial Surveillance Branch.

During 2025, the Oversight Board and Audit Committee held three regularly scheduled meetings.

Mission Statement and 2025 Organizational Goals and Results

The CLO's Mission Statement is as follows:

> The CLO, on behalf of the Insurance Commissioner, rehabilitates and/or liquidates, under Court supervision, troubled insurance enterprises domiciled in the State of California. In addition, the CLO provides Special Examination Services, with Commissioner and Board oversight. As a fiduciary for the benefit of claimants, the CLO handles the property of troubled or failed enterprises in a prudent, cost-effective, fair, timely, and expeditious manner.

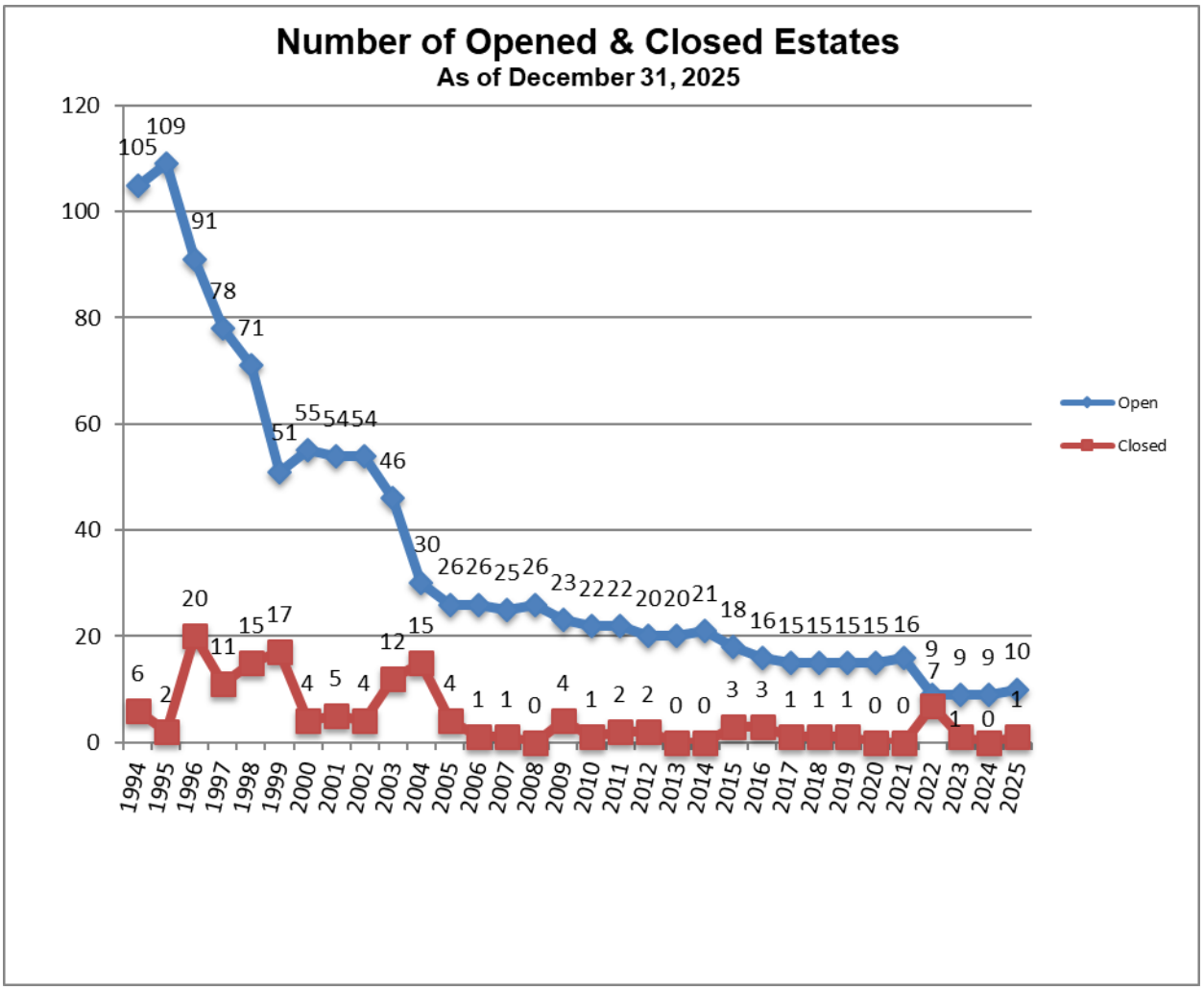
On an annual basis, the CLO prepares a Business Plan for the organization supporting the CLO Mission Statement. The Business Plan is presented to the Oversight Board for approval.

The 2025 Business Plan focused on estate closings and distributions, collecting/converting assets, evaluating claims and enhancing the operating efficiencies of the CLO.

Entering 2025, there were nine open estates under management. All nine of the open estates are property and casualty estates. The CLO goal in 2025 was to close one estate and distribute $20 million.

1. Closings

GOAL	RESULTS
Close one Estate: 1) Merced Property and Cas. Co.	The Merced Property and Cas. Co. estate filed its Declaration of Compliance and is closed as of November 18, 2025.



Since 1994, there have been approximately 143 estates closed. These estates consisted of 55 ancillaries, 22 title companies and 66 regular insurers. Ancillary proceedings and title companies typically require only limited work on behalf of the Liquidator.

2. Distributions

Early Access Distribution

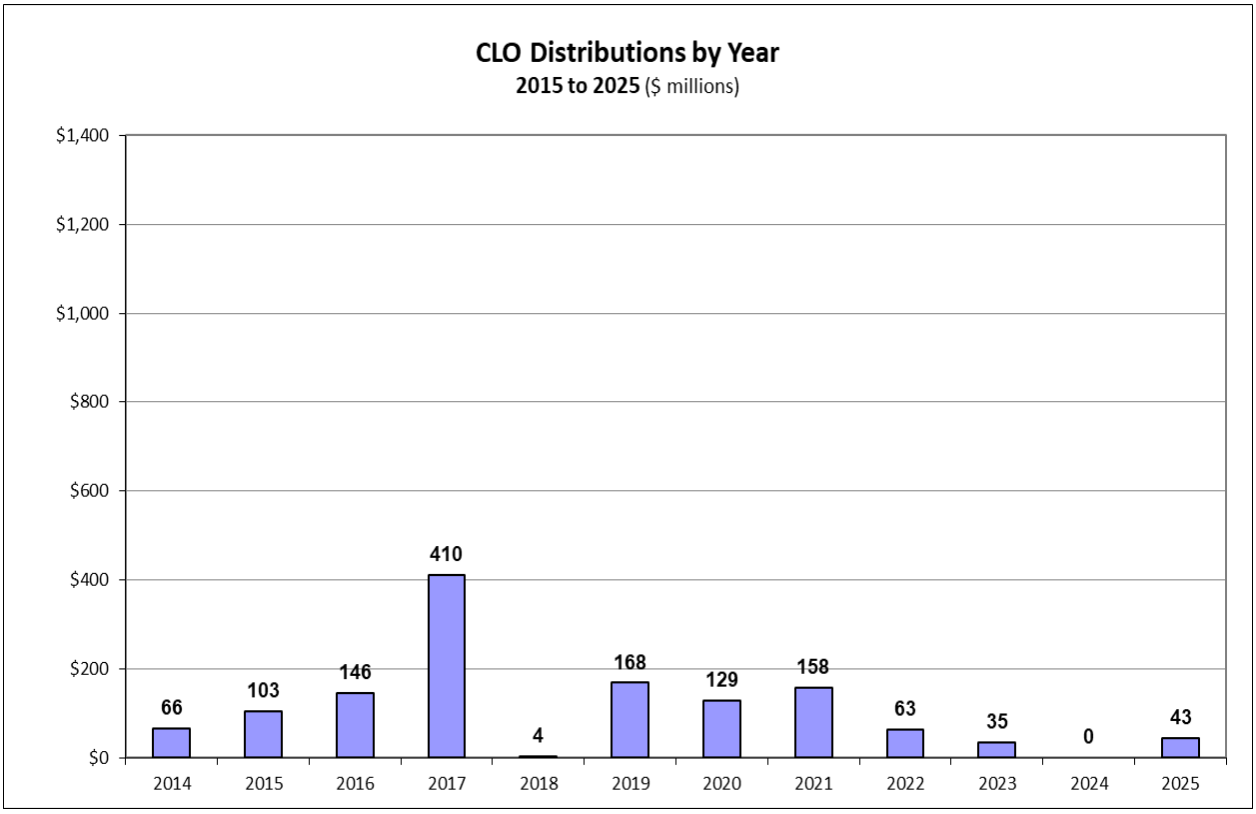
Estate	2025 Actual ($ Millions)	2025 Goal ($ Millions)
CastlePoint National Ins. Co.	$15.00	$15.00
Sub-total:	**$15.00**	**$15.00**

Interim Distribution

Estate	2025 Actual ($ Millions)	2025 Goal ($ Millions)
CastlePoint National Ins. Co.	$20.04	$0
Sub-total:	**$20.04**	**$0**

Final Distributions

Estate	2025 Actual ($ Millions)	2025 Goal ($ Millions)
Merced Property and Cas. Co.	$8.07	$5.00
Sub-total:	**8.07**	**5.00**
TOTAL DISTRIBUTIONS:	**$43.11**	**$20.00**



CLO Investment Policy

The CLO has a formal investment policy, as approved by its Oversight Board, requiring that investments be investment-grade fixed income obligations of any type. These investments may be issued or guaranteed by (1) the U.S. and agencies, instrumentalities, and political sub-divisions of the U.S., and/or (2) U.S. corporations, trusts and special purpose entities. Such securities must be traded on exchanges or in over-the-counter markets in the U.S. None of the portfolio will be invested in fixed income securities rated below investment-grade quality by Standard & Poor's, Moody's, or by another nationally recognized statistical rating organization. In addition, the duration must be maintained within +/- 12 months of the Barclays Capital U.S. Government/Credit 1-3 Yr. The average duration was approximately 2 years at December 31, 2025.

The investments are managed in equal parts by two professional money management firms and are warehoused with US Bank.

At December 31, 2025, the CLO had $195.2 million of estate marketable investment securities under management.

For the year ending December 31, 2025, the average portfolio balance was approximately $197 million. The portfolio earned an interest yield of 3.8% and a net yield after security gains/losses and mark-to-market adjustments of 4.9%.

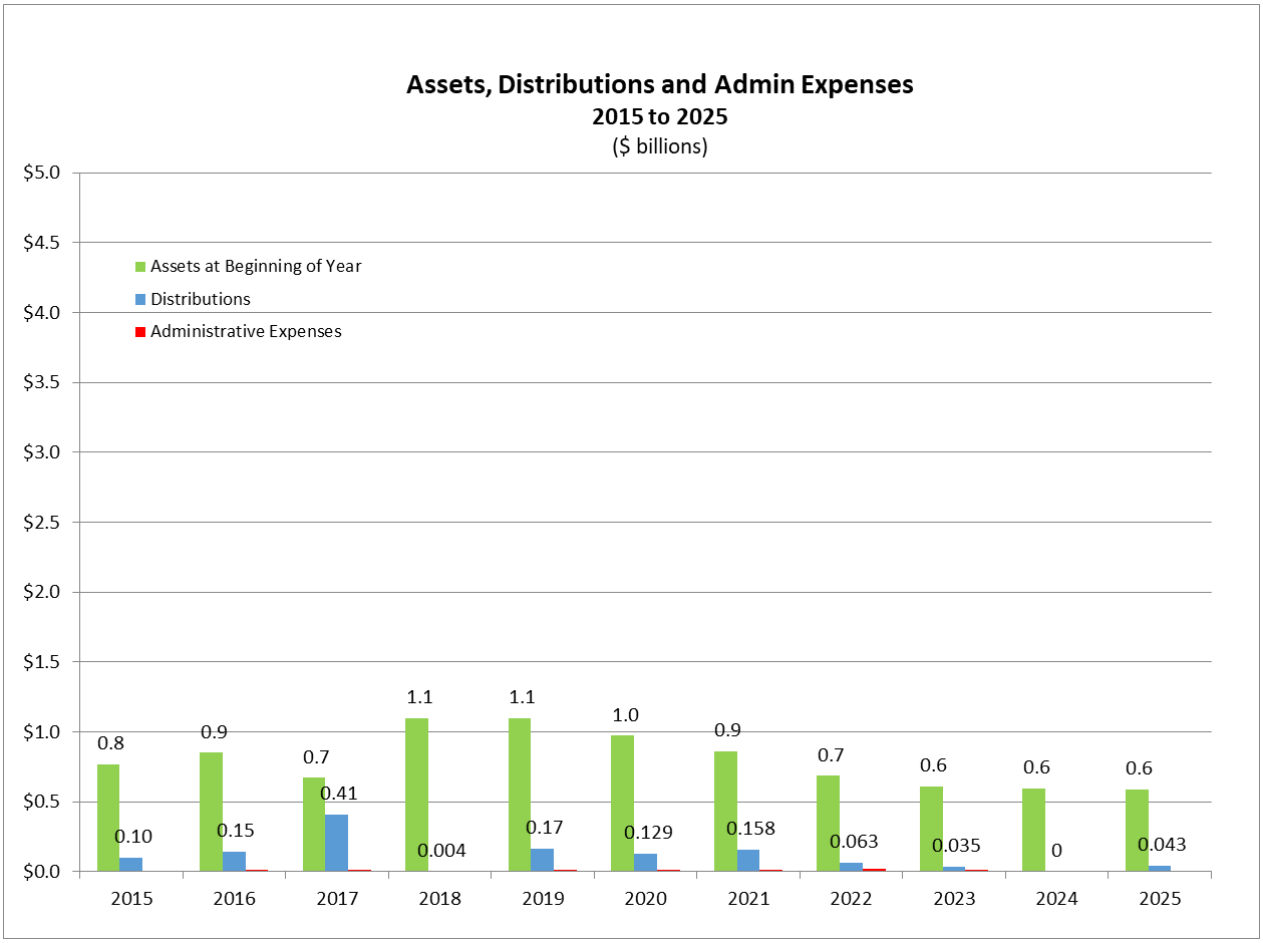
Administrative Expenses

Administrative expenses consist of both direct and indirect expenses. See “CLO Financial Results” section of this report on the budget and actual expenditures for 2025 for direct and indirect expenses.

Direct expenses charged to estates consist of legal costs, consultants and contractors, salaries and benefits for employees working exclusively for a single estate, if applicable; office expenses, and depreciation of property and equipment.

Indirect expenses that are not incurred on behalf of a specific estate are allocated using an allocation method based on the ratio of employee hours directly charged to a specific estate to total direct hours charged to all estates. For example, if employees charged 200 hours to a specific estate and in total 2,000 hours were incurred by all estates, that specific estate would be allocated 10% (200 hours divided by 2,000 total hours charged to all estates). Indirect expenses include CLO employee compensation, rent, and other facilities charges and office expenses.

In accordance with California Insurance Code Section 1035, the Commissioner may petition funds from a general appropriation of the State of California Insurance Fund if an estate does not have sufficient assets to pay for administrative expenses.



The chart above displays the aggregated estate assets at the beginning of each year, and distributions and administrative expenses from the year 2015 to 2025. The table below lists these figures.

Year	Assets ($ billions)	Distributions ($ millions)	Administrative Expenses ($ millions)
2013	$1.0	$57	$14
2014	$0.9	$66	$15
2015	$0.8	$103	$16
2016	$0.9	$146	$15
2017	$0.7	$410	$11

Year	Assets ($ billions)	Distributions ($ millions)	Administrative Expenses ($ millions)
2018	$1.1	$4	$9
2019	$1.1	$168	$13
2020	$1.0	$129	$11
2021	$0.9	$158	$15
2022	$0.7	$63	$24
2023	$0.6	$35	$17*
2024	$0.6	$0	$9
2025	$0.6	$43	$7

* This amount includes a 5% contingent legal fee ($5,530,505) incurred by Colorado HealthOp in 2023 for litigating and collecting $110 million in risk corridor receivables from the Centers for Medicare and Medicaid Services (“CMS”). If the Colorado Health expenses for 2023 are excluded, the total CLO administrative expenses for 2023 were $11,095,495.

Compensation Methodology

The CLO is not part of the State’s civil service system. All employees are at-will. The CLO does not have a bonus plan or pay incentive compensation. To that end, the CLO has established policies and procedures that are more akin to the private marketplace. The CLO engages an outside consultant to assist in establishing compensation ranges. In developing this report for the CLO, the primary survey source used was the CompAnalyst, which is a large survey representing thousands of companies across the U.S. which includes hundreds of jobs. This subscription survey collects marketplace compensation data from many sources and uses mathematical algorithms to predict the pay level of any of its survey jobs in major industries and geographical locations. The data used in this study was the nonprofit industry segment located in San Francisco.

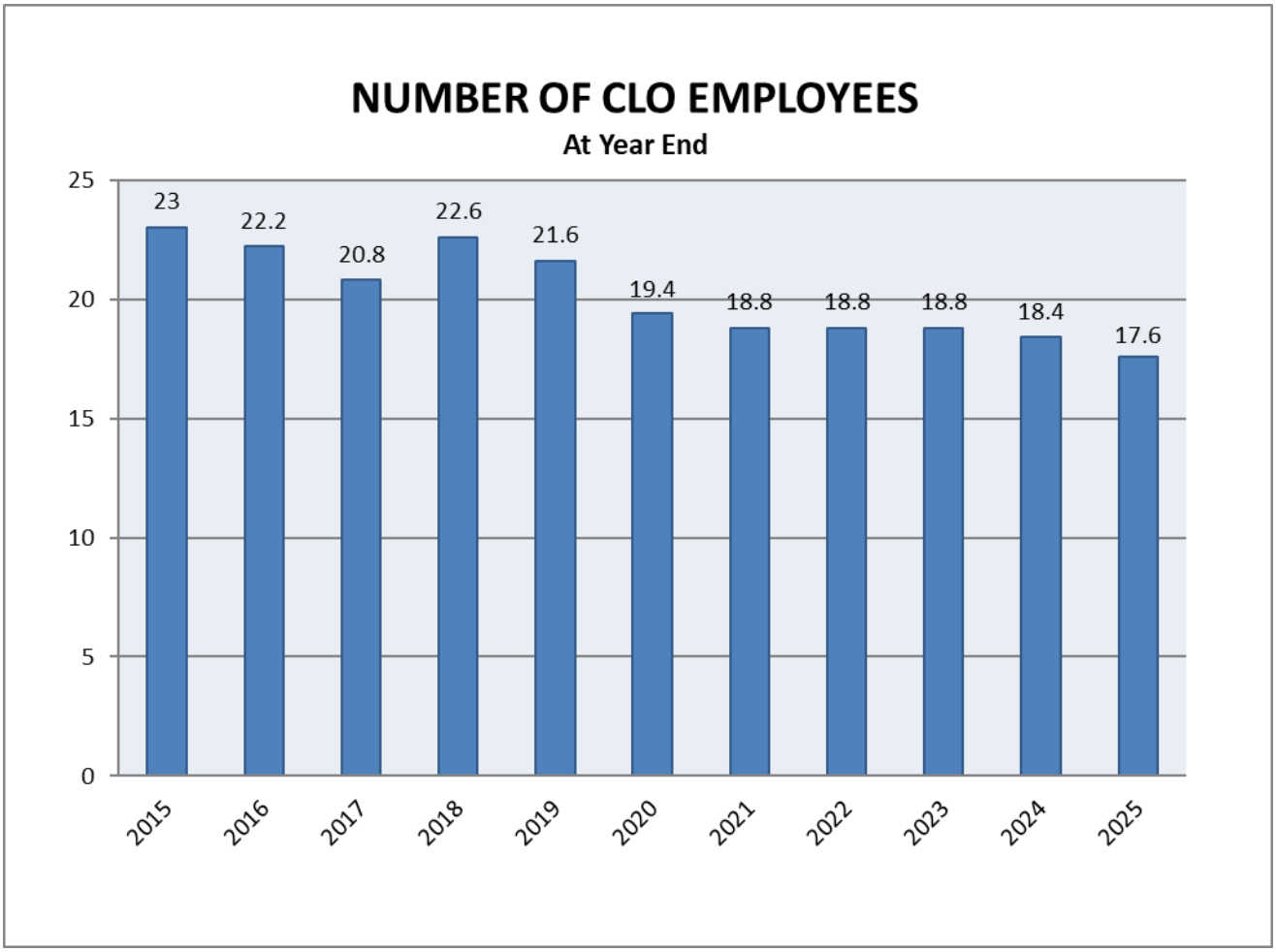
A summary of the compensation procedures follows:

- A written job description is developed for each position.
- Salary grades are derived from comparable external market data.

- Salary ranges are identified (low, middle, and high) based on market comparisons obtained by an outside independent compensation consultant.
- Salary ranges are updated periodically.
- The creation of a “new job position” is sent to an outside consultant for external evaluation.
- All employees receive an annual compensation review.

CLO employment on a full-time equivalent basis and total compensation for employees are summarized below:

	2025	2026 (Budget)
Number of CLO full-time equivalent employees at beginning of year	18.4	17.6
Total compensation and benefits for CLO employees	$4,655,548	$4,813,378



The chart above shows the number of CLO full-time employee equivalent from 2015 to 2025.

As estates have closed resulting in reduced workloads, and as a result of internal operating efficiencies, the number of full-time employees decreased by 23% compared to December 31, 2015.

CLO Financial Results

For Years Ended December 31, 2025 and December 31, 2024

Cash received	December 31, 2025 Actual	December 31, 2025 Budget	December 31, 2024
Reinsurance recoveries, and miscellaneous income	$10,202,200	Reinsurance recoveries and miscellaneous income are not amendable to budgeting due to the irregular timing of their occurrence.	$11,578,800
Investment income, net of expenses	12,469,400	Investment income is not budgeted due to the large changes in investment balances that occur throughout the year (due to distributions), as well as changes in investment return rates.	18,346,800
Total:	**$22,671,600**		**$29,925,600**

	December 31, 2025 Actual	December 31, 2025 Budget	December 31, 2024
Distributions	**$43,111,900**	**$20,000,000**	**$0**

Administrative – Estate Direct Expenses

Estate Direct Expenses	December 31, 2025 Actual	December 31, 2025 Budget	December 31, 2024
Legal expenses	$745,100	$1,236,000	$1,277,900
Consultants and contractors	915,300	957,400	1,144,600
Office expenses	127,900	281,500	1,023,500
Compensation and benefits	0.00	5,000	0
Total:	$1,788,300	$2,479,900	$3,446,000

Administrative – CLO Overhead Expenses

CLO Overhead Expenses	December 31, 2025 Actual	December 31, 2025 Budget	December 31, 2024
Compensation and benefits	$4,655,300	$4,786,300	$4,550,900
Office expenses	948,800	1,075,400	951,800
Consultants and contractors	94,900	141,000	98,100
Legal expenses	3,300	9,000	3,000
Total:	$5,702,300	$6,011,700	$5,603,800

Administrative Totals	December 31, 2025 Actual	December 31, 2025 Budget	December 31, 2024
Estate Direct Expense Total	$1,788,300	$2,479,900	$3,446,000
CLO Overhead Expense Total	5,702,300	6,011,700	5,603,800
Total:	**$7,490,600**	**$8,491,600**	**$9,049,800**

Estates Open Longer Than Ten Years

After the entry of an order placing an impaired California insurer into conservation and/or liquidation, the Insurance Commissioner and the CLO have the statutory responsibility to marshal and resolve the assets and liabilities of the failed entity.

The time required to close an insolvency proceeding is largely determined by the amount and complexity of the assets to be monetized and distributed to claimants. In addition, the length of an insolvency is equally affected by the amount of time required to make a final determination of an estate's liability.

Most of the insolvencies that remain open for more than ten years have some combination of on-going litigation, complicated tax exposure, potential collection of additional material assets, and challenges associated with the evaluation of liabilities. Until both sides of the insolvent estate's balance sheet are resolved (assets collected and liabilities fixed), the insolvency proceeding will remain open. In addition, estates are subject to federal tax reporting and escheatment requirements after the final distribution. The estates listed below have been in liquidation for ten years or more.

Fremont Indemnity Company:

Fremont released a $83.4 million final distribution to approved Class 2 creditors on September 26, 2019; the distribution paid 43.25% of approved policyholder claims. The Estate completed most all post distribution and closing activities in 2020 including the sale of a subsidiary entity to a third party. The Estate continues to hold certain non-transferrable annuity assets that generate material periodic payments to the estate and will continue to over the next number of years. Together with the FLIC sale proceeds, the liquidation court has authorized the estate to retain the non-transferrable assets to be collected, and to distribute those funds when collections reach a $5 million threshold. The estate currently holds approximately $8.2 million and will commence distribution planning in late 2026 for a distribution in early 2027.

Golden Eagle:

The Estate has been placed in an administrative closure status on the active Superior Court docket subject to the remaining claims run-off plan. Golden Eagle policyholder claims have been 100% reinsured and are being paid timely. The reinsurance program covering the court sanctioned run-off ensures Golden Eagle's ability to pay all policyholder claims when and as they become payable (up to the reinsurer's aggregate limit of liability). As such the Commissioner has not asked the court to take any action that would prematurely cut off any policyholder's right to submit and be paid on a claim covered under a Golden Eagle policy. Golden Eagle and the insurance guaranty associations remain liable to the policyholders in the very unlikely event the reinsurance is not sufficient to satisfy all claim obligations. The reinsurance program continues to provide sufficient coverage to accommodate all remaining claims exposure, but if the

reinsurance protection is ever exhausted (by reaching the reinsurer's aggregate limit of liability) the Commissioner will take steps to trigger guaranty association protection for Golden Eagle's policyholders. Until all claims are resolved or paid out, the Estate will continue to honor all remaining claims run-off requirements but will remain in an administratively closed status. The CLO acts in a pure monitoring capacity to ensure that the reinsurance contract continues to be sufficient to pay all claims.

Mission/Mission National:

Both Mission Insurance Company and Mission National Insurance Company have paid 100% of all Policyholder claim exposure. In addition to entering into agreements with the United States Department of Justice and the EPA on a Federal Waiver settlement and release, the Mission estate received material distributions in 2019 and early 2020 from the Receivership estate of Centaur in Illinois. Subsequent to the Centaur collections, the Mission estate completed distributions to creditors totaling $49.5 million. Mission and Mission National estates will remain open to collect final reinsurance obligations from the Holland America company and Universal Ruck, both insolvent estates.

Claims History

Property and Casualty Estates

Estate	Liquidation Date	Proof of Claims Filed	Proof of Claims Resolved	Open Proof of Claims
California Ins Co	N/A	TBD	TBD	TBD
CastlePoint National	4/1/2017	1,906	1,457	449
Crusader Ins Co	N/A	TBD	TBD	TBD
First American Title	N/A			
Fremont	7/2/2003	45,673	45,673	0
Golden Eagle	2/18/1998		n/a (see below)	
Mission (2 estates)	2/24/1987	141,646	141,646	0
Real Advantage Title	N/A			
Western General	08/05/2021	2,601	2,092	509
	Total:	**191,826**	**190,868**	**958**

Note: Golden Eagle is not subject to a finding of statutory insolvency. All claims are covered under a reinsurance agreement and are being paid by the reinsurer.

2026 Business Goals

The 2026 Business Plan focuses on estate closings and distributions.

Entering 2026 there are ten open estates under management by the CLO. The open estates consist of eight Property & Casualty Estates and two Title companies. Our goal in 2026 is to distribute $20.00 million.

Starting 2026, we have 17.6 full-time employee equivalents. We will re-assess staffing requirements throughout the year and will make any changes deemed necessary.

The 2026 Goals are as follows:

1. Interim and Early Access Distributions

   Interim Distribution:

   CastlePoint National Ins. Co. 15,000,000

   Early Access Distributions:

   Western General Ins. Co. 5,000,000

   $20,000,000

SECTION TWO – ESTATE SPECIFIC INFORMATION

Conservation or Liquidation Estates Opened During the Year 2025

First American Title Company of Napa – 12/22/2025

Real Advantage Title Insurance Company – 09/09/2025

Conservation or Liquidation Estates Closed During the Year 2025

Merced Property & Casualty Company

Conservation & Liquidation Office
Current Year and Cumulative Distributions by Estate
Year Ended 12/31/2025
Federal and State

ESTATE	POLICYHOLDERS	CLAIMS	GENERAL CREDITORS	TOTAL
CastlePoint National Ins Co	35,041,664	-	-	35,041,664[A]
Fremont Indemnity Co	-	-	-	-
Merced Prop Cas Co	-	-	8,070,204	8,070,204
Mission Ins Co	-	-	-	-
Mission National Ins Co	-	-	-	-
	35,041,664	-	8,070,204	43,111,868

A: Includes $33,448 of statutory deposit released to MI.

Cumulative to 12/31/2025
Federal and State

ESTATE	POLICYHOLDERS	CLAIMS	GENERAL CREDITORS	TOTAL
CastlePoint National Ins Co	377,391,566	-	-	377,391,566
Fremont Indemnity Co	1,106,139,443	-	-	1,106,139,443

ESTATE	POLICYHOLDERS	CLAIMS	GENERAL CREDITORS	TOTAL
Merced Property & Casualty Ins	26,953,260	-	8,070,204	35,023,464
Mission Ins Co	846,832,560	23,861,132	390,041,525	1,260,735,218
Mission National Ins Co	536,482,595	4,850,000	27,077,326	568,409,921
	2,893,799,424	28,711,132	425,189,055	3,347,699,612

*The CastlePoint estate made statutory deposit releases of $227.6 million (2017), $4.9 million (2018), and $19 million (2019) and an early access distribution of $60.7 million occurred in October of 2022. These statutory deposit releases and prior distributions coupled with the 2025 early access distribution of $35.04 million give the estate a cumulative distribution total of $377.4 million.

Note: California Ins. Co., Crusader, First American Title, Golden Eagle, Real Advantage Title, and Western General estates are not included as no distributions have occurred.

Estates in Conservation and/or Liquidation as of December 31, 2025

Estate Name	Date Conserved	Date Liquidated
California Insurance Company	11/04/19	*
CastlePoint National Insurance Company	07/28/16	04/01/17
Crusader Insurance Company	06/07/2023	*
First American Title Company of Napa	12/22/2025	*
Fremont Indemnity Company	06/04/03	07/02/03
Golden Eagle Insurance Company	01/31/97	02/18/98
Mission Insurance Company	10/31/85	02/24/87
Mission National Insurance Company	11/26/85	02/24/87
Real Advantage Title Insurance Company	09/09/2025	*
Western General Insurance Company	05/26/2021	08/05/2021

***No Liquidation Order obtained**

****No Conservation Order obtained**

Report on Individual Estates

Each estate has its own unique set of challenges to monetizing assets, valuing the claims, distributing assets and closing. No two estates are the same. The remaining portion of Section 2 provides a brief summary of the 2025 operating goals and results, the current status of the estate in the conservation or liquidation process, and summarized financial information. *(See note below).*

In reviewing the financial information, the following must be taken into account:

- The Statement of Assets and Liabilities has been prepared on the liquidation basis of accounting. Under the liquidation basis of accounting, assets reported on the financial statements are assets that are determined to be collectible. The liabilities may change during the course of the liquidation depending on the types of business written by the company, and as claims are reviewed and adjudicated.
- No estimates for future administrative expenses are included in the liabilities, unless the estate has been approved for final distribution and closure by the Court.
- California Insurance Code Section 1033 prescribes that claims on estate assets are paid according to a priority scheme, except when otherwise provided in a rehabilitation plan. The probability of a claim being paid is dependent on the valuation of the claim, the order of priority of the claim, and the amount of funds remaining after other claims having higher preference have been discharged. Each priority class of claims must be fully paid before any distribution may be made to the next priority class. All members of a class receiving partial payment receive the same pro-rata amount.
- For estates where available assets are insufficient to pay all policyholder claims, the CLO intentionally does not evaluate the lower priority proofs of claims (POCs), since to do so would incur unnecessary administrative time and expenses, reducing funds available for distribution to higher-priority claimants.
- Shareholders receive any remaining residual value of the estate's net assets only after the general creditors have been paid.
- Beginning Monetary Assets at takeover represent cash and investment balances at the time of liquidation or, in cases where the estate was first liquidated and managed by other parties, at the time the estate was taken over by the Conservation & Liquidation Office.

Note: Each estate under management of the CLO has an annual independent review of its financial statements. Copies of the independently reviewed financial statements can be accessed through the CLO webpage. Annual audits or reviews are waived for estates with little or no assets or activity.

ESTATE SPECIFIC INFORMATION

California Insurance Company

Conservation Order: November 4, 2019

2025 Report

California Insurance Company ("CIC") was placed into Conservation on November 4, 2019 by the California Superior Court for the County of San Mateo. The Conservator was appointed to address and resolve certain regulatory concerns related to CIC's initial attempt to exit the California market without the necessary prior regulatory approval to do so. The Conservator has developed a comprehensive rehabilitation plan to address the issues with CIC and their desire to re-domesticate outside California. The Conservator has argued his rehabilitation plan before the San Mateo Superior Court as well as the First Appellate District Court of California.

Following the favorable ruling from the First Appellate Court affirming the Conservator's rehabilitation plan, CIC's former management thereafter filed a writ seeking review by the California Supreme Court. The State's high court opted not to take the writ up for review thereby ending the legal opposition to the Commissioner's Rehabilitation Plan. The Conservator is now in full authority to implement the Rehabalitation Plan, and has retained Baker Tilly to conduct the role and provide the services associated with the Independent Consultant position. Baker Tilly in its capacity as Independent Consultant has retained the services of TriStar to provide claims and claims-related services and expertise. Baker Tilly is currently working to develop all three settlement-option templates with historical input from from CDI actaries to ensure the templates reflect the plan's purposeful intent.

The replacement audit firm of Baker Tilly has finished and published their final audit reports for the years 2021, 2022, 2023 and 2024. The audit reports were essentially deemed clean with no material adverse findings that would materially affect the company's financial presentation. Two areas of continuing interest and concern are the valuation/carry value of the compamy's Real Estate Owned (REO) holdings and the resolution of unauthorized investments and/or affiliated transactions entered into without the written consent and approval of the Conservator and in violation of the Conservation order. The Omaha real estate development, and specifically the CIC holdings, will be appraised as part of the current CDI regulatory exam of the AUI group. The Conservator, together with the CDI exam and analysis staff continue to work closely with the New Mexico and Texas insurance regulatory staff coordinating efforts to bring the entire Omaha based insurance group into regulatory compliance and to coordinate an efficient/compliant transition of CIC out of California and into New Mexico as a domestic insurer.

California Ins Co

ASSETS

As of December 31, 2024 and December 31, 2025

ASSETS	12/31/2024	12/31/2025
Cash and investments	$1,655,257,011	$2,035,760,255
Other assets	174,219,671	89,308,674
Total assets	$1,829,476,682	$2,125,068,929

LIABILITIES

As of December 31, 2024 and December 31, 2025

LIABILITIES	12/31/2024	12/31/2025
Claims against policies	$679,415,346	$891,607,848
All other claims	555,280,546	643,019,195
Total liabilities	1,234,695,892	1,534,627,043
Net assets (deficiency)	$594,780,790	$590,441,886

INCOME

For Year Ended December 31, 2025

INCOME	2024	2025
Net premium income	$617,869,491	$702,857,661
Investment income	15,122,174	75,952,304
Other income	(547,332)	4,943
Total income	$632,444,333	$778,814,908

EXPENSES
For Year Ended December 31, 2025

EXPENSES	2024	2025
Loss and claims expenses	$649,260,597	$799,231,006
Federal income tax expenses	12,924,192	(11,284,706)
Total expenses	662,184,789	787,946,300
Net income (loss)	($29,740,456)	($9,131,392)

CastlePoint National Insurance Company

Conservation Order: July 28, 2016
Liquidation Order: April 1, 2017

2025 Report

CastlePoint National Insurance Company (CastlePoint) was a California domiciled property and casualty insurer that was placed into Conservation on July 28, 2016 and Liquidation effective April 1, 2017 by the San Francisco Superior Court.

CastlePoint is the successor by merger with the following companies prior to Conservation:

- Tower Insurance Company of New York
- Tower National Insurance Company
- CastlePoint Florida Insurance Company
- Massachusetts Homeland Insurance Company
- York Insurance Company of Maine
- Hermitage Insurance Company
- North East Insurance Company
- Preserver Insurance Company
- CastlePoint Insurance Company

A Conservation and Liquidation Plan approved by the Court allowed CastlePoint to deconsolidate from its parent and from the consolidated taxpayer group. In addition, it allowed the Receiver to commute stop loss reinsurance treaties in return for a cash payment of $200 million which enabled CastlePoint to continue to make claim payments while the claim files were being prepared for the transfer to the 47 affected guaranty associations. A total of 5,977 claim files were transferred through this process.

At December 31, 2017, the estate had received in excess of 1,250 claims seeking in excess of $4.6 billion in damages. To date the Conservation and Liquidation Office (CLO) claims staff have approved 106 Class 2 Proof of Claims (POCs) and rejected 767. Additionally, 7 Class 7 POCs have been approved and 17 rejected. There remains

449 POCs to be resolved with 153 residing in Class 2. There are 296 open Class 3- 7 POCs. Those claims will be closed and the claimants will receive ‘no assets’ letters as there will be no distribution to classes below Class 2. Due to scheduling delays and court availability, the estate released a $20 million interim distribution in mid-January 2025 (planned for 2024) and thereafter received court approval to release an additional $15 million early access distribution to Class 2 creditors. The $15 million distribution was released during the fourth quarter of 2025 for a total 2025 annual distribution of $35 million. The CastlePoint estate team continues to work through the usual long-tail liquidation demands and impediments associated with determining complex policyholder exposure, administering estate reporting compliance and updating/managing legacy and stand-alone systems to efficiently bill and collect reinsurance assets. The estate continues to rely on legacy information and documentation (systems) to properly analyze priority and/or complex policy claims received through the POC process. The estate received approval of its annual fee filings at the same time the estate filed for its distribution relief (2025 Distribution and Fee Application).

CastlePoint National Ins Co

ASSETS
As of December 31, 2024 and December 31, 2025

ASSETS	12/31/2024	12/31/2025
Cash and investments	$264,908,200	$224,348,600
Recoverable from reinsurers	205,116,800	191,887,000
Other assets	16,819,900	16,744,700
Total assets	486,844,900	432,980,300

LIABILITIES
As of December 31, 2024 and December 31, 2025

LIABILITIES	12/31/2024	12/31/2025
Secured claims and accrued expenses	105,500	124,800
Claims against policies, before distributions	1,117,567,300	1,104,599,100
Less distributions to policyholders	(342,349,900)	(377,391,600)

LIABILITIES	12/31/2024	12/31/2025
Secured claims and accrued expenses	105,500	124,800
All other claims	64,676,000	46,908,600
Total liabilities	839,998,900	774,240,900
Net assets (deficiency)	(353,154,000)	(341,260,600)

INCOME
As of December 31, 2024 and December 31, 2025

INCOME	2024	2025
Investment income	$14,822,500	$10,365,100
Salvage and other recoveries	249,600	19,476,000
Total income	15,072,100	29,841,100

EXPENSES
As of December 31, 2024 and December 31, 2025

EXPENSES	2024	2025
Loss and claims expenses	9,437,900	13,764,100
Administrative expenses	3,933,100	4,183,600
Total expenses	13,371,000	17,947,700
Net income (loss)	1,701,000	11,893,400

CHANGE IN ASSETS AVAILABLE FOR DISTRIBUTION

Beginning monetary assets at takeover	$519,264,000
Recoveries, net of expenses	82,476,200
Distributions	(377,391,600)

Monetary assets available for distribution	$224,348,600

Crusader Insurance Company

Conservation Order: June 7, 2023

2025 Report

Crusader Insurance Company was placed into Conservation on June 7, 2023 after being found to be operating in hazardous financial condition. The Conservator has established and continues weekly oversight and control of the estate's run-off operations in Calabasas.

The Conservator has honored the December 31, 2025 retention payouts (6 retained employees), and has entered into new retention agreements through March 31, 2026. The estate recently reduced its retained employee count to six after releasing two additional claims staff and will remain at this level working into 2026. The Conservator will consider the estate's office needs during the second quarter while continuing to lease its current space at favorable terms through June 30, 2026.

Crusader has filed their December 31, 2025 annual statement and reported policyholders' surplus of approximately $680,000. The estate continues to incur legal and claim adjustment expenses as the final cases remain open longer. With approximately 35 claims still open, the estate still reports approximately $7.5 million in remaining loss & expense reserves. While the estate continues to close claims, each month we still continue to receive new claims. Milliman actuaries have reviewed the December 31, 2025 reserves and believe that they are fairly stated. Crusader will continue its efficient claims run-off.

The Crusader estate has eliminated most operational reliance on its parent company with the exception of certain insurance contracts still handled on a shared/prorated basis and a 401K retirement plan sponsored by Fidelity Investments. All corporate insurance renewals have been completed and coverage bound for 2026. The estate has commenced its 2025 statutory CPA audit and is working on the year-end federal labor reporting and tax return preparation for the retirement plan.

Crusader Ins Co

ASSETS

As of December 31, 2024 and December 31, 2025

ASSETS	12/31/2024	12/31/2025
Cash and investments	$14,326,899	$7.878,369
Other assets	2,632,651	(399,408)
Total assets	$16,959,550	$7,478,961

LIABILITIES

As of December 31, 2024 and December 31, 2025

LIABILITIES	12/31/2024	12/31/2025
Claims against policies	$13,991,001	$6,639,000
All other claims	183,839	159,605
Total liabilities	14,174,840	6,798,605
Net assets (deficiency)	$2,784,710	$680,356

INCOME

For Year Ended December 31, 2025

INCOME	2024	2025
Net premium income	$0	$0
Investment income	955,072	389,587
Other income	328	284
Total income	$995,400	$389,871

EXPENSES
For Year Ended December 31, 2025

EXPENSES	2024	2025
Loss and claims expenses	$4,190,991	$3,029,467
Federal income tax expenses	-	-
Total expenses	4,190,991	3,029,467
Net income (loss)	($3,195,591)	($2,639,596)

First American Title Company of Napa

Conservation Order: December 22, 2025

2025 Report

Napa Title was placed into Conservation on December 22, 2025 due to the Company being found to be operating in hazardous financial condition and unable to comply with the financial net worth requirements of the California Insurance Code. Napa Title filed its last monthly financial statement as of November 30, 2024. In that November 2024 statement the title company reported a negative net worth of $7,570,000 and negative working capital of $8,421,000.

The CLO has secured the title company's two physical locations, and now have control over the company's bank accounts, data and information systems (including its title plant), facilities and essential vendor relationships. Notices of the conservation proceeding have been provided to key or sensitive constituents to the estate, including the company's 401K trustee and custodian.

There are approximately 450 open escrows with some amount of funds being held in trust for the benefit of certain parties to the respective transaction. The escrowed trust balances were reconciled at year-end 2025 and are monitored monthly to ensure they remain in trust. The CLO, with the assistance of two part-time consultants familiar with the company's operations and systems, has commenced addressing a number of requests from consumers and seeks to release funds in accordance with the existing escrow demands. The estate is also working to prepare the company policy/plant data for use in addressing all remaining open escrows.

The Conservator is seeking to sell Napa Title's comprehensive title plant system/archive. All interested parties have been provided detailed due diligence materials and access for physical inspection. The Conservator will make an election in early 2026 and seek court approval of the contemplated transaction.

The conservation estate is also working to achieve a comprehensive settlement of certain litigation between First America Title Company (FATCO) and Napa Title currently pending in Federal District Court in California.

The title company owes an estimated $1.2 million in known vendor obligations.

First American Title Company of Napa

ASSETS
As of October 31, 2025

ASSETS	10/31/2025
Cash and investments	$172,539
Other assets	1,559,644
Total assets	$1,732,183

LIABILITIES
As of October 31, 2025

LIABILITIES	10/31/2025
Current liabilities	$10,045,222
Long term liabilities	2,365,815
Total liabilities	12,411,037
Shareholder Equity	27,235
Net assets (deficiency)	($10,706,089)
Retain Earnings/Net Income	($10,706,089)

Fremont Indemnity Company

Conservation Order: June 04, 2003
Liquidation Order: July 02, 2003

2025 Report

Fremont released an $83.4 million final distribution to approved Class 2 creditors on September 26, 2019. The distribution paid 43.25% of approved policyholder claims. The estate completed all customary post distribution and closing activities in 2020. The estate remains administratively closed before the Court. In accordance with it's 2019 closing order, the dormant estate continues to collect periodic annuity payments which, when coupled with other recent recoveries, will lead to a further distribution. At year-end 2025 the estate held approximtely $8.2 million. Planning for a distribution will commence in late 2026 for an early 2027 distribution.

Fremont Indemnity Co

ASSETS

As of December 31, 2024 and December 31, 2025

ASSETS	12/31/2024	12/31/2025
Cash and investments	$7,416,600	$8,173,700
Other assets	67,200	67,200
Total assets	7,483,800	8,240,900

LIABILITIES

As of December 31, 2024 and December 31, 2025

LIABILITIES	12/31/2024	12/31/2025
Secured claims and accrued expenses	32,300	32,300
Claims against policies, before distributions	2,532,388,200	2,532,388,200
Less distributions to policyholders	(1,106,139,400)	(1,106,139,400)
All other claims	221,395,500	221,395,500
Total liabilities	1,647,676,600	1,647,676,600
Net assets (deficiency)	($1,641,003,800)	($1,639,435,700)

INCOME

For Year Ended December 31, 2024 and 2025

INCOME	2024	2025
Investment income	$307,300	$407,000
Salvage and other recoveries	286,900	26,000
Total income	594,200	433,000

EXPENSES
For Year Ended December 31, 2024 and 2025

EXPENSES	2024	2025
Loss and claims expenses	(443,900)	(502,800)
Federal Income Tax expense	122,000	72,000
Administrative expenses	105,200	106,700
Total expenses	(216,700)	(324,100)
Net income (loss)	810,900	757,100

CHANGE IN ASSETS AVAILABLE FOR DISTRIBUTION

Beginning monetary assets at takeover	$434,855,900
Recoveries, net of expenses	679,457,200
Distributions	(1,106,139,400)
Monetary assets available for distribution	$8,173,700

Golden Eagle Insurance Company

Conservation Order: January 31, 1997
Rehab/Liquidation Plan Approved: August 4, 1997
Liquidation Order: February 18, 1998

2025 Report

Golden Eagle Insurance Company (Golden Eagle) is the subject of a Plan of Rehabilitation and Liquidation (Plan) approved by the Superior Court in 1997. The Plan provides for an orderly “run-off” of claims under Golden Eagle’s pre-1997 insurance policies, a process which is ongoing.

As part of the process to run off the remainder of the Golden Eagle estate, additional reinsurance coverage was purchased from Liberty Mutual affiliates to cover all the remaining covered insurance policy exposures. Golden Eagle’s insurance liabilities are fully funded under the Plan eliminating the need for a formal finding of insolvency, and thus have not triggered the claim payment obligations of the Insurance Guaranty Associations (IGAs). Under the court approved Plan these claims will continue to be received, adjusted, and paid in the ordinary course of the run-off of Golden Eagle’s policyholder liabilities. The IGAs remain as a back-up, in the unlikely event that the claims payment assets available under the Plan are exhausted prior to the final policyholder claim payment.

All remaining policyholder claims continue to be administered and paid under the Plan’s indemnity reinsurance and excess of loss reinsurance agreements all within the range of expected cost and reinsurance coverage. The Plan agreements will remain in full force and effect until the entire remaining exposure is paid, assumed, or novated.

Currently the legal proceeding is administratively closed on the active court docket, yet the Golden Eagle Estate must remain open to monitor the long-term claim run-off and to give policyholders access to appeal rights through the OSC process that is incorporated into the Plan.

The only assets that remain in the estate consist of a reserve to fund the administrative expenses that CLO will incur while monitoring the duration of the run off process. There have been no adverse developments or variances to report in 2025.

Golden Eagle Ins Co

ASSETS
As of December 31, 2024 and December 31, 2025

ASSETS	12/31/2024	12/31/2025
Cash and investments	$1,311,800	$1,347,900
Total assets	1,311,800	1,347,900

LIABILITIES
As of December 31, 2024 and December 31, 2025

LIABILITIES	12/31/2024	12/31/2025
Total liabilities	-	-
Net assets (deficiency)	$1,311,800	$1,347,900

INCOME
For Year Ended December 31, 2024 and 2025

INCOME	2024	2025
Investment income	$57,700	$70,100
Total income	57,700	70,100

EXPENSES
For Year Ended December 31, 2024 and 2025

EXPENSES	2024	2025
Administrative expenses	30,200	34,100
Total expenses	30,200	34,100
Net income (loss)	$27,500	$36,000

CHANGE IN ASSETS AVAILABLE FOR DISTRIBUTION

Beginning monetary assets at takeover*	$2,029,000
Recoveries, net of expenses	(681,100)
Monetary assets available for distribution	$1,347,900

*As of December 31, 2006, when Golden Eagle's estate accounting was transferred to the CLO.

Mission Insurance Company
Conservation Order: October 31, 1985
Liquidation Order: February 24, 1987

Mission National Insurance Company
Conservation Order: November 26, 1985
Liquidation Order: February 24, 1987

2025 Report

In accordance with a 2006 court approved closing plan, the Mission estates completed a final policyholder distribution in 2006 whereby all policyholder claimants for Mission, Mission National and Enterprise were paid 100% of their approved claim. As of year-end 2020, the general creditors of the Mission estate have unsatisfied portions remaining on their approved claims.

The Mission estates participate as members of a consolidated tax group (Covanta being the parent) and, as such, are joint and severally liable for the tax exposure of the group. The Mission estate has been indemnified from certain tax and tax-related exposure by the ultimate taxpayer.

After legal counsel for the estate reached an agreement with the United States Department of Justice and the Environmental Protection Agency (EPA) on a Federal Waiver settlement and release, the Estates made a material distribution in 2017 to all creditors. In November of 2019, the Mission estate received a material distribution from the receivership estate of Centaur insurance in Illinois. In November 2020, the Mission estate completed a distribution of approximately $49.5 million to creditors. From inception of the trusts, the Mission estates have distributed a cumulative total of approximately $1.4 billion.

The three Mission Trusts still have potential multi-million dollar recoveries due from the Holland America liquidation estate in Missouri, but the Mission Trust’s approved proofs of claim are subject to the Missouri liquidation estate obtaining a release of liability from the federal government.

Counsel for the Mission Trusts has reported that the Missouri liquidation reports the federal government has exchanged settlement terms with legal counsel for Holland America. Mission estate legal counsel continues to offer support and remains ready to participate in any discussions aimed at a final agreement. The Mission Trusts were extended another year after a hearing in late December 2025. Subject to collecting on the final pending proofs of claim, the Trusts will continue to distribute estate assets upon recovery in accordance with the comprehensive 2006 Mission closing order. There are no immediate distributions planned for the trusts.

Mission Ins Co

ASSETS

As of December 31, 2024 and December 31, 2025

ASSETS	12/31/2024	12/31/2025
Cash and Investments	$2,354,100	$2,276,600
Recoverable from reinsurers	649,700	649,700
Other assets	23,816,400	23,816,400
Total Assets	26,820,200	26,742,800

LIABILITIES

As of December 31, 2024 and December 31, 2025

LIABILITIES	12/31/2024	12/31/2025
Secured claims and accrued expenses	$1,414,400	$1,414,400
Claims against policies, before distributions	846,832,600	846,832,600
Less distributions to policyholders	(846,832,600)	(846,832,600)
All other claims	74,061,200	74,061,200
Total liabilities	75,475,600	75,475,600
Net assets (deficiency)	(48,655,400)	(48,732,800)

INCOME

As of December 31, 2024 and December 31, 2025

INCOME	2024	2025
Investment income	$106,100	$114,700
Salvage and other recoveries	1,300	-
Total Income	107,400	114,700

EXPENSES

As of December 31, 2024 and December 31, 2025

EXPENSES	2024	2025
Administrative expenses	$650,100	$192,200
Total expenses	650,100	192,200
Net income (loss)	(542,700)	(77,500)

CHANGE IN ASSETS AVAILABLE FOR DISTRIBUTION

Beginning monetary assets at takeover	$133,667,000
Recoveries, net of expenses	1,105,594,800
Distributions	(1,236,985,200)
Monetary assets available for distribution	$2,276,600

Mission National Ins Co

ASSETS

As of December 31, 2024 and December 31, 2025

Assets	12/31/2024	12/31/2025
Cash and Investments	$3,514,300	$3,681,500
Recoverable from reinsurers	1,793,200	1,793,200
Total assets	5,307,500	5,474,700

LIABILITIES

As of December 31, 2024 and December 31, 2025

Liabilities	12/31/2024	12/31/2025
Secured claims and accrued expenses	1,501,700	1,501,700
Claims against policies, before distributions	596,098,500	596,098,500
Less distributions to policyholders	(536,482,600)	(536,482,600)
All other claims	16,838,100	16,838,100
Total liabilities	77,955,700	77,955,700
Net assets (deficiency)	($72,648,200)	($72,481,000)

INCOME

For Year Ended December 31, 2024 and 2025

Income	2024	2025
Investment income	$151,900	$187,300
Salvage and other recoveries	83,900	83,200
Total income	235,800	270,500

EXPENSES

For Year Ended December 31, 2024 and 2025

Expenses	2024	2025
Administrative expenses	91,700	103,300
Total expenses	91,700	103,300
Net income (loss)	$144,100	$167,200

CHANGE IN ASSETS AVAILABLE FOR DISTRIBUTION

Beginning monetary assets at takeover	$18,289,000
Recoveries, net of expenses	548,952,400
Distributions	(563,559,900)
Monetary assets available for distribution	$3,681,500

Real Advantage Title Insurance Company

Conservation Order: September 9, 2025

2025 Report

Real Advantage Title Insurance Company (RATIC) was placed into conservation on September 10, 2025 after being deemed to be operating in a hazardous condition. As of December 31, 2025, the company reported negative surplus of $3.6 million. The Conservator has taken control of the company's daily operations, as well as the books and records, and has changed all bank and treasury accounts to be under the conservation umbrella.

The Conservator has provided notice to all employees, officers and shareholders. In addition, the Conservator is amassing a comprehensive policyholder list to provide further notice to those insured by the company. Currently, over 500,000 policyholders have been identified. Finally, the conservation estate will prepare and send notification to all active vendors.

Currently, there are approximately 40 open claims with a known loss reserve of approximately $1.2 million. The Deputy Conservator continues to work with retained RATIC staff to address and stabilize the claims runoff, with the intent to avoid liquidation.

Real Advantage Title Insurance Company

ASSETS

As of December 31, 2025

ASSETS	12/31/2025
Cash and cash equivalents	$2,807,812
Bonds	10,661,255
Real estate	1,891,185
Receivables for securities	36,004
Premiums receivable	(99,728)
Other assets	543,631
Total admitted assets	$15,840,159

LIABILITIES

As of December 31, 2025

LIABILITIES	12/31/2025
Known claim reserves	$1,353,641
Statutory premium reserve	16,234,813
Supplemental reserve	233,546
Accounts payable and accrued liabilities	664,278
Federal income tax payable	49,661
Premium taxes payable	378,402
Other liabilities	5,006
Total liabilities	$18,919,347
Net assets (deficiency)	$(3,079,188)

REVENUES
As of December 31, 2025

REVENUES	12/31/2025
Net premiums earned	$25,877,037
Other title fees and service charges	78,360
Other income	134,988
Total revenues	$26,090,385

EXPENSES
As of December 31, 2025

EXPENSES	12/31/2025
Loss and loss adjustment expenses	7,327,300
Other operating expenses	24,647,491
Total expenses	$31,974,791
Net underwriting income	$(5,884,406)

INCOME
For Year Ended December 31, 2025

INCOME	2025
Investment income, net	$580,623
Realized investment (losses) gains, net	(34,989)
Net investment income	545,634
Net (loss) income	$(5,338,772)

Western General Insurance Company

Conservation Order: May 26, 2021
Liquidation Order: August 5, 2021

2025 Report

Western General was a property and casualty insurance company licensed to transact specialty dealer-originated and agent/broker produced non-standard private passenger automobile insurance. Most of Western General's business was written primarily through its affiliated agency All Motorists Insurance Agency (AMIA).

On August 5, 2021, Western General was declared insolvent and placed into Liquidation. All Western General policies were terminated as of September 4, 2021. The Liquidator has moved all run-off operations into the offices of the CLO. The estate continues monthly asset recovery through the processing of reinsurance billings being fed by guaranty association loss payments. The estate has reached a mutually acceptable compromise and settlement of the arbitration proceeding reported in 2024. The estate prepared and filed the necessary pleadings and attended a hearing on January 29, 2025 where the court approved the settlement with Yosemite Re and entered an order that became final on or about April 1, 2025. The estate has collected all unpaid amounts in April 2025. Coupled with the final commutation of the PartnerRe treaty and the continuing administration of a fronting program working through its final claims (reporting minimal activity), the balance of the reinsurance program is either paid current or is being positioned for final commutation. It is anticipated the entire Western General reinsurance program will be resolved in the next year.

The CLO claims staff have reviewed all Proof of Claims (POCs) properly received for compliance/timeliness and initial priority determination. The priority continues to be the determination of all Class 2 policyholder exposure including claims with guaranty coverage and uncovered claims. The estate has received 2,601 timely submitted POCs, 2,380 are policyholder Class 2 POCs, 29 are guaranty fund Class 2 claims, one Class 6 (claims filed by the state of CA) ,188 general creditor Class 7 claims and 3 equity class demands. To date, the claims staff have approved 498 Class 2 POCs and denied 1,584 Class 2 POCs. Most denials were a result of confirming the benefits demanded have already been paid or will be paid by the participating guaranty associations. Those Class 2 insureds whose claims have been paid by the guarantee association have been notified of the denial.

The CLO, with the help of John Hancock and Liden Nestler have closed and decommissioned the estate's 401K program including a final funding in early December 2024. The Western General estate continues to rely upon 2 consultants (1 being a former employee) to assist with claims and reinsurance processing.

Western General Ins Co

ASSETS

As of December 31, 2024 and December 31, 2025

ASSETS	12/31/2024	12/31/2025
Cash and investments	$35,031,400	$38,925,900
Recoverable from reinsurers	1,448,500	388,600
Other assets	11,100	11,100
Total assets	36,491,000	39,325,600

LIABILITIES

As of December 31, 2024 and December 31, 2025

LIABILITIES	12/31/2024	12/31/2025
Secured claims and accrued expenses	1,130,400	1,130,400
Claims against policies, before distributions	33,463,600	33,533,900
All other claims	5,927,900	8,959,700
Total liabilities	40,521,900	43,624,000
Net assets (deficiency)	($4,030,900)	($4,298,400)

INCOME

For Year Ended December 31, 2024 and 2025

INCOME	2024	2025
Investment income	$1,813,300	$463,700
Salvage and other recoveries	61,500	18,100
Total income	1,874,800	481,800

EXPENSES
For Year Ended December 31, 2024 and 2025

EXPENSES	2024	2025
Loss and claims expenses	32,825,700	(791,900)
Administrative expenses	2,737,200	1,541,100
Total expenses	35,562,900	749,200
Net income (loss)	($33,688,100)	($267,400)

CHANGE IN ASSETS AVAILABLE FOR DISTRIBUTION

Beginning monetary assets at year 2022	$19,846,800
Recoveries, net of expenses	19,079,100
Distributions	-
Monetary assets available for distribution	$38,925,900

SECTION THREE – CROSS REFERENCES TO CALIFORNIA INSURANCE CODE (CIC)

CIC Section 1035 – Deputy Commissioners, clerks, and assistants, and executive officers; chief executive officer of Conservation and Liquidation Office

(a) In any proceeding under this article, the commissioner may appoint and employ under his or her hand and official seal, special deputy commissioners, as his or her agents, and to employ clerks and assistants and to give to each of them those powers that he or she deems necessary. Upon appointing or employing special deputy commissioners or executive officers, the commissioner shall notify the Chair of the Joint Legislative Budget Committee, by letter, of the action. The costs of employing special deputy commissioners, clerks, and assistants appointed to carry out this article, and all expenses of taking possession of, conserving, conducting, liquidating, disposing of, or otherwise dealing with the business and property of that person under this article, shall be fixed by the commissioner, subject to the approval of the court, and shall be paid out of the assets of that person to the department. In the event the property of that person does not contain cash or liquid assets sufficient to defray the cost of the services required to be performed under the terms of this article, the commissioner may at any time or from time to time pay the cost of those services out of the appropriation for the maintenance of the department, but not out of the assets of other estates. Any amounts so paid shall be deemed expenses of administration and shall be repaid to the fund out of the first available moneys in the estate.

CIC Section 1060 - The Commissioner shall transmit all of the following to the Governor, the Legislature, and to the committees of the Senate and Assembly having jurisdiction over insurance in the annual report submitted pursuant to Section 12922:

(a) The names of the persons proceeded against under this article.

(b) Whether such persons have resumed business or have been liquidated or have been mutualized.

(c) Such other facts on the operations of the Conservation & Liquidation Office as will acquaint the Governor, the policyholders, creditors, shareholders and the public with his or her proceedings under this article, including, but not limited to:

(1) An itemization of the number of staff, total salaries of staff, a description of the compensation methodology, and an organizational flowchart.

(2) Annual operating goals and results.

(3) A summary of all Conservation and Liquidation Office costs, including an itemization of internal and external costs, and a description of the methodology used to allocate those costs among insurer estates.

(4) A list of all current insolvencies not closed within ten years of a court ordered liquidation, and a narrative explaining why each insolvency remains open.

(5) An accounting of total claims by estate.

(6) A list of current year and cumulative distributions by class of creditor for each estate.

(7) For each proceeding, the net value of the estate at the time of conservation or liquidation and the net value at the end of the preceding calendar year.

(d) Other facts on the operations of the individual estates as will acquaint the Governor, Legislature, policyholders, creditors, shareholders, and the public with his or her proceedings under this article, including, but not limited to:

(1) The annual operating goals and results.

(2) The status of the conservation and liquidation process.

(3) Financial statements, including current and cumulative distributions, comparing current calendar year to prior year.

2025 ANNUAL REPORT

CONSUMER SERVICES *and* MARKET CONDUCT BRANCH

CONSUMER SERVICES & MARKET CONDUCT BRANCH

The Consumer Services and Market Conduct Branch (CSMCB) focuses on consumer assistance and protection by educating consumers, mediating consumer complaints, and enforcing insurance laws. CSMCB enforces insurance laws during the investigation of individual consumer complaints against insurers and agents/brokers and through on-site examinations of insurer claims and underwriting practices. CSMCB consists of two divisions, six bureaus, a market analysis unit, and a unit of legal staff dedicated to consumer issues:

Consumer Services Division (CSD)

- Consumer Communications Bureau (CCB)
- Claims Services Bureau (CSB)
- Health Claims Bureau (HCB)
- Rating and Underwriting Services Bureau (RUSB)

Market Conduct Division (MCD)

- Field Claims Bureau (FCB)
- Field Rating and Underwriting Bureau (FRUB)
- Market Analysis Unit (MAU)

Consumer Law Unit (CLU)

CSMCB RESULTS FOR CALENDAR YEAR 2025

Result Description	Result
Consumer Telephone Calls and In-Person Assistance	201.939
Complaint Cases Opened	64,848
Complaint Cases Closed	62,286
Total Amount of Consumer Dollars Recovered	$312,649,539
Number of Market Conduct Exams Adopted by the Commissioner	56

Result Description	Result
Total Amount of Claims Dollars Recovered or Premium Returned to Consumers from Market Conduct Exams	$6,505,015
CSMCB Grand Total Amount (Consumer Dollars Recovered, Claims Dollars Recovered or Premium Returned to Consumers)	$319,154,554

CONSUMER SERVICES DIVISION

CSD responds to consumer inquiries and complaints involving insurance companies or agent and broker activities. The CSD is responsible for administrating the program described in the California Insurance Code (CIC) Section 12921.1(a) for investigating complaints, responding to consumer inquiries, and bringing enforcement actions against insurers, agents, and brokers.

In accordance with CIC Section 12921.1(a)(10), this report includes a description of the operation of the complaint handling process, and the percentage of the Department's personnel years devoted to the handling and resolution of complaints.

The CCB staff respond to general insurance inquiries and answer questions about insurance claims and underwriting practices, and administer the California Department of Insurance (CDI) Residential, Earthquake, and Automobile Mediation Programs.

The three written case units, CSB, HCB, and RUSB, are responsible for investigating, evaluating, and resolving written consumer complaints involving claims and rating and underwriting issues for all lines of insurance. In 2025 , 124 full-time staff were devoted to the complaint handling operation. This represents almost nine percent of the nearly 1400 total authorized positions in the Department.

All complaints are reviewed, and an investigation is generally initiated within three days of receipt. During this period, CDI contacts the appropriate insurers or agents and brokers. The time required to resolve a complaint varies depending on the case type and complexity of the issues presented. The average time for resolution is approximately 45 days from open to close. Complex cases involve the analysis of conflicting facts and applicable laws, as such, resolution of these cases may require a lengthier investigation. Conversely, cases involving less complex issues may be resolved within hours, days, or a few weeks. CDI informs consumers about the final resolution of their complaints as quickly as possible but no later than 30 days after final action. The cumulative results of our findings are published annually in the consumer complaint study available on CDI’s public website at: Consumer Complaint Study.

Consumer Complaint Trends – The following tables identify notable complaint trends by line of coverage:

PERCENTAGE OF COMPLAINTS BY LINES OF COVERAGE

Coverage Type	2022	2023	2024	2025
Automobile	33.78%	35.23%	33.24%	40.14%
Accident & Health	33.09%	28.68%	30.00%	21.27%
Homeowners	12.98%	16.36%	17.57%	17.25%
Misc./Other	11.74%	11.21%	9.49%	10.54%
Life & Annuity	4.03%	3.38%	3.20%	3.86%
Fire, Allied Lines & CMP	2.91%	3.48%	5.00%	5.05%
Liability	1.41%	1.59%	1.43%	1.84%
Earthquake	0.06%	0.07%	0.07%	0.05%

TOP TEN TYPES OF COMPLAINT REASONS

Number	Types of Complaint Reasons	2022	2023	2024	2025
1	Claim Handling Delay	25.15%	25.02%	21.60%	22.59%
2	Denial of Claim	26.61%	27.48%	23.24%	22.45%
3	Unsatisfactory Settlement Offer	14.43%	14.28%	12.70%	13.15%
4	Premium & Rating	4.52%	5.00%	7.47%	7.79%
5	Nonrenewal	2.48%	3.77%	8.51%	6.08%
6	Cancellation	3.26%	3.70%	4.42%	4.13%
7	Premium Refund	3.06%	2.72%	3.54%	4.08%
8	Coverage Question	2.14%	1.94%	1.83%	2.49%
9	Surcharge	1.47%	1.41%	1.73%	2.06%
10	All Other Reasons	16.88%	14.68%	14.96%	15.17%

In accordance with reporting requirements of CIC Section 1858.35, the following table lists the number and type of complaints received by CDI from any person aggrieved by any rate charged, rating plan, rating system, or underwriting rule, and the disposition of these complaints.

CIC SECTION 1858.35 COMPLAINTS BY TYPE/REASON
CALENDER YEAR 2025

Rank	Reason	Number of Complaints
1	Premium & Rating	2599
2	Nonrenewal	2350
3	Cancellation	1148
4	Premium Refund	961
5	Surcharge	812
6	Coverage Question	766
7	Premium Notice/Billing Problem	543
8	Rescission	260
9	Delays/No Response	169
10	All Other Reasons	1250
	Total Number Reasons	**10858**
	Total Number of Complaints	**9741**

Note: Many consumer complaints involve more than one issue. This explains the difference between the total number of complaints and total number of complaint types/reasons above. The complaint type/reason column also describes the various concerns addressed.

CIC SECTION 1858.35 COMPLAINTS BY FINAL DISPOSITION
CALENDER YEAR 2025

Rank	Final Disposition	Number of Complaints	Recovery Amount
1	Company Position Substantiated	7693	$485,893.47
2	Compromised Settlement/Resolution	1321	$994,452.11
3	Company Position Overturned	556	$742,279.16
4	Question of Fact/Contract Provision/Legal Issue	147	$113.00
5	Referred for Possible Disciplinary Action	31	$8,936.46
6	All Other Disposition Codes	9	

Rank	Final Disposition	Number of Complaints	Recovery Amount
	Total Number of Dispositions	**9757**	**$2,231,674.20**
	Total Number of Complaints	**9741**	**$2,231,674.20**

Note: Many consumer complaints involve more than one issue and therefore may result in more than one disposition. This explains the difference between the total number of complaints and total number of dispositions above.

Disaster Response

CSD also coordinates CDI's response to natural and other disasters affecting California insurance consumers and businesses. This response includes administration of the Emergency Disaster Assessment function described in CIC Section 16000, as well as assisting consumers affected by wildfires and other catastrophic events at Local Assistance and Disaster Recovery Centers, community events, and workshops.

In 2025, California continued to experience disasters. CSD monitored 48 wildfires, and 2 significant storm events. We had 9 deployments to assist survivors throughout the state at various Workshops, Local Assistance and Disaster Recovery Centers to assist survivors.

Residential Property, Earthquake, and Automobile Physical Damage Mediation Program

CSD administers CDI's Residential Property, Earthquake Claims, and Automobile Physical Damage Mediation Program. The Program was established in 1995 in response to earthquake claims from the Northridge Earthquake of January 17,1994. The Legislature has since expanded the program to include automobile physical damage and residential property disputes subject to specific guidelines. Residential property and earthquake (EQ) mediation are contingent upon a gubernatorial declaration of a state of emergency. Pursuant to CIC Section 10089.83, the results of the Program for calendar year 2025 are contained in the table below titled "Formal Mediation Program Results for Calendar 2025".

FORMAL MEDIATION PROGRAM RESULTS
CALENDER YEAR 2025

RESULT DESCRIPTION	Residential	EQ	Auto	Totals
Number of mediation cases eligible	7	0	2	9
Number settled within 28-day settlement period	1	0	1	1
Number sent to mediation	2	0	2	4

RESULT DESCRIPTION	Residential	EQ	Auto	Totals
Number of cases rejected by insurer	1	0	0	1
Number of cases rejected by consumers	3	0	0	3
Number accepted by insurer	2	0	2	4
Number of settlements rejected within 3 day waiting period	0	0	0	0
Number of Cases Closed	7	0	2	9
Number of Cases Pending	0	0	0	0
Amount initially claimed	$63,823.54	$0		$63.823.54
Amount of settlements	$30,000.00	$0		$30,000.00

Independent Medical Review Program

CSD also administers an Independent Medical Review (IMR) program, which determines when treatment is medically necessary. This includes determining which complaints qualify for the program, guiding the consumer through the IMR process, working with the IMR organization, communicating the final decision to all parties, and developing statistics related to IMR results, which are made public with appropriate privacy protections on the Department's public website at: Independent Medical Review Statistics.

2025 MEDICAL REVIEW SUMMARY REPORT

Annual Rate of IMR Cases by Total Insured Population

Plan Type	Covered Lives as of 12/312025
Major Medical Plans Non-Grandfathered Large Group	596,396
Major Medical Plans Non-Grandfathered Small Group	64,981
Major Medical Plans Non-Grandfathered Individual	22
Major Medical Plans Grandfathered Large Group	8,273

Plan Type	Covered Lives as of 12/312025
Major Medical Plans Grandfathered Small Group	217
Major Medical Plans Grandfathered Individual	17,860
Student Health Plans	117,414
Total Insured Population	805,163
Total Number of IMR Cases	178
Annual Rate of IMR Cases by Insured Population	**0.02%**

Annual Rate of IMR Cases by Health Insurer

Insurance Company	IMR Case Count	Annual Rate
Aetna Life Insurance Company	93	0.0116%
Anthem Blue Cross Life & Health Insurance Company	21	0.0026%
Blue Shield of California Life & Health Insurance Company	1	0.0001%
Cigna Health & Life Insurance Company	48	0.0060%
Group Insurance Trust of the California Society of Certified Public Accountants (The)	3	0.0004%

Insurance Company	IMR Case Count	Annual Rate
Nippon Life Insurance Company of America	2	0.0002%
UnitedHealthcare Insurance Company	5	0.0006%
Wellfleet Insurance Company	3	0.0004%

The Number, Type, and Resolution of IMR Cases by Health Insurer

Insurance Company	Total IMR Cases	Experimental : Denial Overturned	Experimental: Denial Upheld	Medical Necessity: Denial Overturned	Medical Necessity: Denial Upheld
AETNA LIFE INSURANCE COMPANY	**93**	9	9	48	20
CIGNA HEALTH AND LIFE INSURANCE COMPANY	**48**	2	2	26	13
ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY	**21**	0	0	16	3
UNITEDHEALTHCARE INSURANCE COMPANY	**5**	0	0	3	1
NIPPON LIFE INSURANCE COMPANY OF AMERICA	**4**	0	0	4	

Insurance Company	Total IMR Cases	Experimental : Denial Overturned	Experimental: Denial Upheld	Medical Necessity: Denial Overturned	Medical Necessity: Denial Upheld
GROUP INSURANCE TRUST OF THE CALIFORNIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS (THE)	**3**	2	2	1	0
WELLFLEET INSURANCE COMPANY	**3**	0	0	2	1
BLUE SHIELD OF CALIFORNIA LIFE & HEALTH INSURANCE COMPANY	**1**	0	0	1	0

Health Care Provider Bill of Rights Report

No complaints involving CIC Section 10133.65(f) were received for calendar year 2025.

MARKET CONDUCT DIVISION

MCD examines admitted insurance companies to evaluate their compliance with legal requirements and to initiate corrective or enforcement actions when necessary. These examinations are generally scheduled at regular fixed intervals. Scheduled re-examinations and targeted examinations supplement the routine examinations when special circumstances, or the results of market analysis of consumer complaints and other data, dictate more in-depth examination. Depending upon their size, complexity, and nature, exams are either conducted in the insurers' offices located nationwide, or remotely with insurers shipping or providing electronic access to materials and files to CDI staff.

Following operational adjustments made during the global COVID-19 pandemic, market conduct examination work primarily continued to be conducted remotely via telework during 2025.

Within MCD, FCB examines claim handling practices, and FRUB examines rating and underwriting practices. This division of oversight reflects the traditional division of operations in the industry and in the laws regulating them.

MCD also maintains the Market Analysis Unit which evaluates patterns in consumer complaints, enforcement actions, exam activity, and other data on a national basis to identify issues that may be of regulatory concern in California and to assist in the planning and scheduling of examinations.

The following is a summary of MCD's accomplishments for the year 2025. The table displays exams completed, dollars returned to consumers, and legal actions taken as a result of MCD work. The column labeled "Div. Office" reflects multistate examination and enforcement activity done in cooperation with other states. This work is completed directly by MCD Division Office Staff and CDI Legal rather than being assigned to FCB or FRUB.

MARKET CONDUCT DIVISION RESULTS
CALENDER YEAR 2025

RESULTS CATEGORY	BUREAU EXAMINATIONS (FRUB AND FCB)	DIV. OFFICE	MCD Totals
Number of Exams Adopted by the Commissioner	56	0	56
Amount of Claims Dollars Recovered or Premium Returned to Consumers in Examinations and Enforcement Actions	$6,505,015	$0	$6,505,015
Number of Enforcement Actions Completed on Examinations	1	0	0
Policyholder Remediation Required by Enforcement Actions Completed	$5,000,000	$0	$5,000,000

FIELD CLAIMS BUREAU

FCB conducts market conduct examinations of the claim's practices of all licensed California insurers. Each exam focuses on compliance with the California Insurance Code (CIC) and the California Fair Claims Settlement Practices regulations. FCB seeks to ensure equitable treatment of policyholders and claimants in accordance with insurance contracts and California law. The provisions of law cited in FCB examinations vary by line of insurance. However, those that are common across life, disability, and property and casualty insurance involve delay, incomplete documentation, and improper handling, which may include improper settlement, failure to pursue investigation, and improper denial. FCB obtains remedial claim actions from insurers as a result of the examinations it conducts. Many of the issues which lead to these actions are displayed in its reports which are published on CDI's website.

FIELD RATING AND UNDERWRITING BUREAU

FRUB conducts market conduct examinations of the rating and underwriting practices of all licensed insurers, including reviews of the advertising, marketing, risk selection and declination, underwriting, pricing, and policy termination practices of life, health, property, and casualty insurers. FRUB examinations focus on compliance with rate and product filing requirements, consistency within the insurer's adopted rating and underwriting processes, fairness and accuracy in marketing and communications to consumers, and overall conformity of rating and underwriting with California law. FRUB obtains remedial actions from the insurers it examines in the form of revisions to incorrect and illegal practices and premium refunds to consumers when errors and violations resulting in premium overcharges are discovered.

CIC Section 12921.4(b) – In accordance with CIC Section 12921.4(b), the Market Analysis Unit reviewed the complaint data of each insurance carrier that was authorized to transact business in California during 2025. The analysis of complaint data focused on the following areas: insurer, insurance line of business, and type of violation. In addition to raw numbers of complaints, the analysis includes the development of a complaint index for each insurer, calculated as the insurer's complaint share divided by its market share. This allows for the comparison of results among insurers of differing sizes.

Complaint totals are among the primary criteria driving the MCD's examination schedule. The 10 insurers with the largest number of closed complaints in 2025 (ranging from 773 for the tenth-ranked company to 2,003 for the company ranked first) have all been examined within the last three years or are scheduled to be examined in the next two years (five are in progress, one was recently completed, and four are on the upcoming examination schedule). Two of the 10 companies with the most closed complaints are the subjects of pending enforcement action.

Complaints by line of business remain an important criterion for focusing on MCD examination resources. The five lines of business generating the highest number of complaints were:

Number	Line of Business	Number of Complaints
1	Private Passenger Auto	16,370
2	Homeowners	5,592
3	Group Accident and Health	1,490
4	Warranty Contract	1,403
5	Dwelling Fire	928

These lines were among the most frequently examined by the Division's FCB and FRUB during 2025. Within each line of business, MCD also prioritizes those insurers with the most complaints. All insurers in the top 10 of complaints in each line have been examined in the last three years or are scheduled to be examined in the next two years.

An analysis of complaints sorted by type of violation is completed for each examination initiated for the MCD's bureaus. The results of this analysis allow the examiners in charge to identify areas that should be scrutinized more closely. Whenever a trend or pattern in violation data is observed, the information is shared with those Department employees that have a use or need for the data.

A geographic analysis, established by ZIP Code, of consumer complaints was conducted for the year 2025. Complaints within those geographic regions identified as having high concentrations of complaints relative to the region's population will be the subject of further analysis in 2026.

2025 ANNUAL REPORT

ENFORCEMENT BRANCH

ENFORCEMENT BRANCH

SECTION ONE: ENFORCEMENT BRANCH OVERVIEW

The mission of the California Department of Insurance Enforcement Branch is:

> "To protect the public from economic loss and distress by actively investigating, arresting, and referring, for prosecution or other adjudication, those who commit insurance fraud and other violations of law; to reduce the overall incidence of insurance fraud and consumer abuse through anti-fraud outreach and training to the public, private, and governmental sectors."

To accomplish its mission, the Enforcement Branch investigates criminal and regulatory violations relating to insurance transactions from point-of-sale through the claims process.

The Enforcement Branch is composed of two divisions: The Fraud Division and the Investigation Division. In addition to investigating criminal and regulatory violations, the Enforcement Branch administers five grant programs that provide funding to county district attorney offices to assist with their efforts to investigate and prosecute insurance fraud. The five grant programs are: Automobile Insurance Fraud, Organized Automobile Fraud Activity Interdiction, Disability and Healthcare Fraud, Workers' Compensation Insurance Fraud, and Life and Annuity Consumer Protection Program.

The Branch also provides outreach, education, and is a liaison to public agencies involved in combating insurance fraud.

BRANCH ORGANIZATION

The Enforcement Branch Headquarters is comprised of three offices: Program Operations, Investigative Support and Grants, and Northern Operations and Training. The Deputy Chiefs oversee these offices and are responsible for managing the Branch Headquarters Office that supports the Enforcement Branch Deputy Commissioner and the Fraud and Investigation Divisions' regional offices. Enforcement Branch Headquarters works closely with other units within the department, most notably the Human Resources Management Division, Financial and Business Management Division, and Information Technology Division.

- Program Operations oversees the activities of the Support Services Bureau, and the Professional Standards Bureau.

- Investigative Support and Grants oversees the activities of the Local Assistance Unit, Audit Programs, and Computer Forensics Team.

- Northern Operations and Training oversees Training.

Anti-Fraud Outreach

One component of the Enforcement Branch's mission is to provide anti-fraud outreach and training to the public, private, and governmental sectors. The Branch provides a wide array of public awareness through liaison and educational materials. The department's overall goal is to advance communications that will help consumers understand insurance fraud and create stronger deterrence through public awareness.

The following are examples of outreach activities:

- Internet – The CDI Internet public website addresses several topics, including "What is Insurance Fraud?" and "Reporting Fraud." The website provides Insurance Fraud reporting forms, identifies statewide Enforcement Branch Regional Offices, and reports Workers' Compensation insurance fraud convictions. Relevant press releases are posted as arrests and convictions occur and are placed on the Special Investigative Unit – E-Blast page.

- Workers' Compensation Fraud – In keeping with the requirements of California Insurance Code Section 1871.9, the department posts fraud convictions on its website for five years from the date of conviction or until it is notified in writing that the conviction has been reversed or expunged.

- Community Forums – The Enforcement Branch participates in community-sponsored events, such as town hall meetings, public hearings, and underground economy seminars. These forums give the Branch opportunities to hear directly from consumers regarding their insurance concerns and provide information that communities may find useful in protecting themselves from insurance fraud.

- Media/Public Service Announcements – The Enforcement Branch participates with local, state, and national broadcasting outlets to educate the public about insurance fraud in California. The Branch's accomplishments are highlighted to inform the public of insurance fraud arrests, prosecutions, and convictions throughout the state. Significant cases are taken to the media to increase public awareness of Branch activities and collaboration with other allied law enforcement agencies to investigate and prosecute insurance fraud, which helps deter fraudulent endeavors.

- Industry Liaison – The Enforcement Branch maintains ongoing liaison with the insurance industry by interacting with a variety of organizations including, but not limited to: The International Association of Special Investigation Units, Coalition Against Insurance Fraud, Workers' Compensation Advisory

Committee; Insurance Fraud Advisory Board, National Insurance Crime Bureau Regional Advisory Committee, Health Fraud Task Force; Underground Economy Task Forces, California Coalition on Workers' Compensation, California Workers' Compensation Institute; various trade associations who represent insurance companies and insurance agents, company-specific fraud referral trainings conducted by the Fraud Division Special Investigative Unit Compliance Review Program and Fraud Division sworn peace officers; the Anti-Fraud Alliance, and the Southern California Fraud Investigators' Association.

- Governmental Liaison – The Enforcement Branch maintains routine liaison with the following state agencies or entities on matters of overlapping jurisdiction or mutual concern: California Peace Officers Association, California Peace Officer Standards and Training, Instructor Standards Counsel; California Highway Patrol, Employment Development Department, Department of Industrial Relations–Division of Workers' Compensation and Division of Labor Standards Enforcement; Department of Consumer Affairs, Bureau of Automotive Repair, California Contractors State License Board; the Cemetery and Funeral Bureau, Department of Justice, Department of Corporations, Franchise Tax Board; California Board of Chiropractic Examiners, California District Attorneys Association, National Association of Insurance Commissioners; Statewide Vehicle Task Force, Department of Corrections and Rehabilitation, Department of Alcoholic Beverage Control, and Regional Auto Theft Task Forces.

Grant Workshops for County District Attorney's Offices – Statewide workshops for district attorney personnel who participate in the Insurance Fraud Grant Programs are provided by the Local Assistance Unit. The Enforcement Branch Fraud Grant Audit Unit participates in the grant workshops when requested. The workshops are designed for the staff responsible for completing the insurance anti-fraud grant application(s), complying with the Program's data collection and statistical reporting requirements, and overseeing the administrative requirements after funding is awarded. The attendees consist of a mix of deputy district attorneys, investigators, fiscal officers, and grant support staff. Furthermore, the Local Assistance Unit reaches out to participating district attorneys' offices to provide training to facilitate the success of their anti-fraud program(s) and answer their program questions.

SECTION TWO: INVESTIGATION DIVISION

The mission of the Investigation Division is:

> "To protect California consumers by investigating suspected violations of laws and regulations pertaining to the business of insurance and seeking appropriate enforcement actions against violators."

Effective enforcement of insurance laws helps safeguard consumers and insurers from economic loss and eliminates unethical conduct and criminal abuse in the insurance industry.

The Investigation Division is charged with enforcing applicable provisions of the CIC under authority granted by Section 12921, and to refer crimes to appropriate prosecuting authorities pursuant to CIC Sections 12928 and 12930. The Division pursues prosecution of offenders through both criminal and regulatory justice systems.

The Insurance Commissioner's priorities emphasize investigation and prosecution in the following areas:

- Premium theft
- Senior citizen financial abuses
- Health insurance violations
- Unauthorized insurers and insurance transactions
- Deceptive sales and marketing practices
- Title insurance rebates
- Public adjuster violations
- Abusive acts committed by auto insurance agents and companies
- Illegal bail and fugitive recovery agent practices

In addition to these violations, the Division investigates other complaints and alleged violations of laws relating to the transaction of insurance prohibited by the CIC, California Business and Professions Code, California Code of Regulations, California Penal Code, and Title 18 of the United States Code. The Division utilizes a mail and case tracking system called Investigation Division Case Management (IDCM). IDCM keeps a record of the development of each case, from the receipt of complaints against suspected violators through investigation and disposition.

Budget and Staffing

During the fiscal year 2024-25, the Investigation Division's expenditures totaled $10,505,563 in support of 93 authorized positions.

Investigation Division Administration and Operations

The Investigation Division's seven regional offices (Sacramento, Golden Gate, Inland Empire, Orange, Valencia, Los Angeles, San Diego) serve 58 counties in California.

TABLE A: DIVISION-WIDE INVESTIGATIONS
Fiscal Year 2024-25

Description	Count
Complaints and General Correspondence Received	1463
New cases opened (Includes subjects identified in fiscal year 2023-2024 for cases opened prior to July 1, 2023)	1465
Additional Complaints-Consolidated with Existing Cases	439
Cases Closed	547
Investigations in Progress as of June 30, 2024:	
Criminal Cases	662
Regulatory /Administrative Cases	438
Total	1100
Reports of Suspected Violation as of June 30, 2024: (*Any initial allegation that is found sufficient to warrant an investigation, but which has not yet been assigned to an investigator. It is intended to represent matters that are potential future investigations.)*	
Criminal Cases	178
Regulatory /Administrative Cases	517
Total	695
Chargeable Fraud	$52,745,473

Description	Count
Complaints and General Correspondence Received	1463
Ordered Restitution	$13,878,527
Investigative Cost Recoveries	$110,040
Fines and Penalties	$405,081

TABLE B: CRIMINAL PROSECUTION CASES
Fiscal Year 2024-25

Description	Count
Cases Referred to Prosecutors	119
Case Filed by Prosecutors	29
Search Warrants Obtained	283
Arrest Warrants Obtained	21
Arrested	18
Convictions	28

TABLE C: REGULATORY PROSECUTION CASES
Fiscal Year 2024-25

Description	Count
Cases referred for regulatory prosecution	215

Investigation Division Funding
Most investigations conducted by the Division are supported by revenues generated from fees and licenses charged to the insurance industry. Investigations related to automobile insurance and the Life and Annuity Consumer Protection Program are partially funded by special assessments.

Investigations Related to Automobile Insurance
CIC Section 1872.81 requires each insurer doing business in California to pay, to the Insurance Commissioner, an annual special purpose assessment of 26 cents for each

insured vehicle it covers in the State. The fee is to maintain and improve consumer service functions related to automobile insurance.

TABLE D: AUTO INSURANCE INVESTIGATIONS
Fiscal Year 2024-25

(This data is included in the overall Division case information in Table A of this report.)

Description	Count
New Cases Opened (includes subjects identified in Fiscal Year 2023-2024 for cases opened prior to July 1, 2023)	224
Cases Closed	91
Investigations in progress as of June 30, 2023	230
Reports of Suspected Violation as of June 30, 2023	76

Efforts to Reduce Producer Fraud

The following additional strategies were implemented to reduce agent and broker fraud:

- The continuance of quality control measures at the regional level to ensure compliance with Division policies designed to improve efficiency and increase productivity.
- Deployed investigators as part of the Disaster Assistance Response Team (DART) to work with other CDI divisions and allied agencies to proactively respond to disasters or other emergencies statewide affecting enforcement operations.
- Continued enhancements to the IDCM to better identify suspects of investigations, economic impact information, and patterns of non-compliance by individuals and entities involved in the insurance transactions.
- Provided Life and Annuity Consumer Protection Program (LACPP) training to county district attorney prosecutors, local law enforcement agencies, and consumer groups.
- Ongoing development of legislative proposals to strengthen laws governing insurance transactions and enforcing those laws.
- Ongoing outreach to underserved communities, industry associations, consumer groups, and allied law enforcement agencies.

SECTION THREE: FRAUD DIVISION

The mission of the Fraud Division is:

> *"To protect the public and prevent economic loss through the detection, investigation, and arrest of insurance fraud offenders."*

The CDI Fraud Division's role and responsibilities are outlined in Division 1, Part 2, Chapter 12 of the CIC, "The Insurance Frauds Prevention Act." The Division also ensures that Penal Code Section 550 is enforced throughout California.

The Fraud Division oversees the following four fraud programs: (1) Automobile Insurance Fraud Program, (2) Organized Automobile Fraud Activity Interdiction Program, (3) Disability and Healthcare Fraud Program, and (4) Workers' Compensation Insurance Fraud Program.

Fraud Division Administration and Operations

The Fraud Division's nine regional offices serve 58 counties in California. The Enforcement Branch Headquarters (EBHQ) office provides administrative support to all regional offices, including managing the statewide insurance fraud grant programs. EBHQ provides centralized administrative support for investigations in the Automobile, Organized Automobile Fraud Interdiction Program, Workers' Compensation, Disability and Healthcare, Property and Casualty Fraud Programs, and any newly established grant program(s) created by legislation or received via a qui tam.

Automobile Insurance Fraud Program

The Fraud Division is the primary law enforcement agency investigating automobile insurance fraud crimes. It coordinates enforcement operations with municipal, state, and federal enforcement agencies throughout California. Completed investigations are filed with the local district attorney or the United States Attorney General's Office.

During fiscal year 2024-25, the Fraud Division received 16,617 Suspected Fraudulent Claims (SFCs), assigned 371 new cases, made 208 arrests, and referred 251 submissions to prosecuting authorities. The potential loss amounted to $205,515,590.

District Attorneys' Automobile Insurance Fraud Program

During fiscal year 2024-25, 34 counties received funding totaling $17,972,115 through the department's Automobile Insurance Grant Program. The financial support provided to each county is based on county population, the number of SFCs reported, and the Insurance Commissioner's evaluation of the county's historical performance and plan description.

For fiscal year 2024-25, California district attorneys reported 1,202 investigations and made 433 arrests. This includes some of the Fraud Division's enforcement actions and local law enforcement investigations. District attorneys prosecuted 926 cases involving 1,011 defendants with chargeable fraud totaling $15,927,332, resulting in 349 convictions and $1,689,421 in restitution ordered by the courts.

Organized Automobile Fraud Activity Interdiction Program

The program's primary focus is organized criminal activity that occurs in urban areas, often involving the staging of collisions and filing accident or damage claims.

During fiscal year 2024-25, the Fraud Division assigned 62 new cases, made 87 arrests, and referred 103 cases to prosecuting authorities. The potential loss amounted to $3,829,502.

District Attorneys' Organized Automobile Fraud Activity Interdiction Program

During fiscal year 2024-25, 8 counties received funding totaling $7,275,988 through the department's Organized Automobile Grant Program. The California district attorneys reported 111 investigations and 91 arrests, including some of the Fraud Division arrests. The district attorneys prosecuted 119 cases involving 284 defendants with chargeable fraud totaling $22,655,416, resulting in 62 convictions and $1,964,905 of restitution ordered.

Disability and Healthcare Insurance Fraud Program

Health insurance fraud is a significant problem for policyholders because it drains resources out of the system, causing otherwise unnecessary premium increases. This program includes suspected fraudulent claims involving claimant disability other than workers' compensation, dental claims, billing fraud schemes, immunization fraud, unlawful solicitation, durable medical equipment, and posing as another to obtain benefits.

During fiscal year 2024-25, the Fraud Division identified and reviewed 805 SFCs, assigned 60 new cases, and made 20 arrests and 38 referrals to prosecuting authorities. Potential loss amounted to $337,044,647.

District Attorneys' Disability and Healthcare Insurance Fraud Program

In fiscal year 2024-25, 9 counties received funding totaling $5,600,000 through the department's Disability and Healthcare Insurance Fraud Grant Program. The district attorneys reported 94 investigations and 24 arrests, including some of the Fraud Division arrests. District attorneys prosecuted 68 cases involving 121 defendants with chargeable fraud totaling $867,928,989, which resulted in 34 convictions and $13,021,886 in restitution ordered by the courts.

Workers' Compensation Insurance Fraud Program

Workers' compensation insurance fraud occurs through simple and complex schemes that often require challenging and lengthy investigations. Employees may exaggerate or even fabricate injuries. At the other end of the spectrum, white-collar criminals, including doctors and lawyers, entice, pay, and conspire with others to defraud the system by creating false or exaggerated claims, over-treating, and over-prescribing harmful and addictive drugs. Insurance companies "pick up the tab," passing the cost onto policyholders, taxpayers, and the general public.

Funding for the program comes from California employers who are legally required to be insured or self-insured. The total aggregate assessment for fiscal year 2024-25 was $89,985,405.

During fiscal year 2024-25, the Fraud Division identified and reported 2,982 SFCs, assigned 528 new cases, made 91 arrests, and referred 138 cases to prosecuting authorities. The potential loss amounted to $184,439,793.

District Attorneys' Workers' Compensation Insurance Fraud Program

In fiscal year 2024-25, 33 counties received funding totaling $53,182,096. The district attorneys reported 1,155 investigations and 369 arrests, which include some of the Fraud Division arrests. During the same time frame, district attorneys prosecuted 1,008 cases with 1,119 defendants, resulting in 233 convictions. Restitution of $36,795,165 was ordered in connection with these convictions and $13,590,812 was collected. The total chargeable fraud was $755,838,715, representing only a small portion of the actual fraud, since many fraudulent activities remain to be identified or investigated.

Property, Life and Casualty Fraud Program

The Property, Life and Casualty Fraud Program accounts for approximately five percent of the Fraud Division's allocated budgetary resources. The funding for this program is generated by a $2,100 assessment for each certificate of authority in California. These funds are non-restrictive and can be used to support all Fraud Division program areas if needed. There is no local assistance component to this program.

During fiscal year 2024-25, the Fraud Division identified and reported 5,102 SFCs, assigned 62 new cases, made 15 arrests, and referred 19 submissions to prosecuting authorities. The potential loss amounted to $593,789,754.

Enhanced Fraud Investigation and Prevention

CDI has successfully litigated anti-fraud cases, resulting in settlement payments that, upon appropriation, the statute indicates shall be used by CDI for enhanced investigation and prevention efforts.

During fiscal year 2024-25, the Fraud Division spent approximately 22,620 investigative hours working 239 cases.

Budget and Staffing

TABLE I:
FRAUD DIVISION BUDGETED/EXPENDITURES BY PROGRAM
AND FISCAL YEAR STAFFING LEVEL
(Includes all authorized Program 20 positions)
Fiscal Year 2024-25

Budgeted/Expenditures	Amount
Fraud Budgeted Levels	$132,405,000
Fraud Actual Expenditures	$132,953,000

Program	Amount
Insurance Fraud Assessment, Automobile:	
District Attorneys' Auto Distribution	$25,248,000
State Operations Auto Expenditures	$13,718,000
Insurance Fraud Assessment, Workers' Compensation:	
District Attorneys' Workers' Compensation Distribution	$53,182,000
State Operations Workers' Compensation Expenditures	$28,247,000
Insurance Fraud Assessment, Disability and Healthcare:	
District Attorneys' Disability and Healthcare Distribution	$5,600,000
State Operations Disability and Healthcare Expenditures	$2,265,000
Insurance Fraud Assessment, General:	
State Operations General Assessment Expenditures	$2,377,000
General Fund, Enhanced Fraud and Prevention:	
State Operations, Enhanced Fraud and Prevention Expenditures	$2,315,000

SUSPECTED FRAUDULENT CLAIMS REPORTING

The primary source of leads for investigations initiated by the Fraud Division is the SFC. A suspected fraud referral can be as simple as a telephone call from a citizen or as complex as a "documented referral" with supporting evidence submitted by an insurance carrier.

CDI receives SFCs from various sources, including insurance carriers, informants, witnesses, law enforcement agencies, fraud investigators, and the public.

The insurance industry generates the vast majority of SFCs. The standards for referring an SFC are required by the Insurance Code when the carrier “believes” or has “reason to believe” or “has reason to suspect” that insurance fraud has occurred. Because of the different reporting standards, not all SFCs result in criminal convictions.

All referrals submitted to the Fraud Division, regardless of the reporting party and supporting evidentiary information, are assigned a case tracking number and placed in the Case Record Information Management System (CRIMS). The referrals are then forwarded to supervisors in the regional office with jurisdiction over the allegations. The supervisors use standard criteria when determining case assignments in the various fraud programs, including:

- Public safety
- Consideration of the Insurance Commissioner’s strategic initiatives
- The quality of the evidence presented
- The priority level of the suspected fraud referral
- The availability of investigative resources
- The jurisdiction for prosecution, especially if the district attorney is receiving grant funds
- If the arrest and conviction of suspects would make an impact on the problem within the county and/or state
- Case assignments may not be made if allegations are abuse rather than fraud, the statute of limitations has expired, or a discussion with a district attorney regarding facts of the SFC results in rejection of the referral or the case being referred to another agency.

According to Fraud Division data, the quality of SFCs continues to improve each fiscal year. Several reasons for this trend include:

- The extensive efforts to provide training to insurance claim examiners and Special Investigation Unit (SIU) personnel by the Fraud Division.
- Current SIU regulations that help insurance carriers step up their anti-fraud efforts and become more effective in identifying, investigating, and reporting workers' compensation fraud.

- The Fraud Division and district attorneys' aggressive outreach programs.

An Estimate of The Economic Value of Insurance Fraud by Type of Insurance Fraud

The following chart monetizes fraud reported to the Fraud Division and extracted from CRIMS.

TABLE O: ECONOMIC VALUE OF FRAUD REPORTED BY TYPE
Fiscal Year 2024-25

Insurance Type	**Amount Paid –** (*Amount paid on claim to date)*	**Suspected Fraudulent Loss –** (*Amount paid that is suspected of being fraudulently claimed)*	**Potential Loss –** *(Amount of loss or exposure if fraud had gone undiscovered)*
Automobile	$ 30,973,525	$ 90,152,727	$ 205,515,590
Organized Automobile Fraud Activity Interdiction	$ 181,731	$ 631,030	$ 3,829,502
Disability and Healthcare	$ 300,927,647	$ 170,205,185	$ 337,044,647
Enhanced Fraud Investigation and Prevention	$ 0	$ 0	$ 0
Property Casualty	$ 142,721,439	$ 97,692,418	$ 593,789,754
Workers' Compensation	$ 53,013,635	$ 99,628,599	$ 184,439,793
Totals	**$ 527,817,976**	**$ 458,309,958**	**$ 1,324,619,285**

TABLE P:
SUMMARY OF THE TOTAL AMOUNT OF COURT-ORDERED RESTITUTION AND THE AMOUNT OF RESTITUTION COLLECTED PURSUANT TO CIC §1872.86(b) (7)

Fraud Program	**Restitution Ordered**	**Restitution Collected**
Automobile	$1,689,421	$809,736
Organized Automobile Fraud Activity Interdiction	$1,964,905	$1,194,288
Disability and Healthcare	$13,021,886	$1,208,402

Fraud Program	Restitution Ordered	Restitution Collected
Workers' Compensation	$36,795,165	$13,590,812

SECTION FOUR: WORKERS' COMPENSATION INSURANCE FRAUD PROGRAM

The Workers' Compensation Fraud Program is the largest of five statewide anti-fraud programs under the administration and the investigative arm of the Fraud Division.

Distribution of Workers' Compensation Program Hours

For fiscal year 2024-25, investigative staff spent 61.20% of program hours on case and direct program support. Time recorded as indirect hours equaled 26.20%, and time off was 12.60%.

The Division spent 58.10% of its time directly on the Workers' Compensation Program, while the remaining 41.90% was distributed throughout the other insurance fraud programs. In addition to investigative activities, the Fraud Division is responsible for the administration and oversight of the program, which includes:

- Local Assistance grant administration
- SIU compliance examinations
- District Attorney insurance fraud grant audits
- Legislative statistical and analytical reporting
- Research
- Legal services (public request acts, opinions, *qui tams*, rulemaking, etc.)
- Legislation support and analysis
- Budget monitoring and proposals
- Evidence Management
- Fraud Assessment Commission support

TABLE Q: WORKERS' COMPENSATION CASELOAD
Fiscal Year 2024-25

FRAUD TYPE	TOTAL CASELOAD
CLAIMANT FRAUD	562
UNDERREPORTED WAGES	264
OTHER WORKERS' COMP	87
UNINSURED EMPLOYER	113
MEDICAL PROVIDER	44
MISCLASSIFICATION	33
X-MOD EVASION	22
EMPLOYER DEFRAUDING EMPLOYEE	8
LEGAL PROVIDER	11
EMBEZZLEMENT	3
CAPPING/UNLAWFUL SOLICITATION/REFERRAL	9
PHARMACY	1
TOTAL	1,157

Underground Economy

The underground economy refers to individuals and businesses that deal with cash and/or use other schemes to conceal their activities and their true tax liability from government licensing, regulatory, and taxing agencies. The underground economy is also referred to as tax evasion, tax fraud, cash pay, tax gap, payments under the table, and off the books.

Joint Enforcement Strike Force (JESF)

JESF is responsible for enhancing the development and sharing of information necessary to combat the underground economy, improving the coordination of enforcement activities, and developing methods to pool, focus, and target enforcement resources. JESF is

empowered and authorized to form joint enforcement teams when appropriate to utilize the collective investigative and enforcement capabilities of the JESF members.

In addition to Employment Development Department (EDD), the Strike Force includes CDI, the Department of Consumer Affairs, the Department of Industrial Relations, the Franchise Tax Board, the Board of Equalization, and the Department of Justice.

Labor Enforcement Task Force (LETF)

LETF objectives include expanding outreach and education, fostering interagency collaboration, and increasing engagement with community partners.

Agency partners include CDI, the Labor & Workforce Development Agency, the Department of Industrial Relations, including the Division of Labor Standards Enforcement and Division of Occupational Safety and Health (Cal/DOSH), EDD, the Contractors State License Board, the Board of Equalization, the Bureau of Automotive Repair, the Alcoholic Beverage Control, the State Attorney General, and district attorneys throughout California.

Uninsured Employers Compliance Sweeps

Willfully Uninsured investigations are successful when approached from a team and joint resource perspective. As mentioned above, Fraud Division investigators participate with JESF and LETF partners to combat this activity. The Fraud Division also actively participates in Contractors State License Board sting operations following fires and other natural disasters to combat the underground economy.

Insurance Premium Fraud

Premium Fraud investigations are coordinated regionally as formal or informal task force teams. They include Fraud Division investigators and forensic auditors, as well as district attorney investigators and prosecutors. The Franchise Tax Board has assigned Special Agents to the four CDI Enforcement Branch Regional Offices in Northern California and two Enforcement Branch Regional Offices in Southern California. The Enforcement Branch Regional Offices in Southern California have both Franchise Tax Board and EDD agents and investigators assigned. This strategic and coordinated team approach has led to the successful and timely completion of many Premium Fraud investigations. Case successes will be presented later in this document.

Budget and Staffing

TABLE R: WORKERS' COMPENSATION FRAUD PROGRAM STAFFING/BUDGET Fiscal Year 2024-25 Personnel Years (PY)

Staffing	
Workers' Compensation Fraud Program Positions	169.2
Fraud Workers' Compensation Assessment *(Reflects the FY 2024-25 Fraud Assessment Commission adopted Aggregate Assessment amount)*	$89,985,000
Budget	**Amount**
Total Fraud Budgeted Levels	$81,222,000
Total Fraud Actual Expenditures	$81,429,000
District Attorneys' Workers' Compensation Distribution	$53,182,000
Local Assistance Workers' Compensation Budget	$54,727,000
State Operations – Workers' Compensation Expenditures	$28,247,000
Personnel Services	$24,440,000
Operating Expenses & Equipment (OE&E)	$3,807,000

SECTION FIVE: WORKERS' COMPENSATION INSURANCE FRAUD PROGRAM APPENDICES

Appendix One: Workers' Compensation Insurance Fraud Program
Insurance Commissioner's Grant Funding Recommendations
Fiscal Year 2024-25

Appendix Two: Workers' Compensation Insurance Fraud Program
Reported Suspected Fraudulent Claims (SFC's)
Calendar Years 2023, 2024 and 2025

Appendix Three: Workers' Compensation Insurance Fraud Program
District Attorney Convictions
Fiscal Year 2024-25

Appendix One

Workers' Compensation Insurance Fraud Program

Insurance Commissioner's Grant Funding Recommendations – Fiscal Year 2024-25

County	Fiscal Year 2023-24 Grant Awarded	Fiscal Year 2024-25 Amount Requested	Fiscal Year 2024-25 Grant Awarded
Alameda[1]	$2,135,489	$1,760,360	$1,612,011
Amador	$522,779	$580,699	$575,739
Contra Costa	$1,387,084	$1,593,668	$1,415,655
El Dorado	$529,090	$626,511	$559,070
Fresno[2]	$1,076,651	$1,220,191	$1,156,628
Humboldt[3,4]	$276,553	$243,932	$241,932
Imperial[5]	$41,820		
Kern	$619,864	$643,655	$622,845
Kings[6]	$258,910	$221,653	$219,644
Los Angeles	$8,765,239	$9,868,756	$7,677,509
Marin[7]	$397,085	$483,365	$462,208
Merced[8]	$299,507	$114,608	$114,608

Monterey	$945,966	$1,037,125	$1,018,001
Napa	$225,629	$212,350	$212,350
Nevada[9]	$70,860	$82,276	$76,678
Orange	$8,081,760	$10,245,106	$8,707,442
Riverside	$3,594,345	$3,590,000	$3,590,000
Sacramento	$870,887	$1,004,780	$917,383
San Bernardino[10]	$3,004,452	$3,477,457	$3,079,263
San Diego	$7,811,992	$9,038,342	$8,258,489
San Francisco[11,12]	$1,066,724	$1,232,608	$1,154,519
San Joaquin[13]	$495,390	$539,781	$504,733
San Mateo	$1,063,114	$2,096,275	$1,186,315
Santa Barbara	$318,348	$468,000	$368,610
Santa Clara	$4,719,147	$5,849,141	$5,663,714
Santa Cruz	$262,483	$318,783	$279,413
Shasta	$186,591	$340,736	$219,075
Siskiyou[14]	$174,760	$239,797	$188,634
Solano	$294,833	$306,485	$299,946
Sonoma	$342,716	$317,900	$317,900
Tehama[15]	$232,062	$247,782	$236,615
Tulare[16]	$740,473	$985,214	$911,504
Ventura[17]	$971,473	$947,348	$915,697
Yolo	$417,057	$487,968	$417,966
Totals	**$52,201,133**	**$60,422,652**	**$53,182,096**

[1] Alameda County declined FY 2024-25 Second Additional Award of $29,017.

[2] Fresno County declined FY 2023-24 Additional Award of $14,647.

[3] Humboldt County declined FY 2023-24 Additional Award of $6,638.

[4] Humboldt County declined FY 2024-25 Second Additional Award of $2,000.

[5] Imperial County did not apply in FY 2024-25.

[6] Kings County declined FY 2024-25 Second Additional Award of $2,009.

[7] Marin County declined FY 2024-25 Second Additional Award of $8,321.

[8] Merced County declined FY 2023-24 Additional Award of $13,114.

[9] Nevada County declined FY 2024-25 Second Additional Award of $1,380.

[10] *San Bernardino County declined FY 2023-24 Additional Award of $55,430.*
[11] *San Francisco County declined FY 2023-24 Additional Award of $46,707.*
[12] *San Francisco County declined FY 2024-25 Second Additional Award of $20,782.*
[13] *San Joaquin County declined FY 2024-25 Second Additional Award of $9,086.*
[14] *Siskiyou County declined FY 2024-25 Second Additional Award of $3,395.*
[15] *Tehama County declined FY 2024-25 Second Additional Award of $4,259.*
[16] *Tulare County declined FY 2024-25 Second Additional Award of $16,407.*
[17] *Ventura County declined FY 2024-25 Second Additional Award of $16,483.*

Appendix Two
Workers' Compensation Insurance Fraud Program
Reported Suspected Fraudulent Claims (SFCs)
Calendar Years 2023, 2024, and 2025

County	2023	2024	2025
ALAMEDA	92	91	96
AMADOR	1	1	1
BUTTE	7	9	15
CA STATE ATTY GEN	2	1	0
CALAVERAS	0	1	1
COLUSA	1	0	6
CONTRA COSTA	45	55	62
DEL NORTE	2	0	3
EL DORADO	11	5	4
FRESNO	50	46	94
GLENN	1	0	2
HUMBOLDT	3	7	6
IMPERIAL	9	3	9
INYO	1	0	2
KERN	58	58	76
KINGS	8	10	2
LAKE	0	1	5
LASSEN	3	0	1
LOS ANGELES	1121	989	1046
MADERA	7	9	7
MARIN	5	18	17
MARIPOSA	0	1	1
MENDOCINO	3	3	
MERCED	19	14	17
MODOC	0	0	4
MONO	1	1	4
MONTEREY	37	32	38
NAPA	17	11	19

NEVADA	5	2	6
ORANGE	282	352	347
PLACER	22	19	29
PLUMAS	1	2	1
RIVERSIDE	167	159	217
SACRAMENTO	92	69	122
SAN BENITO	1	4	8
SAN BERNARDINO	165	183	228
SAN DIEGO	165	168	228
SAN FRANCISCO	52	46	76
SAN JOAQUIN	31	34	42
SAN LUIS OBISPO	12	22	15
SAN MATEO	39	33	64
SANTA BARBARA	36	41	23
SANTA CLARA	95	84	149
SANTA CRUZ	4	14	14
SHASTA	11	8	17
SIERRA	0	0	0
SISKIYOU	1	2	2
SOLANO	28	27	29
SONOMA	21	18	38
STANISLAUS	32	29	34
SUTTER	6	6	5
TEHAMA	2	2	6
TRINITY	0	0	0
TULARE	33	26	38
TUOLUMNE	1	0	3
US ATTY NORTH CA	0	0	0
US ATTY SOUTH CA	0	0	0
VENTURA	79	67	0
YOLO	12	12	10
YUBA	2	1	4
TOTALS	**2901**	**2796**	**3293**

Appendix Three
Workers' Compensation Insurance Fraud Program
District Attorney Convictions – Fiscal Year 2024-25

CASE NUMBER	COUNTY	SUBJECT NAME	ROLE	SENTENCE	ASSETS FROZEN	RESTITUTION	CRIMINAL FINE
24CR000466	Alameda	Baca, Steven	Premium Fraud	1 day(s) jail; 12 month(s) probation;	$-	$6,838	$25,000
22CR002325	Alameda	Draeger, Jeffrey	Premium Fraud	1 day(s) jail; 12 month(s) probation;	$-	$161,894	$25,000
17CR018369	Alameda	Forkosh, David	Uninsured Employer	2 day(s) jail; 6 month(s) probation;	$-	$4,500	$-
22CR002325	Alameda	Mance , Marcella	Premium Fraud	1 day(s) jail; 12 month(s) probation;	$-	$-	$-
24CR010651	Alameda	Vo, Binh	Uninsured Employer	60 day(s) jail; 24 month(s) probation;	$-	$19,800	$-
CR23004329	Amador	Charron, Nicholas Raymond	Claimant Fraud	12 month(s) probation;	$-	$35,231	$370
CR22012288	Amador	Marquez, John Frutos	Other	24 month(s) probation; 80 hour(s) community service;	$-	$58,200	$370
CRM73860	Amador	Narrin, Austin William Thomas	Other	1 month(s) prison;	$-	$19,000	$-
CRF75352	Amador	Pierce, Tanya	Claimant Fraud	12 month(s) probation; 80 hour(s) community service;	$-	$8,306	$220

CASE NUMBER	COUNTY	SUBJECT NAME	ROLE	SENTENCE	ASSETS FROZEN	RESTITUTION	CRIMINAL FINE
0130999571	Contra Costa	Bedolla-Garcia, Onofre	Uninsured Employer	12 month(s) probation; 20 hour(s) community service; Did not complete diversion. Convicted of misdo BP 7028(a)	$-	$-	$-
0130953593	Contra Costa	Mendoza, Maria	Claimant Fraud	140 day(s) jail; 12 month(s) probation; restitution tbd at rest hearing	$-	$-	$-
24CR010	El Dorado	Helen, Paul James / English Outdoor Living	Claimant Fraud	90 day(s) jail; 48 month(s) probation;	$-	$9,750	$5,000
M24910058	Fresno	Aleman, Jose Luis	Uninsured Employer	12 month(s) probation;	$-	$1,000	$-
F23906319	Fresno	Diaz, Sonia	Claimant Fraud	0	$-	$6,836	$-
M23914315	Fresno	Gil, Lilian	Uninsured Employer	12 month(s) probation;	$-	$1,500	$-
M25901276	Fresno	Gonzalez, Noe Israel	Claimant Fraud	12 month(s) probation;	$-	$1,500	$-
M23904905	Fresno	Hodges, Sean	Uninsured Employer	12 month(s) probation;	$-	$4,500	$-
F23903163	Fresno	Jacuinde, Martin Mosqueda	Claimant Fraud	sentencing continued 1 yr to pay rest	$-	$9,741	$-

CASE NUMBER	COUNTY	SUBJECT NAME	ROLE	SENTENCE	ASSETS FROZEN	RESTITUTION	CRIMINAL FINE
M24910054	Fresno	Jaramillo, Jose Roberto	Uninsured Employer	6 month(s) probation;	$-	$1,000	$-
F23901947	Fresno	Kerns, Keith Edward	Claimant Fraud	365 day(s) jail; 24 month(s) probation;	$-	$16,631	$-
M24905591	Fresno	Leavitt, Paul Joseph	Uninsured Employer	12 month(s) probation;	$-	$1,500	$-
F22905494	Fresno	Martinez-Mendoza, Juan Diego	Claimant Fraud	Sentencing continued 1 year to allow for payment of restitution and get 17b from court	$-	$10,879	$-
M24909257	Fresno	Mateos, Alfonso Manilla	Uninsured Employer	12 month(s) probation;	$-	$1,000	$-
M23913357	Fresno	Mora, Ricardo Moreno	Uninsured Employer	12 month(s) probation;	$-	$1,500	$-
F23900598	Fresno	Ornelas, Argelia	Claimant Fraud	24 month(s) probation;	$-	$9,999	$-
M23914499	Fresno	Ortega, Mario Castelan	Uninsured Employer	12 month(s) probation;	$-	$1,500	$-
F23906787	Fresno	Ponce Jr., Jose Delores	Claimant Fraud	0	$-	$11,115	$-
F24903652	Fresno	Ramirez, Steve Paul	Single Entity Provider Fraud	0	$-	$151,750	$-

CASE NUMBER	COUNTY	SUBJECT NAME	ROLE	SENTENCE	ASSETS FROZEN	RESTITUTION	CRIMINAL FINE
M24902662	Fresno	Rosales, Jaime Montano	Uninsured Employer	12 month(s) probation;	$-	$1,500	$-
M24913981	Fresno	Sanchez Amador, Carlos Eduardo	Uninsured Employer	12 month(s) probation;	$-	$4,500	$-
M23904266	Fresno	Sarabia-Rodriguez, Eduardo Rafael	Uninsured Employer	12 month(s) probation;	$-	$1,000	$-
M24909397	Fresno	Vasquez, Carmelo Vasquez	Uninsured Employer	12 month(s) probation;	$-	$1,500	$-
M23910701	Fresno	Vasquez-Salazar, Jose Luis	Uninsured Employer	12 month(s) probation;	$-	$1,500	$-
M23910660	Fresno	Veloz, Victor Rene	Uninsured Employer	12 month(s) probation;	$-	$1,500	$-
CR2401989	Humboldt	Mildbrandt, Matthew	Premium Fraud	12 month(s) probation;	$-	$22,278	$575
BM989656A	Kern	Beltran, Catarino Castillo	Uninsured Employer	180 day(s) jail; 12 month(s) probation; 560 hour(s) community service;	$-	$-	$5,070
BM994297A	Kern	Castillo, David Montoya	Uninsured Employer	12 month(s) probation;	$-	$-	$987
BF199842A	Kern	Corona, Yexenia Ivetth	Premium Fraud	24 month(s) probation;	$-	$683,248	$370

CASE NUMBER	COUNTY	SUBJECT NAME	ROLE	SENTENCE	ASSETS FROZEN	RESTITUTION	CRIMINAL FINE
BF185018D	Kern	Cruz, Martin / Instituto Hispano Americano	Single Entity Provider Fraud	9 day(s) jail; 120 month(s) probation;	$-	$331,800	$440
BF185018E	Kern	Cruz, Nelfido Rolando / Instituto Hispano Americano	Single Entity Provider Fraud	16 day(s) jail; 120 month(s) probation;	$-	$331,800	$440
BF198334A	Kern	Cuevas Tadeo, Martin	Claimant Fraud	24 month(s) probation;	$-	$-	$440
BF197983B	Kern	Frias Macias, Dora Liz	Premium Fraud	120 month(s) probation;	$-	$253,443	$370
BF197983A	Kern	Mariles Llamas, Ricardo Said	Premium Fraud	120 month(s) probation;	$-	$253,443	$370
BF185018G	Kern	Paredez, Sandra / Instituto Hispano Americano	Single Entity Provider Fraud	8 day(s) jail; 24 month(s) probation; Conviction by plea (sentencing 10/17/2024 reduced to misdemeanor); all fines and restitution paid	$-	$38,800	$220
BX001112A	Kern	Ramirez Navarro, Luis Rai	Uninsured Employer	12 month(s) probation;	$-	$-	$925
BM992988A	Kern	Speed, Rodney Alan	Uninsured Employer	12 month(s) probation;	$-	$-	$425
166174	Kings	Lopez, Edgar Vargas / Three A Handyman	Uninsured Employer	12 month(s) probation;	$-	$-	$-

CASE NUMBER	COUNTY	SUBJECT NAME	ROLE	SENTENCE	ASSETS FROZEN	RESTITUTION	CRIMINAL FINE
166004	Kings	Nieves, Pedro	Uninsured Employer	12 month(s) probation;	$-	$-	$-
166141	Kings	Torres Magana, Jose / A. T. Clean Up & Hauling	Uninsured Employer	0	$-	$-	$-
3DN01874	Los Angeles	ALARCON, ALEJANDRO	Uninsured Employer	0	$-	$2,000	$-
BA465883	Los Angeles	ASSIL, ANNETTE	Premium Fraud	30 day(s) jail; 120 month(s) probation;	$-	$-	$-
BA517866	Los Angeles	BARAHONA, ROBERTO ANTONIO	Claimant Fraud	24 month(s) probation; 200 hour(s) community service;	$-	$91,545	$-
3DN02529	Los Angeles	BARRIENTOS, RICARDO SEBASTIAN	Uninsured Employer	40 hour(s) community service; Diversion	$-	$-	$-
BA508603	Los Angeles	BAUTISTA, RAFAEL	Claimant Fraud	6 month(s) probation;	$-	$9,868	$150
BA487289	Los Angeles	BOYKIN, TIMOTHY	Claimant Fraud	12 month(s) probation; 200 hour(s) community service;	$-	$12,248	$320
BA511959	Los Angeles	CASTILLO, BRIAN	Claimant Fraud	24 month(s) probation;	$-	$30,828	$-
24CJCF0420	Los Angeles	CHERN, JOHN C	Claimant Fraud	30 day(s) jail; 24 month(s) probation; 240 hour(s) community service;	$-	$16,393	$300

CASE NUMBER	COUNTY	SUBJECT NAME	ROLE	SENTENCE	ASSETS FROZEN	RESTITUTION	CRIMINAL FINE
BA366542	Los Angeles	DAHAN, RAFI RALPH / LIRI DEV INC DBA EK-O DRYWALL	Premium Fraud	120 month(s) probation; 384 hour(s) community service;	$-	$-	$-
BA501585	Los Angeles	GARCIA, RICARDO	Claimant Fraud	6 month(s) probation;	$-	$20,000	$250
24CJCF0293	Los Angeles	GARIBAY, JESUS / CALEDONIAN INC	Single Entity Provider Fraud	6 month(s) probation; 80 hour(s) community service;	$-	$67,408	$-
BA487232	Los Angeles	GRIJALVA, EDDIE PATRICK	Claimant Fraud	12 month(s) probation; 240 hour(s) community service;	$-	$8,000	$-
BA466228	Los Angeles	HAGER, JR., TOMMY GENE	Claimant Fraud	12 month(s) probation;	$-	$15,000	$-
BA488745	Los Angeles	HAHN, MOON HYUK	Premium Fraud	12 month(s) probation; Diversion the dismissed	$-	$1,670,978	$-
BA467163	Los Angeles	HARVEY, DONOVAN	Claimant Fraud	30 day(s) jail; 24 month(s) probation;	$-	$17,180	$-
3DN02531	Los Angeles	LOPEZ, RODRIGO / R&R SMOG & AUTO	Uninsured Employer	0	$-	$4,500	$-
3DN02529	Los Angeles	MAGANA-GARCIA, WENDY ESTRELLA / WAGGLLY EVER AFTER PET	Uninsured Employer	40 hour(s) community service;	$-	$-	$-

CASE NUMBER	COUNTY	SUBJECT NAME	ROLE	SENTENCE	ASSETS FROZEN	RESTITUTION	CRIMINAL FINE
BA465883	Los Angeles	NEMANDOUST, JOHN SIMON / SOUTHERN CALIFORNIA MESSENGERS	Premium Fraud	30 day(s) jail; 120 month(s) probation;	$-	$2,254,748	$-
BA511850	Los Angeles	NORRIS, MICHAEL	Claimant Fraud	24 month(s) probation; 100 hour(s) community service;	$-	$30,000	$-
3DN03291	Los Angeles	PERALTA, OMAR / SOCAL AUTO	Uninsured Employer	0	$-	$-	$2,000
BA516078	Los Angeles	PONCE, SILVESTRE	Claimant Fraud	12 month(s) probation; 80 hour(s) community service;	$-	$3,677	$100
3DN02473	Los Angeles	QUEZADA, JAVIER SANCHEZ / BEACH STREET OUTLET	Uninsured Employer	40 hour(s) community service;	$-	$-	$-
3DN02530	Los Angeles	RAMIREZ, GABRIEL ANGEL / ANGEL AUTOMOTIVE	Uninsured Employer	40 hour(s) community service;	$-	$-	$-
BA517377	Los Angeles	RAMIREZ, MARTA SANTAMARIA	Claimant Fraud	100 hour(s) community service; Probation: 1 day	$-	$2,301	$-
BA503649	Los Angeles	RAMOS, JUAN PABLO	Claimant Fraud	24 month(s) probation;	$-	$25,000	$-
3DN01592	Los Angeles	RECILLAS, RODOLFO	Uninsured Employer	12 hour(s) community service;	$-	$-	$-

CASE NUMBER	COUNTY	SUBJECT NAME	ROLE	SENTENCE	ASSETS FROZEN	RESTITUTION	CRIMINAL FINE
BA513927	Los Angeles	RIVAS, CARLOS ARMANDO	Premium Fraud	12 month(s) probation; 80 hour(s) community service;	$-	$25,897	$-
BA517346	Los Angeles	RUIZ, JUAN MANUEL	Claimant Fraud	12 month(s) probation; 100 hour(s) community service;	$-	$36,635	$-
3DN02861	Los Angeles	SALGADO, JULIAN TORRES / ECONOMY TIRE AND AUTO REPAIR	Uninsured Employer	40 hour(s) community service; Total case dismissal	$-	$-	$-
BA486681	Los Angeles	SANTOS, ETELVINA MARROQUIN	Claimant Fraud	12 month(s) probation; 240 hour(s) community service;	$-	$29,456	$-
3DN02472	Los Angeles	SEGURA, MARTIN RAMIREZ / D AND M TIRES AND MUFFLERS	Uninsured Employer	Total case dismissal	$-	$-	$2,000
BA518605	Los Angeles	SILVERS, DEBORAH	Claimant Fraud	24 month(s) probation; 80 hour(s) community service;	$-	$60,413	$-
BA518605	Los Angeles	SILVERS, HAYLEY	Claimant Fraud	24 month(s) probation; 360 hour(s) community service;	$-	$60,413	$-
3DN01380	Los Angeles	SONG, LIN / OCEAN BEAUTY SALON	Uninsured Employer	40 hour(s) community service; Diversion then dismissal	$-	$-	$-
3DN03373	Los Angeles	TANG, GUIMAN / LA SUNSHINE FOOT SPA	Uninsured Employer	40 hour(s) community service; Diversion the dismissal	$-	$-	$-

CASE NUMBER	COUNTY	SUBJECT NAME	ROLE	SENTENCE	ASSETS FROZEN	RESTITUTION	CRIMINAL FINE
BA504363	Los Angeles	ZAMORA, JUAN CARLOS	Claimant Fraud	24 month(s) probation; 200 hour(s) community service;	$-	$36,699	$-
CR0000281	Marin	Hardin , Jennifer Ann / Marin County	Claimant Fraud	12 month(s) probation; 40 hour(s) community service; theft class, walk through booking, search and seizure conditions	$-	$62,373	$1,220
CR0001285	Marin	Krause, Bradley / Krause Concrete	Uninsured Employer	85 day(s) jail; restitution reserved, cannot advertise company without contractor's license, do not employ anyone without work comp insurance	$-	$-	$150
23CR-01043	Merced	Arellano, Santiago Rios	Uninsured Employer	12 month(s) probation;	$-	$13,500	$1,000
24CR-01692	Merced	Gort, Steven Duwayne	Uninsured Employer	12 month(s) probation;	$-	$-	$-
24CR-03275	Merced	Rodriguez Castro, Horacio	Uninsured Employer	12 month(s) probation;	$-	$-	$1,020
WCF24-0063	Monterey	Cardenas, Gonzalo Cabrera	Uninsured Employer	Diversion	$-	$-	$-
WCF24-0068	Monterey	Covarrubias, Ruben	Uninsured Employer	5 day(s) jail; 12 month(s) probation;	$-	$-	$5,220
WCF24-0065	Monterey	Diaz Sumano, Francisco	Uninsured Employer	15 day(s) jail; 12 month(s) probation;	$-	$-	$220

CASE NUMBER	COUNTY	SUBJECT NAME	ROLE	SENTENCE	ASSETS FROZEN	RESTITUTION	CRIMINAL FINE
WCF25-0005	Monterey	Espinoza, Victor Sidez	Uninsured Employer	Diversion	$-	$-	$-
WCF24-0044	Monterey	Esquivel-Reyes, Nelson Geronimo	Uninsured Employer	15 day(s) jail; 12 month(s) probation;	$-	$-	$1,720
WCF25-0042	Monterey	Garcia-Romero, Fernando	Uninsured Employer	Diversion	$-	$-	$-
WCF22-0043	Monterey	Gomez, Guillermo	Uninsured Employer	Dismissed	$-	$-	$-
WCF24-0052	Monterey	Levy, Aaron Jacob	Uninsured Employer	Dismissed	$-	$-	$-
WCF22-0025	Monterey	Martinez, Freddie	Uninsured Employer	15 day(s) jail; 12 month(s) probation;	$-	$31,275	$340
WCF25-0026	Monterey	Myers, Kenneth David	Uninsured Employer	40 day(s) jail; 12 month(s) probation;	$-	$-	$15,290
WCF24-0045	Monterey	Perez, Sergio Guillen	Uninsured Employer	Diversion	$-	$-	$-
WCF25-0049	Monterey	Perez, Sergio Guillen	Uninsured Employer	Diversion	$-	$-	$-
WCF22-0006	Monterey	Ramirez-Velasquez, Gustavo	Uninsured Employer	12 month(s) probation;	$-	$-	$1,290
WCF24-0053	Monterey	Reyes, Jaime Flores	Uninsured Employer	120 day(s) jail; 24 month(s) probation;	$-	$6,500	$15,621

CASE NUMBER	COUNTY	SUBJECT NAME	ROLE	SENTENCE	ASSETS FROZEN	RESTITUTION	CRIMINAL FINE
WCF24-0062	Monterey	Rodriguez Gamez, Selvin Alfredo	Uninsured Employer	Diversion	$-	$-	$-
WCF22-0044	Monterey	Silva, Roberto	Uninsured Employer	Dismissed and Sealed	$-	$-	$-
WCF25-0010	Monterey	Thanan , Ng Thi	Claimant Fraud	Diversion	$-	$-	$-
24CR001009	Napa	Li, Paul Poe / Sky One Limousine	Premium Fraud	12 month(s) probation;	$-	$38,032	$220
23CR002016	Napa	Manthey, Jerri Lynn	Claimant Fraud	12 month(s) probation;	$-	$4,444	$220
19CR003609	Napa	Roncancion, Ruben / Code Engineering	Uninsured Employer	90 day(s) jail; 24 month(s) probation;	$-	$8,098	$1,580
23CR000864	Napa	Rosales, Jesus Gonzalez	Claimant Fraud	24 month(s) probation;	$-	$25,154	$220
23-DAI-44	Nevada	Beach, Gary / Beach Construction	Uninsured Employer	20 hour(s) community service; Diversion Court with	$-	$-	$100
24-DAI-59	Nevada	Franza, Gary / Franza Excavating, Paving, Concrete, Seal Coating	Uninsured Employer	3 month(s) probation; 10 hour(s) community service;	$-	$-	$100
24CF1737	Orange	Dawes, Richard / Golden Touch Cleaning Solutions Inc	Premium Fraud	Sentencing set for 07/08/25.	$-	$-	$-

CASE NUMBER	COUNTY	SUBJECT NAME	ROLE	SENTENCE	ASSETS FROZEN	RESTITUTION	CRIMINAL FINE
23CF0106	Orange	Lopez, Eli	Claimant Fraud	Sentencing set for 01/16/26.	$-	$-	$-
25CF0171	Orange	Phong, Tony	Claimant Fraud	12 month(s) probation;	$-	$-	$150
22CM07106	Orange	Polanco, Fredy	Uninsured Employer	12 month(s) probation; 35 hour(s) community service;	$-	$-	$5,150
20CF0856	Orange	Porta, Jorge / Creative Career Options	Multiple Entities Provider Fraud	180 day(s) jail; 42 month(s) probation; County jail time reduced to 6 months (180 days), stayed until 05/16/25. Court authorized electronic confinement then defendant will serve 3 years and 6 months of probation.	$-	$1,625,500	$300
24WF2015	Orange	Radparvar, Behzad	Multiple Entities Provider Fraud	Sentencing set for 11/06/25.	$-	$-	$-
20CF0859	Orange	Zapien, Martha / California Premiere College Inc	Single Entity Provider Fraud	24 month(s) probation; Restitution continued to 10/03/25.	$-	$-	$300
RIF2302624	Riverside	Awad, Gehan	Claimant Fraud	180 day(s) jail; 24 month(s) probation; 179 days work release	$-	$-	$300

CASE NUMBER	COUNTY	SUBJECT NAME	ROLE	SENTENCE	ASSETS FROZEN	RESTITUTION	CRIMINAL FINE
RIF2304437	Riverside	Burge, Dane	Claimant Fraud	12 month(s) probation; 20 hour(s) community service;	$-	$25,943	$-
RIF2402239	Riverside	Cardenas, Maria	Claimant Fraud	12 month(s) prison;	$-	$42,768	$150
RIF2303254	Riverside	Figueroa, Jose	Claimant Fraud	1 day(s) jail; 24 month(s) probation; 80 hour(s) community service;	$-	$127,531	$300
RIF2402726	Riverside	GarciaArreola, Jose	Uninsured Employer	40 day(s) jail; 24 month(s) probation; 39 days work release	$-	$27,953	$300
RIF2204495	Riverside	Gonzalez, Edgar	Claimant Fraud	1 day(s) jail; 12 month(s) probation;	$-	$34,153	$150
RIF2401057	Riverside	Martinez, Mario / Jet Aquatics	Premium Fraud	No Time No Fine	$-	$26,695	$150
RIF2304600	Riverside	Martinez, Sergio Lozano	Claimant Fraud	1 day(s) jail; 24 month(s) probation;	$-	$20,336	$300
RIF2304294	Riverside	Meza, Randy	Claimant Fraud	30 day(s) jail; 12 month(s) probation; 29 days work release	$-	$15,274	$150
RIF2300378	Riverside	Montes, Michael / Platinum Roofing Company	Premium Fraud	36 month(s) prison;	$-	$438,731	$300
INF2401505	Riverside	Orozco, Lisa	Premium Fraud	1 day(s) jail;	$-	$11,443	$-

CASE NUMBER	COUNTY	SUBJECT NAME	ROLE	SENTENCE	ASSETS FROZEN	RESTITUTION	CRIMINAL FINE
RIF1903242	Riverside	Tomassi, Marc	Claimant Fraud	4 day(s) jail; 12 month(s) probation;	$-	$42,768	$150
RIF2304483	Riverside	Zuniga, Domingo	Claimant Fraud	40 hour(s) community service; Probation denied	$-	$22,416	$150
19FE012824	Sacramento	Andrews, Eric	Claimant Fraud	60 day(s) jail; 12 month(s) probation;	$-	$96,052	$150
23FE012195	Sacramento	Chavez, Vincent	Claimant Fraud	12 month(s) probation;	$-	$188,885	$150
19FE017379	Sacramento	Cisneros, Gustavo	Claimant Fraud	150 day(s) jail; 24 month(s) probation;	$-	$-	$300
23FE002042	Sacramento	Cook, Reilly	Claimant Fraud	12 month(s) probation;	$-	$-	$-
23FE002049	Sacramento	Ehsan-Faizi, Belqis	Claimant Fraud	12 month(s) probation;	$-	$30,000	$150
17FE015161	Sacramento	Goodwin, Jeffrey	Claimant Fraud	90 day(s) jail; 12 month(s) probation;	$-	$51,335	$-
24FE019755	Sacramento	Lomack, Nicholas	Claimant Fraud	30 day(s) jail; 12 month(s) probation;	$-	$43,753	$150
23FE014369	Sacramento	Toro, Martha	Premium Fraud	270 day(s) jail; 24 month(s) probation;	$-	$1,454,130	$300
2015-20533	San Bernardino	Aleman, Kendra / HR Biz Services	Premium Fraud	189 day(s) jail; 60 month(s) probation;	$1,215,100	$361,555	$370

CASE NUMBER	COUNTY	SUBJECT NAME	ROLE	SENTENCE	ASSETS FROZEN	RESTITUTION	CRIMINAL FINE
2022-15352	San Bernardino	Arredondo, Jose / Team Janitorial Services	Premium Fraud	12 month(s) probation;	$-	$-	$226
2016-6050	San Bernardino	Capri, Frank / Boomtown Entertainment LLC	Premium Fraud	365 day(s) jail;	$-	$-	$275
2022-15352	San Bernardino	Chavez, Olga / Team Janitorial Services	Premium Fraud	1 day(s) jail; 24 month(s) probation;	$-	$-	$-
2019-55339	San Bernardino	Glasgow , Carlyle / Carlyle Glasgow Welding Services Inc.	Premium Fraud	1 day(s) jail; 24 month(s) probation;	$-	$11,581	$-
2023-23555	San Bernardino	Godazandeh, Abbas	Claimant Fraud	30 day(s) jail; 12 month(s) probation;	$-	$5,456	$220
2018-14517	San Bernardino	Guerra, Jose / 5 Star Janitorial	Premium Fraud	1 day(s) jail; 24 month(s) probation;	$-	$178,832	$-
2020-56229	San Bernardino	Huerta, Manuel	Claimant Fraud	180 day(s) jail; 24 month(s) probation;	$-	$-	$-
2019-30815	San Bernardino	Lopez-Bautista, Everado / Ever Painting	Uninsured Employer	0	$-	$400	$1,000
2024-23052	San Bernardino	Morales Cortez, Veronica / Green X Turf	Uninsured Employer	12 month(s) probation;	$-	$2,400	$220
2016-27012	San Bernardino	Stallone, Robert / SSI Refrigerated Express	Premium Fraud	1 day(s) jail; 24 month(s) probation;	$-	$-	$-

CASE NUMBER	COUNTY	SUBJECT NAME	ROLE	SENTENCE	ASSETS FROZEN	RESTITUTION	CRIMINAL FINE
M095419	San Diego	ALVARO, MATEO	Uninsured Employer	1 day(s) jail; 12 month(s) probation;	$-	$12,950	$-
AFC825	San Diego	BERNARDINO, HENRY	Claimant Fraud	1 day(s) jail; 24 month(s) probation;	$-	$35,300	$-
AFB348	San Diego	BIRDWELL, DANIELA	Premium Fraud	1 day(s) jail; 24 month(s) probation; 320 hour(s) community service;	$-	$1,030,062	$-
M095503	San Diego	CABOT, BONNIE	Uninsured Employer	12 month(s) probation;	$-	$-	$-
M095439	San Diego	CASILLAS, ALEJANDRO	Uninsured Employer	12 month(s) probation;	$-	$12,652	$-
AFF123	San Diego	CUNNINGHAM, ROSEMARY	Single Entity Provider Fraud	1 day(s) jail; 12 month(s) probation; Case pending	$-	$467,950	$-
AFF252	San Diego	DELRIO, SERGIO	Premium Fraud	1 day(s) jail; 12 month(s) probation;	$-	$74,462	$350
AFC095	San Diego	DORTA, CHRISTOPHER	Uninsured Employer	1 day(s) jail; 12 month(s) probation;	$-	$4,700	$-
AFG099	San Diego	DUNLAP, APRIL	Uninsured Employer	1 day(s) jail; 24 month(s) probation;	$-	$18,625	$-
AFA937	San Diego	FELTS, DANIEL	Claimant Fraud	0	$-	$25,000	$-

CASE NUMBER	COUNTY	SUBJECT NAME	ROLE	SENTENCE	ASSETS FROZEN	RESTITUTION	CRIMINAL FINE
M095493	San Diego	GOMEZ, ALEX	Uninsured Employer	12 month(s) probation;	$-	$12,888	$-
AFJ042	San Diego	KELLERMAN, DAVID	Claimant Fraud	0	$-	$-	$-
AFI580	San Diego	LEON, CELIO	Premium Fraud	1 day(s) jail; 12 month(s) probation;	$-	$7,247	$-
M095482	San Diego	LOPEZ, ELIODORO	Uninsured Employer	12 month(s) probation;	$-	$750	$-
AFB033	San Diego	MARTINEZ RESENDIZ, ANTONIO	Premium Fraud	ECF joint w/co-ds	$-	$-	$-
AFB033	San Diego	MARTINEZ RESENDIZ, ISMAEL	Premium Fraud	ECF joint w/co-ds	$-	$-	$-
AFB033	San Diego	MARTINEZ, SILVIA	Premium Fraud	ECF joint w/co-ds	$-	$-	$-
AFF165	San Diego	MEJIA, EDUARDO	Claimant Fraud	1 day(s) jail;	$-	$20,118	$-
AFF015	San Diego	MENDEZ, JUAN	Premium Fraud	0	$-	$5,906,011	$-
AFI053	San Diego	PEREZ, LIZBETH	Insider Fraud	24 month(s) probation; 100 hour(s) community service;	$-	$-	$-
AFF042	San Diego	PHELPS, DOUGLAS	Uninsured Employer	0	$-	$-	$-

CASE NUMBER	COUNTY	SUBJECT NAME	ROLE	SENTENCE	ASSETS FROZEN	RESTITUTION	CRIMINAL FINE
AFH508	San Diego	PHELPS, DOUGLAS	Uninsured Employer	0	$-	$-	$-
AFD987	San Diego	QUINTANA, CARINA	Claimant Fraud	1 day(s) jail; 24 month(s) probation; Restitution pending	$-	$-	$-
AFB033	San Diego	RESENDIZ, JORGE	Premium Fraud	ECF joint w/co-ds	$-	$-	$-
M095492	San Diego	REYES, LEONARDO	Uninsured Employer	1 day(s) jail; 12 month(s) probation;	$-	$-	$-
M095399	San Diego	RIVADENEYRA, MIGUEL	Uninsured Employer	12 month(s) probation;	$-	$-	$-
AFF073	San Diego	SELLERS, JANIESHA	Claimant Fraud	12 month(s) probation;	$-	$44,259	$-
AFH022	San Diego	SOLORZANO, FABIAN	Claimant Fraud	12 month(s) probation;	$-	$6,159	$-
AFI910	San Diego	SOUTHWORTH, LAURA	Premium Fraud	0	$-	$-	$-
M095440	San Diego	VARGAS, FRANCISCO	Uninsured Employer	12 month(s) probation; Case pending	$-	$750	$-
AFE836	San Diego	WATSON, DEVIN	Uninsured Employer	1 day(s) jail; 12 month(s) probation; 50 hour(s) community service;	$-	$39,070	$-
AFF138	San Diego	WHEELER, AMY	Uninsured Employer	12 month(s) probation;	$-	$5,670	$100

CASE NUMBER	COUNTY	SUBJECT NAME	ROLE	SENTENCE	ASSETS FROZEN	RESTITUTION	CRIMINAL FINE
AFF522	San Diego	XU, SEAN	Uninsured Employer	24 month(s) probation;	$-	$10,000	$-
22002830	San Francisco	Pevec, Marijan	Single Entity Provider Fraud	5/12/25 Victim is not seeking restitution. 7/21/25 9am D24 (Chan): Case dismissed for successful completion of diversion PC 1001.9. DC 977 for D. Proof of CSW shown, filed with court.	$-	$-	$-
2024-9241	San Joaquin	Clubb, Nathan Walter	Uninsured Employer	12 month(s) probation; Arraignment date is used as arrest date	$-	$21,597	$-
2024-9107	San Joaquin	Elizarras-Raya, Alejandro	Uninsured Employer	Arraignment date used for arrest date since they were never arrested	$-	$-	$1,000
2024-9318	San Joaquin	Johnson, Stacy	Claimant Fraud	120 day(s) jail; 24 month(s) probation;	$-	$3,006	$-
2025-0290	San Joaquin	Villasenor, Patrick	Uninsured Employer	120 day(s) jail;	$-	$29,980	$-
23SF003466	San Mateo	Diaz Mendez, Isidro	Premium Fraud	60 day(s) jail; 24 month(s) probation; 200 hour(s) community service;	$-	$90,702	$-
23SF016655	San Mateo	Fernandez, Librado	Premium Fraud	12 month(s) probation; 30 hour(s) community service;	$-	$6,051	$-
23CR05039	Santa Barbara	Sanchez-Flores, Eriselda	Claimant Fraud	12 month(s) probation; 7900 Restitution paid	$-	$20,410	$324

CASE NUMBER	COUNTY	SUBJECT NAME	ROLE	SENTENCE	ASSETS FROZEN	RESTITUTION	CRIMINAL FINE
C2405406	Santa Clara	A & A Residential Home Care, Inc.	Premium Fraud	0	$-	$-	$-
C1910020	Santa Clara	Caposio, Shana / Xteria Construction & Consulting	Premium Fraud	0	$-	$470,182	$-
C2405017	Santa Clara	Chavez, Raul / TOPS	Premium Fraud	180 day(s) jail; 24 month(s) probation;	$-	$225,169	$600
C2316038	Santa Clara	Delgadillo, Gerardo	Claimant Fraud	30 day(s) jail; 12 month(s) probation;	$-	$7,569	$300
C1922531	Santa Clara	Delk, Thomas Kent / Integrity Billing Solutions/POC Network	Multiple Entities Provider Fraud	0	$-	$-	$-
C2403581	Santa Clara	Demings, Syeisha	Claimant Fraud	0	$-	$10,621	$-
C2304477	Santa Clara	Duong, Charlie / CD All Roofing Inc. and/or C&D Roofing	Premium Fraud	0	$-	$460,878	$-
C1906801	Santa Clara	Liu, Anson / Good Partner Contractor, Inc.	Uninsured Employer	12 month(s) probation; 32 hours SAP	$-	$-	$-
C1910270	Santa Clara	Lopez, Cecilia Barcenas	Claimant Fraud	12 day(s) jail; 12 month(s) probation; 80 hour(s) community service;	$-	$1,762	$-
C2301386	Santa Clara	Ostolaza, Luis German / OT Epoxy Floors Inc	Premium Fraud	13 day(s) jail; 48 month(s) prison; 120 month(s) probation;	$-	$322,924	$-

CASE NUMBER	COUNTY	SUBJECT NAME	ROLE	SENTENCE	ASSETS FROZEN	RESTITUTION	CRIMINAL FINE
C1910020	Santa Clara	PAC_NBT Industries	Premium Fraud	0	$-	$470,182	$-
C2317155	Santa Clara	Rego, Marco Aurelio	Claimant Fraud	90 day(s) jail;	$-	$8,000	$-
C2211077	Santa Clara	Ruiz, Monico Gordo Ignacio	Uninsured Employer	364 day(s) jail; Harvey Stip.	$-	$-	$300
C1922531	Santa Clara	Seratte, Andrea Rae / Integrity Billing Solutions/POC Network	Multiple Entities Provider Fraud	0	$-	$500,000	$-
C2203975	Santa Clara	Stevenson, Michael / Stevenson Roofing Co	Premium Fraud	13 day(s) jail; 24 month(s) probation;	$-	$84,591	$-
C2304787	Santa Clara	vanAlst, Roger / Black Diamond Pavers	Premium Fraud	1 day(s) jail; 12 month(s) probation;	$-	$883,050	$300
24CR02834	Santa Cruz	Alfaro, Jonas Escobar	Uninsured Employer	12 month(s) probation; Diversion	$-	$-	$-
24CR05755	Santa Cruz	Martinez, Ignacio Cerqueda	Uninsured Employer	12 month(s) probation; Diversion	$-	$-	$-
24CR04296	Santa Cruz	Perez, Alex Leonel	Uninsured Employer	12 month(s) probation; Diversion	$-	$-	$-
23CR01998	Santa Cruz	Rebolledo, Bernardo	Uninsured Employer	4 day(s) jail; 12 month(s) probation; FTA - warrant issued on 11/21/2024	$-	$-	$290

CASE NUMBER	COUNTY	SUBJECT NAME	ROLE	SENTENCE	ASSETS FROZEN	RESTITUTION	CRIMINAL FINE
19CR04747	Santa Cruz	Stefanko, Debra	Claimant Fraud	4 day(s) jail; 12 month(s) probation;	$-	$145,000	$220
FCR366722	Solano	McGuire, Michael	Claimant Fraud	1 day(s) jail; 12 month(s) probation;	$-	$14,789	$-
FCR366610	Solano	Smith, Leonard	Claimant Fraud	1 day(s) jail; 12 month(s) probation; 50 hour(s) community service;	$-	$8,133	$-
FCR347948	Solano	Vasquez, Patricia	Claimant Fraud	4 day(s) jail; 12 month(s) probation; 30 hour(s) community service; Restitution Reserved. Compromise/Release done.	$-	$-	$-
pbk1016661	Sonoma	Svienty, Stephen / Steve Svienty Tree Care	Uninsured Employer	12 month(s) probation; 10 days of work release.	$-	$-	$220
25CR00218	Sonoma	Tobin, Jessica	Claimant Fraud	Probation denied. Restitution paid in full.	$-	$16,504	$-
VCM378844B	Tulare	AUSHERMAN, ROBERT	Insider Fraud	12 month(s) probation; Rest Hrg 8/30/24 continued to 11/4/24. RH 12/4/24 def pled to 487(A) paid restitution. case reduced to misd and 44 charges dismissed. 12 mos probation and pay restitution $9,386.88.	$-	$9,387	$500

CASE NUMBER	COUNTY	SUBJECT NAME	ROLE	SENTENCE	ASSETS FROZEN	RESTITUTION	CRIMINAL FINE
VCF453569	Tulare	CARTAGENA, HECTOR	Premium Fraud	180 day(s) jail; 24 hour(s) community service; filed 4/15/24, Warr #148160 issued 4/16/24. PHS 7/10/24, cont to 9/6/24,9/19/24,12/4/24, 1/23/25,2/26/25,4/17/25.JP 6/25/25	$-	$27,000	$500
PCM449279	Tulare	ESCALERA, ROBERT	Uninsured Employer	12 month(s) probation; 14 hour(s) community service; PTC 7/16/24, continued to 9/3/24, 10/15/24, 12/4/24, 12/13/24, 1/30/25, 2/4/25. def pled and sentenced to 5/20/25, provide proof of additional 14 hours of community service.	$-	$-	$135
VCM449129	Tulare	HERNANDEZ-RAMIREZ, NINO	Uninsured Employer	10 day(s) jail; 12 month(s) probation; Arraign 6/6/24,contto 8/14/24. Pled & sent 10 days jail, Probation 12 mos. Fine $235. 1/27/25 VOP arraign	$-	$-	$235

CASE NUMBER	COUNTY	SUBJECT NAME	ROLE	SENTENCE	ASSETS FROZEN	RESTITUTION	CRIMINAL FINE
VCF378844A	Tulare	RUELAS, CONNIE	Insider Fraud	24 month(s) probation; 20 hour(s) community service; 9/28/23 Restitution Hearing continue to 1/18/24, 3/1/24, 5/17/24, 6/5/24, 11/4/24 and 12/4/24. RH 12/4/24 co-defendant paid restitution, def to remain on probation.	$-	$1,600	$500
VCM403262	Tulare	SZETO, KAM KEUNG	Uninsured Employer	60 day(s) jail; 12 month(s) probation; Sentencing Hearing 2/21/24 continued to 4/2/24, 10/9/24, 4/25/25 ct 1 dismissed, ct 2 pled	$-	$-	$1,000
2021007530	Ventura	Pillado, Luz / Falls Lake Fire and Casualty	Claimant Fraud	24 month(s) probation;	$-	$39,128	$310
2023014205	Ventura	Rivera, Concepcion	Claimant Fraud	60 day(s) jail; 12 month(s) probation;	$-	$16,300	$150
2024005450	Ventura	Robles, Blanca / Alaska National Insurance	Claimant Fraud	60 day(s) jail; 12 month(s) probation;	$-	$26,441	$150
2020031026	Ventura	Shenberger, Kenneth / State Fund	Premium Fraud	12 month(s) probation;	$-	$25,000	$150
297805	Yolo	Garrison, Robert	Claimant Fraud	12 month(s) probation;	$-	$150	$-
265435	Yolo	Mitchell, Cynthia	Premium Fraud	0	$-	$-	$-

CASE NUMBER	COUNTY	SUBJECT NAME	ROLE	SENTENCE	ASSETS FROZEN	RESTITUTION	CRIMINAL FINE
265435	Yolo	Sexton, Cynthia	Premium Fraud	0	$-	$-	$-
297805	Yolo	Smoot, Emily	Claimant Fraud	12 month(s) probation;	$-	$150	$-

2025 ANNUAL REPORT

EXECUTIVE OPERATIONS BRANCH

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OFFICE OF CIVIL RIGHTS

The Office of Civil Rights (OCR) is responsible for developing and updating policies and procedures ensuring compliance with Title VII of the Civil Rights Act of 1964 and California's Fair Employment and Housing Act. The OCR ensures that all managers, supervisors, and employees promote a workplace environment free of discrimination, harassment, and/or retaliation. The OCR administers the Disability Programs, promotion of internal Diversity, Equity, and Inclusion, Upward Mobility Program, Workforce Analysis, and discrimination complaint programs. The OCR also provides consultative services to Executive Management and strives to ensure mandatory training compliance related to policies and procedures is completed by all department employees.

In 2025, the OCR phased out conducting informal discrimination complaint investigations and shifted to formal investigations for all complaints. This shift reduces legal and compliance risks to the department while increasing accountability and integrity of the investigation process. This further enables the OCR to deliver more comprehensive and in-depth reviews for all CDI staff, ensuring they receive a thorough and accurate evaluation of their specific situation and needs.

The OCR continued to refine organizational processes and improve operational efficiency by implementing new internal structures designed to strengthen case management and accountability in 2025. As part of these improvements, the OCR established a target investigation completion timeline of 60 days, enabling timely and effective resolution of Equal Employment Opportunity (EEO) complaints involving state and federally protected classes while reducing uncertainty and providing staff with faster clarity and closure.

In 2025, the OCR strengthened its Sexual Harassment Prevention Training compliance program through enhanced monitoring, monthly audit drills, annual communications and new training modules. These efforts are part of a broader proactive outreach strategy resulting in the achievement of 100% compliance across managerial, supervisory, and non-supervisory staff, positively impacting all CDI staff by increasing awareness and reducing behaviors that could lead to workplace EEO issues.

The OCR provided increased virtual support, guidance and oversight of the mandated Disability Advisory Committee (DAC) in 2025. The DAC meets quarterly with beyond 100% representation from each Division to identify Departmental barriers related to accessibility and facilities, generate ideas for greater inclusion, and pursue a structured effort to update existing resources while developing new materials to ensure all content meets the Americans with Disabilities Act compliant standards.

In 2025, the OCR continued Diversity Equity and Inclusion (DE&I) development by working towards implementation of the internal DE&I program. Efforts include quarterly meetings of the DE&I Advisory Committee, monitoring trends and legislative activity, and production of educational material and resources.

OFFICE OF INSURANCE DIVERSITY AND INNOVATION

Commissioner Lara's leadership is marked by an enduring commitment to ensuring greater equity and access for California's small and/or diverse businesses. In its first full year of operation since the Office of Insurance Diversity and Innovation (OIDI) was first established by Commissioner Lara in 2024, OIDI serves as a centralized unit that continues to remain the primary office that leads, coordinates, and pools together much of the Department's innovation-related projects and initiatives from multiple Branches across CDI. OIDI is home to the Department's nationally recognized Insurance Diversity Program and first-ever Insurance Innovation Program. Collectively, these programs help ensure that CDI is poised to continue to proactively meet its important consumer protection mission by remaining at the helm of research, data-driven policy solutions, industry-wide and consumer stakeholder engagement, and thought leadership in the expanding fields of insurance diversity and innovation. OIDI leadership collaborates cross-functionally with multiple teams across the Policy and Legislation Branch, Office of Special Counsel, Rate Regulation Branch, Legal Branch, and others to share resources, exchange thought leadership, and work towards streamlining operational and workforce efficiencies across the Department.

Insurance Innovation Program

Throughout 2025, the recently-created Insurance Innovation Program continued to build capacity through its policies and programming, stakeholder engagement, and providing subject matter expertise on Department-sponsored legislation and insurance innovation-related policy areas.

On a national level, the Chief of OIDI represents CDI on the NAIC's Third-Party and Data Model Working Group that is part of the Innovation, Cybersecurity, and Technology (H) Committee. The working group's objectives are to 1) develop and propose a framework for the regulatory oversight of third-party data and predictive models; and 2) monitor and report on state, federal, and international activities related to governmental oversight and regulation of third-party data and model vendors and their products and services.

Insurance Diversity Program

Under Commissioner Lara's executive leadership, the Insurance Diversity Program continues to grow leaps and bounds, serving as the bridge that connects our state's diverse business owners with the nation's largest insurance industry. Since 2011, the Insurance Diversity Program (IDP) focuses on accelerating the level of diversity and equity within California's growing $400 billion insurance industry by advancing supplier and board diversity. Namely, these efforts by Department staff and the Commissioner-appointed Insurance Diversity Task Force are meant to encourage diverse board leadership and increased procurement from businesses owned by women, LGBTQ+ people, veterans, disabled veterans, people with disabilities, and historically underrepresented communities, or collectively referred to as "diverse suppliers." The IDP accomplishes these goals by conducting surveys to collect and publicly disseminate information about the diversity efforts of insurers, as well as through spearheading public policy, outreach, partnerships, and Department-hosted events.

Collectively, the IDP is comprised of the following components:

- **Insurance Diversity Task Force**
    - A Commissioner-appointed 15-member advisory group comprised of diversity advocates, supplier and board diversity experts, community leaders, and insurer representatives. In 2025, Commissioner Lara reappointed four (4) members to the Task Force. Later in June 2025, the Commissioner welcomed new Task Force leadership when the first-ever, all-women leadership team was elected into office.
    - Building on its prior successes, the Program continued to make progress on its 2-year cycle for the 2024-2026 Strategic Plan that includes more innovative goals for advancing both diversity in the boardrooms and procurement practices of insurance companies. This strategic plan provides a roadmap for the years ahead and is based on four (4) strategic pillars of impact that focus on: 1) Education and Public Relations; 2) Community Engagement; 3) Access to Opportunities; and 4) Recognition and Accountability.
- **Insurance Diversity Surveys**
    - Since 2012, with the enactment of AB 53 (Solorio, Chapter 414, Statutes of 2012), the Department has administered insurance diversity surveys. The transparency achieved through AB 53 highlighted important findings on diversity within the insurance industry.
    - In 2019, following the sunset of AB 53 and prior unsuccessful legislative efforts, Commissioner Lara sponsored SB 534 (Bradford, Chapter 249,

Statutes of 2019) which was signed into law by Governor Gavin Newsom. SB 534 extended and codified components of the insurance diversity survey; expanded diverse business definitions to include LGBT- and veteran-owned businesses; and codified the Insurance Diversity Task Force.

- In 2021, expanding upon the success of enacted SB 534, Commissioner Lara sponsored SB 655 (Bradford, Chapter 390, Statutes of 2021) which was signed into law by Governor Newsom. SB 655 expanded disclosures and reporting requirements for underrepresented groups on insurance company boards, thereby cementing Commissioner Lara's legacy of bringing greater protection to consumers, including historically underserved groups within California's insurance industry.

- In 2024, the enactment of the Assembly Insurance omnibus bill (AB 1140) – a measure supported by Commissioner Lara for its inclusion of people with disabilities and persons with disabilities business enterprises into the California Insurance Code – introduced additional reporting and disclosures from California insurance companies that met the prerequisite $75 million California premium reporting threshold as part the Department's statutorily-codified California Insurance Diversity Survey (CAIDS).

- The 2024 CAIDS administration yielded reports from 396 and 393 insurance companies in 2022 and 2023, respectively. CAIDS data revealed that procurement from diverse suppliers among California insurance companies reached $3.1 billion, an increase of 233% ($930 million in 2012 to $3.1 billion in 2023) since its inception.

- In 2025 – given that the CAIDS is administered biennially – the Department did not administer the survey. The next administration of the CAIDS will launch in April of 2026.

- **Insurance Diversity Summit**

  - In 2025, the Department hosted its annual Insurance Diversity Summit with the theme of "Resilience Reimagined: Shaping an Inclusive Future," that centered on the collective strength of our community in sharing resources and building capacity towards a more economically inclusive future for women, LGBTQ+ people, veterans, disabled veterans, persons with disabilities, and people from historically underrepresented communities. This summit connects the state's small and/or diverse businesses to procurement opportunities by offering free business matchmaking to attendees, enabling them to connect in person with procurement and sourcing leaders of insurance companies, state agencies, and other community organizations.

- Since its inception, this event has evolved into a vital platform to connect thousands of small and/or diverse businesses to opportunities within our state's insurance industry. Additionally, the event hosts expert-led sessions covering diversity trends in insurance, procurement strategies, and current topics such as the responsible use of artificial intelligence as part of insurance procurement practices. From the boardrooms to the supplier networks, amid unprecedented challenges that our communities faced, we envisioned a future that emphasizes the importance of creating inclusive and equitable opportunities that will propel greater progress across California's insurance industry.

- **Special Mission-Critical Projects**

  - The Insurance Diversity Program also leads community engagement efforts that are imperative to our mission, such as strengthening its existing partnership with the Statewide Coalition on Diversity Initiatives (Coalition) that is committed to increasing the economic impact of the state's small and/or diverse businesses by expanding access to business resources and procurement opportunities across California's Executive Branch. The Department co-hosted the second annual California Supplier Diversity Symposium on March 13, 2025 – connecting over 300 of the state's small and/or diverse businesses with education and resources to help position them for contracting success – alongside the Coalition that comprises the following agencies:

    - California Public Utilities Commission
    - California Office of the Small Business Advocate
    - California Department of General Services
    - California Department of Insurance
    - California Department of Transportation
    - California Department of Healthcare Access & Information

Other ongoing projects include the redesign of the Insurance Diversity Program's website, the monthly distribution of the Diversity Digest newsletter, and continued participation in local, statewide, and national conferences and webinars. These activities keep us informed of the latest insights and best practices, strengthen our outreach and engagement in the communities we serve, and help us connect stakeholders with meaningful opportunities that advance supplier and board diversity while supporting the overarching mission of this Office.

Setting the Standard for Excellence in Supplier and Board Diversity Commitments

In 2025, Commissioner Lara continued to elevate his long-standing commitments to advancing board diversity within the insurance industry by extolling the value of community engagement that underscores the mission of the Insurance Diversity

Program by sharing best practices with fellow commissioners and diversity stakeholders on both a state, national, and international level. In particular, Commissioner Lara demonstrated the importance of creating equity in this industry through the following supplier and board diversity commitments:

- **Publication of the 2025 Insurance Diversity Index** – OIDI collaborated with cross-functional leadership at CDI alongside the Insurance Diversity Task Force to successfully launch the 2025 Insurance Diversity Index – a benchmarking tool that builds off of its inaugural launch in 2023 and measures the progress that insurance companies are making on their commitments to advancing board and supplier diversity. Key findings from the 2025 Index indicated that among the ninety-four (94) California insurance companies that earned a level of distinction – ranging from bronze, silver, gold, and platinum – roughly one-third of previously recognized companies improved their performance since the inaugural 2023 Index. The report also highlighted that top-performing companies consistently aligned diversity goals with measurable outcomes, met or exceeded diverse supplier spending benchmarks, and demonstrated sustained commitments to inclusive governance and procurement practices.

- **Publication of the 2024 Economic Impact Report** – In October 2025, OIDI released its first-ever Economic Impact Report – an inaugural publication that highlights the cumulative economic impact of California's insurance industry's procurement with the state's diverse business enterprises. Among its key findings, California insurance companies reported spending $3.1 billion with diverse-owned businesses in California and have contributed a total economic output of $6.7 billion to the state's economy, supporting more than 29,000 jobs and generating more than $917 million in state tax revenues. The findings indicate that for every $1 that insurance companies spent with California's diverse businesses, that, in turn, generated at least twice (or $2.16) the economic output to the state's economy.

Diversity in California's Insurance Industry

The successes of the Insurance Diversity Program's strategic priorities in tandem with Commissioner Lara's sponsorship of a series of key insurance diversity legislation, including SB 534 (Bradford, Chapter 249, Statutes of 2019) and SB 655 (Bradford, Chapter 390, Statutes of 2021), have contributed to magnifying the impact of the Diversity Program on a national and global scale, serving as a model for numerous jurisdictions as they embark on their diversity-driven initiatives.

In 2024, the enactment of Assembly Bill 1140 (Chapter 204, Statutes of 2023), expanded the California Insurance Code to include persons with disabilities, and persons with disabilities business enterprises. As a result, the 2024 California Insurance Diversity Survey (CAIDS) required that California admitted insurers that collect at least $75 million in annual California premiums report on its supplier procurement and

governing board diversity data from the previous two years on this new historically underrepresented demographic – persons with disabilities and persons with disabilities business enterprises.

The next CAIDS administration will occur in 2026. As a result, 2024 and 2025 data will be available in 2026.

NOTE: The following information on the state of board diversity in California's insurance industry is current as of 2024.

2024 State of Board Diversity in California's Insurance Industry

The breadth and scope of California's increasingly diverse population means that it is equally important to see the diversity of the State and consumers reflected on the boards of insurance companies. Board directors, as part of the highest decision-making entity of a company, have the power to direct company-wide policies, allocate resources, and make impactful decisions that can transform a company's culture. However, diversifying insurer governing boards remains a challenge.

A total of 396 (2022) and 393 (2023) insurance companies reported to the Department's California Insurance Diversity Survey (CAIDS), representing 1,693 and 1,694 board director seats, respectively. In 2022 and 2023, for the first time ever, board members who self-identified as women comprise more than 25% of insurance board members/directors, marking a statistically significant 3 percentage point increase since 2018.

2024 CAIDS – CALIFORNIA INSURANCE INDUSTRY BOARD DIVERSITY

Year	Number of Board Directors	Women Board Directors (%)	Ethnically Diverse* Directors (%)	Veteran Board Directors	Disabled Veteran Board Directors	LGBTQ+ Board Directors	Person(s) with Disabilities **
2023	1,694	25.8%	18.3%	3.0%	0.6%	0.8%	0.3%
2022	1,693	25.6%	18.3%	3.7%	0.5%	1.0%	0.4%
2021	1,644	23.8%	17.4%	4.1%	< 1.0%	< 1.0%	N/A
2020	1,582	22.8%	15.6%	4.1%	< 1.0%	< 1.0%	N/A
2019	1,341	23.1%	14.3%	6.0%	< 1.0%	< 1.0%	N/A
2018	1,227	22.2%	14.2%	5.8%	< 1.0%	< 1.0%	N/A

*Includes board directors that self-identify as African American, Hispanic-Latino, Asian/Pacific Islander, or Native American

**New reporting category to 2024 CAIDS

2024 State of Supplier Diversity in California's Insurance Industry

The next CAIDS administration will occur in 2026. As a result, 2025 and 2024 data will be available in 2026.

NOTE: The following information on the state of supplier diversity in California's insurance industry is current as of 2024.

The 2024 administration of the biennial CAIDS provided continued insights into the procurement practices of California-admitted insurance companies with at least $75 million in annual written premiums. Diverse procurement reached $3.2 billion in 2022 and held steady at $3.1 billion in 2023, demonstrating sustained growth in supplier diversity initiatives.

Overall, the data reflects both the gaps and opportunities that persist within California's insurance industry and shows that strong internal policies and programs are closely tied to meaningful progress. The latest CAIDS data highlights the importance of aligning organizational commitments to supplier diversity with internal goal-setting in order to achieve measurable results. In particular, our analysis indicates that companies that had a supplier diversity policy statement were significantly more likely to set internal goals and develop strategies to advance supplier diversity.

DIVERSE PROCUREMENT BY CERTIFICATION CATEGORY

Year	Diverse Spend
2012	$930 Million
2013	$1.3 Billion
2014	$1.5 Billion
2015	$1.7 Billion
2016	$1.6 Billion
2017	$1.8 Billion
2018	$1.8 Billion
2019	$2.1 Billion

Year	Diverse Spend
2020	$1.5 Billion
2021	$3.1 Billion
2022	$3.2 Billion
2023	$3.1 Billion

DIVERSE PROCUREMENT BY CERTIFICATION CATEGORY

Certification Category	2018	2019	2020*	2021	2022	2023
Women Business Enterprise (WBE)	$669 Million	$678 Million	$388 Million	$730 Million*	$634 Million	$650 Million
Minority Business Enterprise (MBE)	$1.02 Billion	$1.2 Billion	$1 Billion	$2.1 Billion	$2.3 Billion	$2.2 Billion
Disabled Veteran Business Enterprise (DVBE)	$16 Million	$28 Million	$27 Million	$25 Million	$27 Million	$45 Million
LGBT Business Enterprise (LGBTBE)	$9.8 Million	$10 Million	$5.3 Million	$11 Million	$17 Million	$16 Million
Multi-Certified Business Enterprise (MCBE)	$83 Million	$126 Million	$74 Million	$195 Million	$130 Million	$228 Million
Veteran Owned Business Enterprise (VOBE)*	$27 Million	$28 Million	$42 Million	$58 Million	$37 Million	$33 Million

*2021 WBE data and 2020 diverse spend data (across all categories) amended to reflect additional reported procurement dollars

DIVERSE PROCUREMENT BY ETHNICITY

Ethnicity	2018	2019	2020	2021	2022	2023
Asian Pacific Islander	$368 Million	$542 Million	$206 Million	$801 Million	$1 Billion	$717 Million
African American	$232 Million	$254 Million	$205 Million	$320 Million	$347 Million	$398 Million
Latino/Hispanic	$139 Million	$155 Million	$77 Million	$101 Million	$103 Million	$143 Million
Multi-Ethnic	$9.1 Million	$24 Million	$13.2 Million	$8.8 Million	$12 Million	$338 Million
American Indian	$9.3 Million	$14.6 Million	$13.1 Million	$15.4 Million	$25 Million	$28 Million

*2018 and 2019 data amended to reflect additional reported procurement dollars

OFFICE OF STRATEGIC PLANNING AND INITIATIVES

The Office of Strategic Planning and Initiatives (OSPI) is responsible for all elements of strategic planning, including developing and implementing CDI's Strategic Plan, and major Commissioner-led initiatives to support the CDI's vision, mission, values, and goals. OSPI also develops CDI's Workforce and Succession Plan and manages the implementation of targeted department-wide and program-level workforce planning and succession planning strategies. OSPI is responsible for organizational performance management, including survey and data collection, analysis, and the identification, development, and implementation of methodologies that measure progress toward program, department-wide, and mission-critical objectives. OSPI develops reports such as the Annual Report of the Insurance Commissioner, tracks and submits other legislatively mandated reports, and participates in special projects as needed.

Since the launch of the Department's 2024-2027 Strategic Plan in July 2024, the Department has continued to make meaningful progress in advancing its strategic priorities. In 2025, efforts focused on translating the Strategic Plan into measurable actions that improve operational effectiveness, strengthen consumer protection, and enhance organizational performance. Several key accomplishments include streamlining the rate filing review process, establishing the Department's policy management program, and modernizing internal technology and information management systems. Branches across the Department continue to monitor and report on key performance indicators, using performance data to measure progress, assess outcomes, and ensure strategic objectives remain on track. This ongoing performance

management approach promotes accountability, supports data-informed decision-making, and enables leadership to identify opportunities for continuous improvement. These efforts position the Department to better respond to emerging challenges while advancing its vision of innovative insurance protection for all Californians.

The Department continued implementing its 2024-2027 Workforce and Succession Plan by advancing initiatives that strengthen succession planning, workforce development, employee engagement, and organizational resilience. In 2025, the Department advanced succession planning by partnering with branch leadership to assess workforce readiness, identify competency gaps, and increase documentation of critical processes to reduce key-person dependency risks. The Department also strengthened employee development and engagement through its *Take a Break* speaker series, which consists of quarterly presentations designed to increase organizational awareness. In addition, the annual Employee Engagement Survey continued to inform leadership's efforts to enhance engagement and retention by identifying organizational strengths and opportunities for improvement. These efforts help ensure the Department has the talent, knowledge, and organizational capacity needed to meet its strategic priorities while fostering a diverse, collaborative, and high-performing workplace.

On an on-going basis, OSPI also manages appointments made by Commissioner Lara to eight advisory boards, task forces, and committees including the:

1. California Automobile Assigned Risk Plan (CAARP) Advisory Committee,
2. California Earthquake Authority (CEA) Advisory Panel,
3. California Insurance Guarantee Association (CIGA) Board of Governors,
4. California Life & Health Insurance Guarantee Association (CLHIGA) Board of Governors,
5. California Organized Investment Network (COIN) Advisory Board,
6. California Workers' Compensation Insurance Rating Bureau (WCIRB) Governing Committee,
7. Curriculum Board, and
8. Insurance Diversity Task Force.

In alignment with the goals of the Commissioner's Insurance Diversity Program, the Department aimed to identify and broaden the demographic diversity of appointees, including gender, race/ethnicity, sexual orientation, and disabled veteran status. In 2025, the Appointments Office facilitated 16 appointments made by the Commissioner, 11 of which were diverse individuals, or 69%. Of the 63 total appointees to boards and committees, 49 are diverse individuals, or 78%, with 39 of those individuals being ethnically diverse, or 62%. For reference, of the total California population, 67% are racially or ethnically diverse (based on the 2024 American Community Survey 1-Year Estimates). Commissioner Lara will continue striving to achieve diversity in his

appointments to emulate the growing demographics and great diversity of the Golden State.

ORGANIZATIONAL ACCOUNTABILITY OFFICE

The Organizational Accountability Office (OAO) provides heightened leadership and improved coordination of planning, risk, and compliance for the Department. OAO is comprised of four programs:

- Information Security Office
- Internal Audits Unit
- Fraud Grant Audit Program
- Organizational Risk Management Unit

Information Security Office

The Information Security Office (ISO) plays a vital role in protecting the Department's sensitive information assets by ensuring compliance with state and federal regulations, implementing cybersecurity best practices, and managing organization-wide cybersecurity risk. The ISO is responsible for developing and maintaining the Department's security policies, which provide the framework for secure and compliant information handling. It also coordinates Department-wide security assessments conducted by internal teams or third-party entities to identify vulnerabilities and support continuous improvement.

ISO proactively addresses emerging threats, fosters employee awareness through training and policy guidance, and promotes a culture of accountability and security across CDI. Through these efforts, the ISO helps minimize the likelihood and impact of cyber incidents, mitigates human error, and strengthens CDI's overall security posture.

In 2025, ISO significantly strengthened the CDI email security through monthly phishing simulations, ongoing security awareness training, and the expansion of KnowBe4's platform using advanced threat analysis and industry intelligence to identify, block, and quarantine malicious emails across the organization.

Internal Audits Unit

The Internal Audits Unit (IAU) provides independent, risk-based, and objective assurance and consulting services to CDI's management. By monitoring internal controls and ensuring compliance with applicable laws and regulations, IAU assists CDI in enhancing the effectiveness and efficiency of its operations. In addition, IAU is tasked with conducting whistleblower investigations and coordinating external audits.

Fraud Grant Audit Program

The primary responsibility of the Fraud Grant Audit Unit (FGAU) is to conduct fiscal compliance audits of CDI grants awarded to district attorney offices to assist with their

efforts to investigate and prosecute insurance fraud. The purpose of the audit is to provide reasonable assurance that the funds have been used in accordance with applicable statutes and regulations, the grant award agreements, and the grant application guidelines.

In 2025, FGAU completed twelve audits, resulting in a significant amount of misused funds recovered back to CDI.

Organizational Risk Management Unit

The Organizational Risk Management Unit (ORM) is responsible for operating CDI's Policies Management Program, and for designing, implementing, and maintaining CDI's Enterprise Risk Management (ERM) structure. Additional responsibilities include compliance with requirements for incompatible activities, ethics training, and risk management education.

In 2025, ORM launched the Policies Management Program (PMP) and its key chartered body, the Policy Advisory Committee (PAC). The PMP is a structured, standardized process designed and operated to help ensure that all policies are regularly reviewed, updated, and aligned with the organization's goals and objectives. This process aims to promote transparency, accountability, and effectiveness in policy management.

2025 ANNUAL REPORT

FINANCIAL SURVEILLANCE BRANCH

FINANCIAL SURVEILLANCE BRANCH

The Financial Surveillance Branch's (FSB) main goal is to contribute to CDI's mission by ensuring vibrant markets where insurers keep their promises and the health and economic security of individuals, families and businesses are protected. To achieve this goal, FSB oversees the financial condition of the insurance industry, including entities admitted to do business in California as well as those operating on a non-admitted/excess and surplus line basis through the work of the following offices:

- Financial Analysis Division
- Field Examination Division
    - Premium Tax Audit Unit
- Life Actuarial Office
- Property & Casualty Actuarial Office
- Office of Principle-Based Reserving

Participation and Interaction with the National Association of Insurance Commissioners (NAIC)

Representing CDI and the Commissioner, FSB actively participates in the NAIC committees, task forces and working groups, covering areas such as accounting practices and procedures; blanks; invested assets; financial analysis and solvency; multistate examinations; examiner and analysis training; actuarial-related issues and requirements; and issues concerning insurer insolvencies and insolvency guarantees. With California being the largest insurance market in the United States, our participation at the NAIC provides us the strongest possible voice in setting national standards for financial reporting and solvency regulation. During 2025, FSB contributed to updates and enhancements to the annual/quarterly financial statement blanks and instructions, risk-based capital formulas, Accounting Practices and Procedures Manual, Financial Analysis Solvency Tools, Financial Analysis Handbook, Financial Condition Examiners Handbook, Actuarial Guidelines, Valuation Manual, and NAIC model laws and model regulations. As the lead regulator, FSB coordinated and supported multistate efforts in addressing the solvency problems of a number of nationally significant insurers as well.

To promote sound financial solvency regulation, CDI is subject to the Full Accreditation Review of the NAIC Financial Regulation Standards and Accreditation Program ("FRSAP") at least once every five years. FSB, in partnership with the CDI Legal Branch, successfully underwent the Full Accreditation Review and was recognized for meeting and exceeding the NAIC Financial Solvency Oversight Standards in early 2024.

For CDI to remain accredited, FSB is also subject to the FRSAP's Interim Annual Reviews. The Interim Annual Review occurs annually between the Full Accreditation Reviews, which entails a review of any law and regulation changes, the financial analysis and examination functions, organizational and personnel practices, and primary licensing, redomestication and change of control of domestic insurers. During the most recent Interim Annual Review, once again, FSB demonstrated that its current scheme of regulatory monitoring remains intact and continues to work effectively, with no identified areas for improvement. CDI's accredited status was reaffirmed by the NAIC for 2026.

Coordination and Participation in Supervisory Colleges

Pursuant to the California Insurance Code Section 1215.7, the Commissioner shall have the power to participate in a supervisory college for any domestic insurer that is part of an insurance holding company system with international operations in order to determine compliance by the insurer with the Insurance Holding Company System Regulatory Act. The Commissioner may also participate in a supervisory college with other regulators charged with supervision of the insurer or its affiliates, including other state, federal, and international regulatory agencies. A supervisory college may be convened as either a temporary or permanent forum for communication and cooperation between the regulators charged with the supervision of the insurer or its affiliates.

Representing the Commissioner, FSB (specifically, the Financial Analysis Division and the Field Examinations Division) actively participated in seven international and regional supervisory colleges to fulfill such statutory obligations during 2025.

FINANCIAL ANALYSIS DIVISION

The Financial Analysis Division (FAD) conducts ongoing, risk-focused financial surveillance of California licensed entities; identifies those that may be trending toward hazardous financial condition; and intervenes with preventive and corrective measures, when appropriate.

On a quarterly and ad hoc basis, FAD presents its financial analyses and recommends effective courses of action to CDI's Early Warning Team (EWT). The EWT has the ultimate responsibility of overseeing the entities determined to be in financial difficulty or under financial distress. All formal regulatory actions require the consent of the FSB Deputy Commissioner, the General Counsel, the Chief Deputy Commissioner, and the Commissioner. FAD also works collaboratively with the Department's Conservation and Liquidation Office and Legal Branch on insurers found to be in a financially hazardous condition such that further transaction of business would pose a risk to their policyholders, or creditors, or to the public.

To protect California consumers, FAD performs thorough and comprehensive reviews of the financial aspects of corporate applications requiring the Commissioner's prior approval. Such corporate applications include, but are not limited to, certificates of authority, amended certificates of authority, organizational permits, securities permits, variable contract qualifications, underwritten title company licenses, acquisitions, mergers, intercompany company transactions, and various types of reinsurer status in California. Moreover, FAD provides essential financial advice and assistance in support of the Legal Branch's efforts to ensure licensed entities conduct affairs in accordance with the law and regulations.

CDI delegates to the Surplus Line Association of California's ("SLA") Financial Analysis Department to perform financial reviews of the excess and surplus lines insurers that are applying (or have been approved) to be placed on the CDI's List of Approved Surplus Line Insurers. FAD reviews the SLA's completed Security Summary Reports; approves/denies its financial recommendation pursuant to California Insurance Code §1765.2; and provides direction and guidance to the SLA, when warranted. FAD also coordinates with other international supervisory authorities and contributes to the joint oversight of Lloyd's of London.

Furthermore, FAD provides technical support to other program areas within the Department relative to the financial oversight of reinsurance practices, Lloyd's of London, captive insurers, and risk retention groups; develops policies, guidelines and legislative proposals to strengthen insurance solvency regulation; and joins forces with the Department's Rate Regulation Branch and other state insurance regulators to help specific insurers address their financial challenges which directly impact California consumers.

FINANCIAL REVIEWS OF REGULATED ENTITIES PERFORMED IN CALENDAR YEAR 2025

COMPANY TYPE	ANNUAL REVIEWS	QUARTERLY REVIEWS
Life and Property & Casualty	628	1067
Other Entities	911	185

FINANCIAL REVIEWS OF CORPORATE APPLICATIONS COMPLETED IN CALENDAR YEAR 2025

FILING TYPE	COMPLETED
Certificate of Authority	13
Holding Company Transactions	187
Other Matters	282

FIELD EXAMINATIONS DIVISION

Under the provisions of Sections 730, 733, 734.1, and 736 of the California Insurance Code (CIC), the Commissioner may examine the business and affairs of every admitted insurer, whenever deemed necessary, to determine its financial condition and compliance with applicable laws. Unless financial or other conditions warrant an immediate examination, domestic insurers are usually examined every three to five years and foreign insurers are usually examined in accordance with the NAIC's procedures for examination scheduling. The Field Examinations Division (FED) also performs financial examinations of underwritten title companies, home warranty companies, and other entities as necessary.

It is FED's responsibility to determine the financial condition of insurance companies in accordance with the CIC, legal requirements, and prescribed accounting practices as promulgated by the NAIC. Examinations are conducted in accordance with the NAIC's Financial Condition Examiners Handbook.

FED also works collaboratively with other Branches and divisions in developing guidelines and legislative proposals to strengthen insurance solvency regulation. In addition, FED provides technical assistance to the Rate Regulation Branch in their review of rate filings and conducts a full-scope/targeted exam on specific insurers, when appropriate.

Various types of examinations initiated and completed by FED in 2025 are presented as follows:

FED INITIATED EXAMINATIONS
CALENDAR YEAR 2025

TYPE	INITIATED	COMPLETED
Domestic Companies	24	28
Underwritten Title Companies	4	414
Foreign Companies	1	4
Qualifying Exams	0	0
Statutory Exams	0	2
Total	29	48

PREMIUM TAX AUDIT UNIT

The Premium Tax Audit Unit assists with determination of compliance with rules and regulations of the Insurance Tax Program. The Insurance Tax Program is jointly administered by the California Department of Tax and Fee Administration, the Board of Equalization, the California Department of Insurance, and the State Controller's Office. The taxes on insurers are annual taxes imposed on admitted insurance companies and surplus lines insurance brokers doing business in California. Insurers may be subject to as many as three insurance taxes in California.

Insurance Taxes – The Premium Tax Audit Unit audits gross premium tax returns filed by insurance companies and surplus lines brokers. The premium tax supports State General Fund obligations.

Basis and Rate of Tax – A rate of 2.35% is levied on the amount of “gross premiums” received, less return premiums from insurance business done in California. A lower premium tax rate of 0.50% is applied to premiums received under pension and profit-sharing plan contracts “qualified” under the Internal Revenue Code.

Title insurance and ocean marine insurance are exceptions to the general premium tax rate basis and rate structure. Insurers transacting title insurance are taxed at a rate of 2.35% upon all income received in this state, with the exception of income arising out of investments. Ocean marine insurers are taxed at a rate of 5% of the average annual underwriting profit earned during the preceding three calendar years.

Retaliatory Taxes – Insurers domiciled in states with a higher tax rate than California pay a “retaliatory tax” to California equal to the difference in the tax rate of their state of domicile and the tax rate of the State of California.

Surplus Line Taxes – The surplus lines insurance brokers pay a tax rate of 3.00% levied on surplus line premiums pursuant to CIC Section 1775.5.

FED-PREMIUM TAX AUDIT UNIT INITIATED EXAMINATIONS
CALENDAR YEAR 2025

TYPE	INITIATED	COMPLETED
Domestic Companies	0	0
Foreign Companies	13	16
Surplus Line Brokers	19	13
Total	32	29

TAXES LEVIED AND COLLECTED
FISCAL YEAR 2024-25

TYPE	AMOUNT COLLECTED
Insurance premium taxes, Ocean Marine taxes, and Retaliatory taxes	$3,671,200,767
Premium tax refunds	$(118,253,864)
Surplus line taxes	$681,989,048
Surplus line taxes refunds	$(2,289,361)

LIFE ACTUARIAL OFFICE

The Life Actuarial Office (LAO) provides technical assistance within FSB. The LAO monitors reserves established by life and health insurance companies; drafts new legislation, regulations, and bulletins regarding actuarial matters; reviews selected portions of life insurance and annuity policy forms; and ensures compliance regarding Appointed Actuary changes, long-term care loss ratios and premiums, and illustration certifications. The LAO actively participates in the NAIC actuarial committees, task forces and working groups, in addition to providing technical assistance to FSB in its work with the NAIC.

PROPERTY & CASUALTY ACTUARIAL OFFICE

Like the LAO, the Property & Casualty Actuarial Office (PCAO) provides technical assistance within FSB. The PCAO provides reserve analysis on financial examinations and provides technical assistance to FSB on projects and the work of FSB with the NAIC.

Listed below are workload statistics of the LAO and PCAO for the year 2025:

LAO AND PCAO WORKLOAD STATISTICS
CALENDAR YEAR 2025

ACTUARIAL REVIEWS	NUMBER REVIEWED
Actuarial Memorandum for Statement Reserves	107
Regulatory Asset Adequacy Issues Summaries	312
Illustration Certifications	253
Life Insurance and Annuity Policy and Rider Submissions	335
Grant and Annuity Submissions	9
Disability Income Rate Filings	19

ACTUARIAL REVIEWS	NUMBER REVIEWED
Long Term Care Rate Filings	80
Credit Insurance Rate Deviation Filings	5
Separate Account GIC filings [CA Bulletin 95-8]	0
Schedule P Loss Review Compilations	268
Assisted FED on Financial Examinations	27

OFFICE OF PRINCIPLE-BASED RESERVING

The Office of Principle-Based Reserving (OPBR) was established in 2016 to be responsible for reviewing life insurance companies' principle-based reserves and related calculations for compliance with Principle-Based Reserving (PBR) requirements. Beginning in 2019, the scope of OPBR's responsibilities expanded to include the review of long-term care (LTC) insurance reserves and models for California licensed domestic and non-domestic companies issuing or renewing LTC policies.

For life insurance companies, PBR has introduced increased complexity into reserve calculations and has increased flexibility on the part of each company in the selection of reserving systems, models, methodologies, and assumptions. PBR became effective in 2017, although there was a three-year transition period whereby companies were allowed to defer implementation of PBR for one, two, or three years at their option. For the first valuation date of 12/31/2017, there were 20 companies that performed PBR. By the end of the transition period in 2020, around 165 companies were performing PBR. Some of these companies are reviewed by other states or by the NAIC, but the vast majority of PBR reviews (around 130 of them) are performed by OPBR (over 90 in a primary reviewer capacity and the rest as a secondary reviewer).

OPBR is responsible for the review of PBR Actuarial Reports submitted by California licensed domestic and non-domestic life insurance companies for compliance with all PBR Actuarial Report requirements. OPBR is also responsible for the review of company PBR modeling procedures, controls, and oversight for compliance with the requirements for PBR model governance. OPBR performs both off-site and on-site (either virtually or physically) company reviews related to PBR. Furthermore, OPBR actively participates in the NAIC's continued development of requirements and guidance on principle-based reserving (e.g., *Valuation Manual* revisions, interpretation, and guidance).

For LTC, approximately 50 companies are in scope for OPBR's review annually. For a subset of these companies every year, OPBR also performs on-site (either virtually or physically) company reviews related to LTC in collaboration with the NAIC Valuation Analysis Working Group and each company's domestic regulator. Furthermore, OPBR actively participates in the NAIC's development of requirements and guidance on LTC issues and overall monitoring of reserve adequacy of LTC companies across the industry.

2025 ANNUAL REPORT

LEGAL BRANCH

LEGAL BRANCH

The Legal Branch ensures compliance with the California Insurance Code and related laws that apply to the business of insurance by all insurers, insurance agents and brokers, and any other person or organization engaging in or applying to engage in the business of insurance in California. The Legal Branch serves an integral part of the Department's mission by:

- Litigating enforcement actions
- Reviewing and analyzing certain insurance policies to determine whether the policy should be approved for sale to consumers
- Ensuring rate filings comply with the requirements of Proposition 103
- Providing legal assistance to other branches of the Department
- Supporting the Department's Fraud Division in the prevention of insurance fraud
- Handling corporate licensing applications and providing governance oversight in order to ensure insurer compliance with all relevant state laws.

The Legal Branch also assists with the promulgation of regulations implementing California statutes and provides legal services to the Department relating to service of process and records requests. The Legal Branch is divided into ten bureaus:

- Corporate Affairs Bureau I
- Corporate Affairs Bureau II
- Enforcement Bureau I
- Enforcement Bureau II
- Enforcement Bureau III
- Fraud Liaison Bureau
- Government Law Bureau
- Policy Regulation and Approval Bureau I
- Policy Regulation and Approval Bureau II
- Rate Enforcement Bureau

CORPORATE AFFAIRS BUREAU I

The Corporate Affairs Bureaus protect California consumers through licensing, oversight, and enforcement. These activities protect insurer solvency and require the conduct of company affairs in accordance with the law. The Corporate Affairs Bureau I (CAB I) concentrates on the areas of surplus lines, risk retention and risk purchasing groups, title and underwritten title companies, insurer name approvals, and premium tax issues. In addition, CAB I reviews applications filed by insurance companies seeking approval to issue securities, mergers, acquisitions, inter-affiliate service agreements, extraordinary dividend payments, and other insurance holding company act filings.

CORPORATE AFFAIRS BUREAU II

The Corporate Affairs Bureau II (CAB II) concentrates on the areas of reinsurance, non-standard company structures, and life settlements. In addition, CAB II handles insurance company licensing and oversight and provides legal services to the Financial Surveillance Branch's Early Warning Team and to the Department's Conservation and Liquidation Office (CLO). The CLO conserves and manages insurers found to be in a financially hazardous condition such that further transaction of business would pose a risk to policyholders, creditors or to the public and in the event the insurance company cannot be rehabilitated, the CLO liquidates the insurer. The goal is to protect those stakeholders, and in the case of liquidation, maximize return to policyholders and creditors. In addition, CAB II reviews securities permits, mergers, acquisitions, inter-affiliate service agreements, extraordinary dividend payments, and other insurance holding company act filings.

CORPORATE AFFAIRS BUREAUS STATISTICS
CALENDAR YEAR 2025

TYPE	BEGIN # ASSIGNED CASES	ASSIGNED	CLOSED	END # ASSIGNED CASES
Accredited Reinsurer	1	3	3	1
Accredited Reinsurer Renewal	0	27	27	0
Advisory Organization License	1	3	2	2
Amended Deed of Trust	0	0	0	0

TYPE	BEGIN # ASSIGNED CASES	ASSIGNED	CLOSED	END # ASSIGNED CASES
C/A Amend-Add Line	13	16	17	12
C/A Amend-Delete Line	4	4	2	6
C/A Amend-Domestic Change 709.5	2	1	2	1
C/A Amend-Name	0	14	10	4
C/A Amend-Non-Domestic Re-domicile	2	19	21	0
Certificate of Authority	1	10	9	2
Certificate of Authority Status - 700C	4	4	4	4
Certified Reinsurer	0	0	0	0
Certified Reinsurer Renewal	7	20	16	11
Custodian Qualification	1	1	2	0
Custody Agreement	3	5	8	0
Exemption – Certificate of	0	0	0	0
Failure to Make Required Filing	0	0	0	0
Grants/Annuities - C/A	6	3	8	1
Grants/Annuities-Amended C/A	2	2	4	0
HC Disclaimer of Affiliation .4l	7	14	14	7
HC Exempt - Comm. Domiciled Status .14b	0	3	3	0

TYPE	BEGIN # ASSIGNED CASES	ASSIGNED	CLOSED	END # ASSIGNED CASES
HC Exempt – Form A .2g	2	5	7	0
HC Extraordinary Dividend .5g	0	6	4	2
HC Investments .5b7	0	2	2	0
HC Guarantees .5b5	0	0	0	0
HC Mgt. Serv./Cost Share Agmt .5b4	16	63	50	29
HC Misc.	0	2	2	0
HC Reinsurance .5b3	21	23	41	3
HC Sales Purchases Loans .5b1	3	9	6	6
Holding Companies Acquisition	3	5	4	4
Home Protection	0	2	2	0
Letter of Credit	0	4	4	0
Life Settlement Provider	0	0	0	0
Merger	3	11	13	1
Miscellaneous	7	72	61	18
Motor Club License	0	1	0	1
Motor Club Service Contract	3	0	0	3
Name Approval Reservation	11	74	73	12
Organizational Permit	1	1	0	2

TYPE	BEGIN # ASSIGNED CASES	ASSIGNED	CLOSED	END # ASSIGNED CASES
Purchasing Alliance Registration	0	0	0	0
Reciprocal Reinsurer	3	6	7	2
Reciprocal Reinsurer Renewal	13	51	46	18
Rein/Sale-Purchase/Transfer-Assumption	5	5	7	3
Risk Purchasing Group	4	10	11	3
Risk Purchasing Group Renewal	27	271	284	14
Risk Retention Group	0	6	4	2
Risk Retention Group Renewal	58	169	137	90
S810	0	0	0	0
Stock Permit	4	1	4	1
Stock Permit – Amend	0	1	1	0
Surplus Line Filing	10	9	10	9
US Trust	1	0	1	0
US Trust Amendment	0	1	0	1
US Trust Renewal	15	14	15	14
UTC-Amend License	0	6	4	2
UTC-License	1	0	1	0
UTC-Organizational Permit	0	2	0	2

TYPE	BEGIN # ASSIGNED CASES	ASSIGNED	CLOSED	END # ASSIGNED CASES
UTC-Permit	0	0	0	0
UTC-Transfer of Shares	2	6	7	1
Variable Annuity	0	0	0	0
Variable Annuity – Amend	22	68	83	7
Variable Life	1	2	3	0
Variable Life – Amend	16	41	49	8
WC Deposit Agreement	0	2	0	2
Withdrawal	11	11	16	6
Total	**317**	**1111**	**1111**	**317**

ENFORCEMENT BUREAU I

The Enforcement Bureau I (EB I) litigates enforcement actions against insurance companies, insurance producers and other licensees. EB I protects policyholders, prospective policyholders, consumers, and the California insurance marketplace by ensuring that insurance producers, other licensees, and insurers comply with the Insurance Code and other laws and regulations that apply to the business of insurance. EB I specializes in complex cases referred by the Department's Investigation Division and Consumer Services and Market Conduct Branch, including cases involving annuities. EB I prosecutes cease and desist orders against unlicensed insurance producers and against organizations that are illegally operating as insurance companies. EB I brings administrative actions to enforce Insurance Code provisions regarding unfair insurance practices. EB I advises the Insurance Commissioner as to matters involving the California Automobile Assigned Risk Plan. In conjunction with representation from the California Attorney General's Office, EB I attorneys also work on civil litigation involving the Department.

In addition to its core enforcement functions, EB I provides legal opinions to the Insurance Commissioner and to the various divisions of the Department; provides support for investigations of producers and examinations of insurers; assists with the development of regulations; analyzes legislation; and represents the Department in adverse action matters involving employees as needed.

Enforcement Bureau I Statistics

- During the 2025 year, 346 cases were received and action was completed on 373.
- In 2025, EB I concluded 68 administrative hearings.
- Monetary penalties, cost reimbursement, and restitution assessed through negotiated settlements and/or hearings amounted to $415,254.

ENFORCEMENT BUREAU I STATISTICS
CALENDAR YEAR 2025

RESOLUTION OF ENFORCEMENT CASES	MATTERS CLOSED
1033 Consent Granted	1
Barred from Licensure/Exam	2
Cease and Desist	7
Denial	13
Denial/Issue Restricted License	16
Dismissal	3
License Application Granted	3
License Application Withdrawn	2
License Lapsed	2
License Surrendered	7
Misc. Order	5
Monetary Penalty &/or Reimbursement	11
Monetary Penalty in lieu of Suspension	1
No Disp. Action Taken	10
Order Denial/Issue Restrict-Fine	1
Order Revocation/Issue Restrict-Fine	10

RESOLUTION OF ENFORCEMENT CASES	MATTERS CLOSED
Removal of Restriction Denied	1
Revocation	24
Revocation/Issue Restricted License	13
Suspension	1
Warning	5

ENFORCEMENT BUREAU II

The Enforcement Bureau II (EB II) ensures compliance with the California Insurance Code by all admitted insurers, insurance agents and brokers, and any other person or organization engaging in the business of insurance in California. EB II litigates enforcement actions against insurance producers, insurers, and others conducting insurance business in California. EB II assists the Licensing Services Division in evaluating qualifications for licensure of producer applicants and other licensees who have a criminal record or a record of professional license discipline, and reviews all legal documents implementing recommended action regarding those applicants and licensees.

In addition to its core enforcement functions, EB II works closely with the Investigations Division, the Consumer Services Division, and the Curriculum and Licensing Background Bureau to provide legal support and direction. EB II also assists the Legislative Office with analyzing proposed legislation and developing regulations when necessary. EB II regularly represents the Department in actions in front of the Administrative Hearing Bureau and the Office of Administrative Hearings as well as coordinating with the Attorney General's Office on writs of mandate.

Enforcement Bureau II Statistics

- During the 2025 year, 1,031 cases were received and action was completed on 1,049.
- In 2025, EB II concluded 41 administrative hearings.
- Monetary penalties, cost reimbursement, and restitution assessed through negotiated settlements and/or hearings amounted to $1,037,886.

ENFORCEMENT BUREAU II STATISTICS
CALENDAR YEAR 2025

RESOLUTION OF ENFORCEMENT CASES	MATTERS CLOSED
1033 Consent Denied	7
1033 Consent Granted	33
Barred from Licensure/Exam	49
Cease and Desist	3
Denial	121
Denial/Issue Restricted License	106
Dismissal	3
License Application Granted	4
License Application Withdrawn	11
License Lapsed	3
License Surrendered	11
Misc. Order	17
Monetary Penalty &/or Reimbursement	79
Monetary Penalty in lieu of Suspension	2
No AR action/Referred for Discip.	163
No Disp. Action Taken	37
Order Denial/Issue Restrict-Fine	35
Order Revocation/Issue Restrict-Fine	21
Removal of Restriction Granted	115
Revocation	139

RESOLUTION OF ENFORCEMENT CASES	MATTERS CLOSED
Revocation/Issue Restricted License	15
Rewritten Decision	10
Suspension	13
Warning	20

ENFORCEMENT BUREAU III

The Enforcement Bureau III (EB III) handles all aspects of litigation and enforcement known as “compliance” cases. EB III attorneys prepare and file pleadings and represent the Commissioner in administrative hearings in disciplinary actions against both licensed and unlicensed insurers and producers, including the revocation or denial of licenses and imposing fines for unfair claims practices. In conjunction with representation from the California Attorney General’s Office, EB III lawyers also work on civil litigation that may arise from enforcement actions.

Additional responsibilities for EB III are compliance and license application cases for entities and individuals in the Vehicle Service Contracts (VSC) industry, and the review and approval of all public adjuster contracts in use in California.

Beyond its core function as an enforcement litigation bureau, EB III generally provides legal opinions to the Commissioner and to the various divisions of the Department; provides support for investigations of producers and examinations of insurers; assists with the development of regulations; serves as a liaison to the Investigations Division and represents the Department in adverse personnel actions as needed.

- Monetary penalties, cost reimbursement, and restitution assessed through negotiated settlements and/or hearings amounted to $196,300.

ENFORCEMENT BUREAU III STATISTICS
CALENDAR YEAR 2025

RESOLUTION OF ENFORCEMENT CASES	MATTERS CLOSED
Cease and Desist	6
Denial	9

RESOLUTION OF ENFORCEMENT CASES	MATTERS CLOSED
Denial/Issue Restricted License	20
Invalid	1
License Application Granted	1
License Application Withdrawn	4
License Surrendered	3
Monetary Penalty &/or Reimbursement	7
No Disp. Action Taken	12
Order Revocation/Issue Restrict-Fine	6
Revocation	25
Revocation/Issue Restricted License	13
Suspension	4
Warning	10

FRAUD LIAISON BUREAU

The Fraud Liaison Bureau (FLB) provides legal support to the Department's Fraud Division (FD) and represents the State directly in cases brought pursuant to the Insurance Frauds Prevention Act, Insurance Code section 1871.7.

FLB provides legal advice related to FD's peace officer functions such as search and seizure, and unique employment-related issues due to the status of its investigators as peace officers. The FLB coordinates with the Office of the Attorney General when FD employees are involved in civil litigation cases. This type of litigation often involves the conduct of an employee in the performance of his or her duties on the job.

Qui Tam Cases

FLB handles numerous civil cases, often filed by private party whistleblowers alleging violations of the Insurance Frauds Prevention Act (IFPA). These cases brought by private party whistleblowers are referred to as "qui tam cases". Qui tam cases are complex civil actions. Civil qui tam complaints brought by private parties must be served

on the Commissioner. The cases cover a large range of alleged unlawful conduct including kickbacks in the sales and promotion of pharmaceuticals, misleading billing practices by hospitals, fraud by medical clinics, and the unlawful promotion and sale of medical devices. The Commissioner may intervene in these cases. These cases can involve large companies that have been accused of engaging in false and misleading practices.

On December 31, 2025, there were 166 active qui tam cases pending.

Commissioner's Intervention – The Commissioner represents the interests of the State in IFPA cases. In cases in which the Commissioner has not intervened, the Commissioner must approve the allocation of funds that result from a settlement or judgment against the defendant(s) to ensure that the State's interest in the case is protected.

FRAUD LIAISON BUREAU WORKFLOW
CALENDAR YEAR 2025

TYPE	MATTERS OPENED	MATTERS CLOSED	PENDING AT YEAR-END
Qui Tam Litigation	37	32	166
Qui Tam Investigative Hearing	11	6	33
Non-Qui Tam Civil Litigation	0	1	1
Total	**48**	**39**	**200**

GOVERNMENT LAW BUREAU

The Government Law Bureau (GLB) provides legal support to the Legislative Office and for the Department's rulemaking program. GLB personnel assist the Office of the Special Counsel with the oversight and management of all Department rulemaking actions. Attorney staff in GLB comprise the Department's Privacy Office, and they are responsible for implementing the Department's privacy policy and providing advice to the Department on questions relating to the protection of personally identifiable information contained within the Department's records. GLB staff serve as the liaison to the Legislative Office. Staff in GLB monitor the workers' compensation system, assist the Commissioner with his review of the workers' compensation advisory pure premium rate, and preside over the hearing for the annual Worker's Compensation Insurance Rating Bureau's regulatory filing. GLB staff participate in workers' compensation Fraud Assessment Committee meetings and serve as the Department's Bagley-Keene Open

Meeting Act expert. GLB staff also handle all requests made pursuant to the Public Records Act, serve as the Department's agent for service of process, and are the Department's primary custodian of records. The Department's Public Advisor is a GLB staff person.

GOVERNMENT LAW BUREAU STATISTICS
CALENDAR YEAR 2025

TYPE	ASSIGNED	CLOSED
Litigation	2	0
Public Records Act Request	760	754
Records Request from Governmental Agency	231	231
Subpoena	126	122
Substituted Service of Process	90	90
Legislation Analyses/Proposals	25	25
Regulation	2	2
Total	**1236**	**1224**

POLICY REGULATION AND APPROVAL BUREAU I

The Policy Regulation and Approval Bureau I (PRAB I) reviews non-health disability and many types of life insurance products for compliance with California law and regulations. Non-health disability products reviewed include accident, accidental death and dismemberment, disability income, long-term care, and blanket insurance, as well as disability supplemental to life insurance, credit insurance, and the disability component of travel and tuition reimbursement insurance. Life insurance products reviewed include group life insurance, variable life insurance, variable annuities, modified guaranteed annuities, and guaranteed separate account products (including guaranteed investment contracts and synthetic guaranteed investment contracts). PRAB I works closely with the California Partnership for Long-Term Care to jointly regulate Partnership policies. PRAB I also reviews advertising for long-term care insurance (both standalone and hybrid life long-term care products) and chronic illness accelerated death benefits defined in Insurance Code section 10295, as well as certain administrative forms, such as insurer name change forms.

PRAB I advises Department personnel and others regarding statutes and regulations pertaining to life and disability insurance, including providing expert advice and technical guidance to the Department's actuarial office, enforcement staff and consumer services divisions. In addition, PRAB I develops new statutes and regulations, and assists the Legislative Office with analyzing proposed legislation.

POLICY REGULATION AND APPROVAL BUREAU I STATISTICS
CALENDAR YEAR 2025

PRODUCT	RECEIVED	CLOSED
Group Non-Health Disability and Group Life 2202(a)(2)	106	112
Supplemental Life Insurance 2202(a)(7)	128	92
Variable Contracts 2202(a)(8)	165	146
Non-Variable Contracts 2202(a)(12)	56	43
Unclassified 2202(a)(11)	95	89
Individual Non-Health Disability 2202(a)(3)	38	44
Individual and Group Credit Insurance 2202(a)(6)	1	0
Long Term Care Insurance 2202(a)(5)	110	65
Fraternal Filings 2202(a)(9)	0	0
Total	**699**	**591**

POLICY REGULATION AND APPROVAL BUREAU II

The Policy Regulation and Approval Bureau II (PRAB II), formerly the Health Policy Approval Bureau, reviews health insurance and health disability insurance products, such as individual, small group, and large group major medical; specialized health, such as vision and dental; Medicare supplement; student blanket health; and health-related stop-loss for compliance with California law and regulations. PRAB II provides information to Department staff and others regarding statutes and regulations pertaining to health insurance. PRAB II assists with the development of regulations relating to health insurance law, advertising, and administration; provides Department enforcement units with advice and technical guidance to assist with regulatory actions and examinations of health insurance companies; and analyzes health insurance legislation.

PRAB II reviews health insurer network adequacy reporting to confirm that insurers provide consumers with adequate and timely access to health services and, in 2025, analyzed and monitored 21 separate health insurer provider networks.

PRAB II also enforces prescription drug coverage laws applicable to health insurers to ensure their prescription drug formularies do not include benefit designs that discriminate based upon health conditions, disability, and other protected characteristics. PRAB II continued its partnership with the Department of Clinical Pharmacy at the University of California, San Francisco, to review health insurer formularies for clinically appropriate drug coverage.

PRAB II also receives and reviews Vehicle Service Contracts (VSC) and Motor Club Service Contracts (MCSC). The review of VSC and MCSC products confirms compliance with the applicable legal requirements in contracts for vehicle repair, road-side service, towing, and travel services before being sold to consumers.

POLICY AND REGULATION APPROVAL BUREAU II STATISTICS
CALENDAR YEAR 2025

PRODUCT	RECEIVED	CLOSED
HEALTH:		
Individual and Group Health Insurance	62	57
Dental Insurance	49	38
Vision Insurance	9	5
Network Adequacy Reporting	62	70
Student Blanket Health Insurance	44	48
Medicare Supplement Insurance	69	67
Medicare Supplement Advertisements	173	173
Health-Related Stop-Loss Insurance	29	22
Other Health Insurance Filings and Reporting	574	495
Total	**1,071**	**975**
VSC AND MCSC:		
Vehicle Service Contracts	316	206

PRODUCT	RECEIVED	CLOSED
Motor Club Service Contracts	14	5
Total	**330**	**211**

RATE ENFORCEMENT BUREAU

The Rate Enforcement Bureau (REB) enforces the provisions of Proposition 103 and other laws pertaining to the availability and affordability of insurance and the rating and underwriting practices of property and casualty insurers. REB provides legal support to the Department's Rate Regulation Branch and the Consumer Services Division, represents the Department in prior approval rate hearings and intervened prior approval rate applications, and represents the Department in administrative enforcement cases alleging rating and underwriting violations. REB provides legal assistance for issues related to the California Earthquake Authority, the Commissioner's Catastrophe and Climate Change Initiatives, the California Automobile Assigned Risk Plan, and the California Low Cost Automobile Insurance Program.

RATE ENFORCEMENT BUREAU STATISTICS
CALENDAR YEAR 2025

MAJOR ACTIVITIES	MATTERS
Prior Approval Rate Application Challenges:	
Petitions for Hearing Received	10
Petitions for Hearing Granted	3
Petitions for Hearing/Intervention Denied	3
Notices of Hearing Issued	1[1]
Petitions for Hearing Resolved Without Hearing *(This number includes prior approval matters that have been resolved but the parties may still be awaiting decisions on intervenor requests for compensation.)*	8

[1] In three combined petitioned matters.

MAJOR ACTIVITIES	MATTERS
Petitions for Hearing Resolved Following Hearing	0
Matters Based on Petitions for Hearing Pending at Year End	12
Regulations:	
Regulation Matters Opened	13 (including CAARP)
Regulations Approved	8
Regulations Pending	5
Enforcement Matters and Primary Jurisdiction Referrals:	
Enforcement Matters Opened	6
Enforcement Matters Closed	3
Enforcement Matters Pending	13
Civil Litigation and Appeals:	
Matters Opened	1
Amicus Brief Filed	0
Matters Closed	1
Matters Pending	2

2025 ANNUAL REPORT

OFFICE *of the* SPECIAL COUNSEL

OFFICE OF THE SPECIAL COUNSEL

The Office of the Special Counsel (OSC) provides independent legal advice directly to the Insurance Commissioner, advises the Commissioner concerning administrative litigation matters, licensing appeals, and Administrative Hearing Bureau-related matters presented to him for a decision, oversees all of the Department's rulemaking projects, manages the Department's participation and interaction with the National Association of Insurance Commissioners (NAIC), and helps handle various other Commissioner-requested special projects.

RULEMAKING PROCEEDINGS (REGULATIONS)

The OSC oversees the process for promulgating regulations at the California Department of Insurance. This process requires project management, economic analysis, legal research, collaborating with different program areas and subject matter experts, engaging with the insurance industry, consumer advocates, and other stakeholders, and navigating the requirements of the Administrative Procedure Act (APA) and the Office of Administrative Law (OAL).

In 2025, the Department evaluated or developed 23 rulemaking projects and reviewed and filed 10 rulemaking projects with OAL.

Examples of Significant Rulemakings Completed in 2025

Net Cost of Reinsurance and Ratemaking (Adopted)

The Net Cost of Reinsurance and Ratemaking regulation was a key component of the Sustainable Insurance Strategy. This regulation requires insurance companies to write more homeowners policies in wildfire-prone parts of California, ensuring they offer increased coverage in those distressed areas. At the same time, the rule set a statewide cap on how much insurers could charge consumers for reinsurance – treating it like other regulated expenses – and prevented companies from passing above-average reinsurance costs on to policyholders. By limiting recoverable costs to California-only risks, the regulation ensures that residents do not pay for disasters in other states.

To create more stable and transparent pricing, the regulation establishes a single standardized method for calculating the allowable net cost of reinsurance and requires insurers to use the same catastrophe model for both rates and reinsurance, eliminating "model shopping." This standard encourages companies to be more efficient purchasers of reinsurance and supports more reliable, forward-looking wildfire risk estimates. By allowing insurers to recover reasonable California-specific reinsurance costs – something previously prohibited in most lines – the regulation encourages insurers to return to the market, expand coverage availability, and strengthen long-term market stability and solvency.

Mental Health and Substance Use Disorder Parity in Health Insurance (Adopted)

This regulation strengthens California's mental health and substance use disorder (MHSUD) parity protections by requiring health insurers to cover the full range of medically necessary MHSUD treatment using up-to-date, evidence-based clinical standards. It replaces outdated statutory lists and prevents insurers from denying needed care through restrictive medical-necessity reviews. To ensure consistency with modern practice, the regulation requires insurers to use established clinical tools when determining the appropriate level of care, including residential, intermediate, and crisis services. It also incorporates California's new Assembly Bill 988 crisis-care requirements, confirming that behavioral health crisis services are covered MHSUD benefits.

The regulation also sets clear rules for how insurers conduct utilization review, train and qualify reviewers, disclose criteria, and provide out-of-network care when in-network treatment is not available. It clarifies standards for urgent-care decisions, notices of adverse benefit determinations, and oversight obligations when insurers delegate review responsibilities. In addition, it outlines how the Department will enforce Senate Bill 855 and Assembly Bill 988 to ensure consumers have timely access to medically necessary, clinically appropriate MHSUD care. Overall, the regulation creates a comprehensive and enforceable framework designed to prevent inappropriate denials, improve transparency, and ensure Californians receive care that meets generally accepted standards for mental health and substance use disorders.

NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS (NAIC)

The OSC coordinates the Department's interaction with the NAIC and the Department's participation on NAIC committees, task forces, and working groups. As the largest insurance market in the nation, California plays a significant role in helping shape model laws and regulatory policy.

The Department's work with the NAIC involves active participation in national meetings and conference calls with regulators from other states. In 2025, California served as Chair, Vice Chair and/or Member on 70 out of the 111 NAIC Committees, Task Forces, Working Groups, Drafting Groups, and Subgroups and monitored approximately 16 others.

California served in a leadership capacity as Chair or Vice Chair on 10 Committees, Task Forces, Working Groups, and Subgroups. The OSC also directly supported the Commissioner and the Senior Deputy Commissioner of the Climate and Sustainability Branch in the Commissioner's roles as Co-Chair of the Climate and Resiliency (EX) Task Force, Chair of the Cannabis Insurance (C) Working Group, Chair of the Reinsurance (E) Task Force, and Vice-Chair of the Western Zone. The OSC also

supported the Commissioner in his role as a member of the Executive (EX) Committee and member of the Government Relations (EX) Leadership Council.

2025 ANNUAL REPORT

POLICY *and* LEGISLATION BRANCH

POLICY AND LEGISLATION BRANCH

Established under Commissioner Lara, the Policy and Legislation Branch (PLB) oversees major policy initiatives and special initiatives of the Commissioner that are Department-wide and across multiple branches in line with the Commissioner's vision and strategic goals. PLB also helps coordinate the implementation of major chaptered legislation. The branch houses the Legislative Office, the California Organized Investment Network Program, the Health Equity and Access Office, and the Health Actuarial Office.

LEGISLATIVE OFFICE

The Legislative Office (LO) represents the Commissioner and the California Department of Insurance (CDI) in all matters pending before the California State Legislature, the Governor's Office and Administration, and U.S. Congress. Its staff is responsible for advancing CDI's legislative agenda, establishing effective working relationships with interested stakeholders in the legislative process, and providing technical assistance to elected officials and their staff on insurance related issues.

LO staff are responsible for coordinating departmental legislative proposals and the analyses of introduced legislation likely to have a potential impact on the Department. The staff also coordinates and prepares testimony and materials for legislative hearings and participates in meetings with authors, sponsors, and advocates of legislation affecting the Department. In addition, staff conduct in-house training on legislative bill analysis and the legislative process.

Under the leadership of Commissioner Lara, CDI sponsored 16 bills in 2025, 8 of which were signed into law by Governor Gavin Newsom, with 3 bills vetoed, 2 that did not move forward, and 3 turning into two-year bills.

In addition to strongly advocating for CDI's 2025 sponsored bills, the Legislative Office closely monitored, provided technical assistance to, took positions on, and/or advocated for or against 311 bills this past legislative calendar. This included 135 bills that made it to Governor Newsom's desk, 111 of which were signed. The other 176 bills that the Legislative Office engaged on or tracked were introduced and amended throughout this year yet did not make it through the legislative process and to the Governor's desk.

The following are the 16 CDI sponsored bills, 8 of which became law:

1. **AB 1 (Assembly Member Damon Connolly) The Insurance and Wildfire Safety Act** – Signed by the Governor as Chapter 472**.**
   Requires CDI to determine every 5 years if there is a need to update the Department's Safer from Wildfires regulations.

2. **AB 226 (Assembly Member Lisa Calderon & Assembly Member David Alvarez) The FAIR Plan Sustainability Act** – Signed by the Governor as Chapter 473.
   Allows the FAIR Plan to access catastrophe bonds and a line of credit, if certain terms are met and the Commissioner grants the authority to do so.

3. **AB 232 (Assembly Member Lisa Calderon) The Savings Accounts for Mitigation and Catastrophes Act** – Did not move forward.
   Allows a California resident to create a state-tax-free savings account specifically to cover post-disaster catastrophe damages following a state of emergency, including insurance deductibles and other needs not already covered by insurance.

4. **AB 487 (Assembly Insurance Committee) Insurance Omnibus** – Signed by the Governor as Chapter 558.
   Makes technical and clarification changes, including but not limited to: revise the filing requirement for certain accelerated death benefit advertising: Deletes the word “printed” from California Insurance Code (CIC) §10295.11(c) to apply this to all advertising; amend the eligibility language in CIC § 10270.2(a)(2) and (a)(3) to add “volunteers” and eliminates further disapprovals of new and/or renewed blanket policies which seek to extend coverage to volunteers, such as field trip chaperones, parent coaches, referees or drivers or classroom helpers; application expiration date; clarifies that the same automatic denial provisions apply in the CIC to the bail agent §1801, independent insurance adjuster §14023, and public insurance adjuster §15009; amend reportable producer background events; requires producers to report cease-and-desist orders and other civil or administrative actions alleging the unlicensed transactions of regulated activities; amends the bankruptcy section term “company” to “person”, aligning with Section 19, which defines “persons” to include business entities; clarify “Insurers” to Apply Only to Health Insurers; requires insurers to provide written or electronic notice regarding the benefits of behavioral health and wellness screening for children and adolescents 8 to 18.

5. **AB 554 (Assembly Member Mark González) Reducing Barriers to HIV Prevention** – Vetoed by the Governor.
   Prohibits health plans and insurers from imposing any cost-sharing or utilization review requirements for antiretroviral drugs, drug devices, or drug products, including HIV PrEP and PEP.

6. **AB 594 (Assembly Member José Luis Solache) Increasing Consumer Protections in Student Health Insurance** – Signed by the Governor as Chapter 272.
   Allows students who are no longer enrolled at a university to withdraw from their health plan insurance coverage and cease paying premiums, makes changes regarding notices that must be given to schools and students when an insurer

wants to increase rates, and institutes a penalty if insurers fail to timely file their rate changes with CDI.

7. **AB 597 (Assembly Member John Harabedian) The Insurance Payment Protection Act** – Did not move forward.
   This bill would require the contract between the public adjuster and the insured to include a description of the services to be provided, including the specific claim and coverages to which the services apply. The bill would prohibit a public adjuster contract from allowing a licensee's fee, commission, or other valuable consideration to be for, or based upon, (1) any amount paid to the insured prior to the date of the written contract with the public adjuster if the claim pertains to a catastrophic disaster or a state of emergency, or, (2) on an insurer's payment for specific claims or coverages to which the services do not apply.

8. **AB 637 (Assembly Member Heath Flora) The Deceptive Disaster Relief Advertising Act –** Remained in Legislature as 2-Year Bill.
   This bill would authorize a court to increase a civil penalty by up to $2,500 for a commercial disaster communication.

9. **AB 843 (Assembly Member Robert Garcia) Strengthening Language Access in Health Care** – Vetoed by the Governor.
   Modernizes current state language access laws to align with the Affordable Care Act section 1557 regulations related to language access by requiring health care service plans or health insurers to take reasonable steps to provide meaningful access to individuals with limited English proficiency.

10. **AB 888 (Assembly Member Lisa Calderon) California Safe Homes Act** – Signed by the Governor as Chapter 536.
    Establishes a grant program within the Department of Insurance to support qualifying residents in obtaining new or replacement fire-safe roofs, and other fire-safe actions within 5 feet of the structure, covering part or all of the costs.

11. **AB 1236 (Assembly Member Celeste Rodriguez) Local Climate Insurance Pilot Projects** – Remained in Legislature as 2-Year Bill.
    Creates a grant program within the Department to fund innovative, targeted projects across the state that will provide tools and incentives for residents, small businesses, and communities to reduce risk before the next catastrophe and to rebuild stronger after climate disasters.

12. **SB 354 (Senator Monique Limón) Insurance Consumer Privacy Protection Act of 2025** – Remained in Legislature as 2-Year Bill.
    Establishes greater consumer protections than the Consumer Privacy Rights Act, including but not limited to expanded scope of protection, insurers' use of third-party service providers and overseas vendors, enhanced notices, data sharing

and minimization/retention, data breach reporting and information security, and enforcement tools.

13. **SB 429 (Senator Dave Cortese) The California Wildfire Public Model Act** – Signed by the Governor as Chapter 541.
    Allows the Department to pursue partnerships (via grant funding) to research public catastrophe models.

14. **SB 495 (Senator Ben Allen) Eliminate "The List" Act** – Signed by the Governor as Chapter 542.
    Includes the following: requires insurers to cover 60% of contents coverage limits, with a cap of $350,000; gives policyholders 100 days to submit proof of loss and potential 3-month extensions; requires insurers to provide CDI annual point-in-time reinsurance placement data and use of probabilistic catastrophic models for policies written in California.

15. **SB 547 (Senator Sasha Renée Pérez & Senator Susan Rubio) The Business Insurance Protection Act** – Signed by the Governor as Chapter 544.
    Expands the current Residential Insurance Moratorium law to commercial insurance, protecting businesses, HOAs, condos, affordable housing units, small businesses, and non-profits, among other businesses, from being non-renewed or cancelled from their commercial insurer for one-year following an emergency declaration.

16. **SB 616 (Senator Susan Rubio, Senator Dave Cortese, and Senator Henry Stern) The California Community Fire Hardening Commission Act** – Vetoed by the Governor.
    Establishes an independent statewide commission to make recommendations to increase the speed and scale of home and community hardening throughout our state as well as to create a stronger statewide inspection system that helps individuals achieve home- and community-hardening insurance discounts and improve wildfire safety for entire communities.

CALIFORNIA ORGANIZED INVESTMENT NETWORK

The California Organized Investment Network (COIN) guides insurers in making financially sound investments that provide environmental benefits in California and social and economic benefits for the state's low-to-moderate income, rural, and underserved communities.

Commissioner Lara has made it a priority of COIN to increase and enhance its focus on environment/green investments, affordable housing, and healthcare. Furthermore, insurers are encouraged to allocate investments to Diverse Investment Managers to the extent possible.

Increasing capital into these focus areas is achieved through COIN's Investment Bulletin Program and Impact Investment Marketplace, and further enhanced through individual discussions with insurance companies and asset managers. COIN annually conducts an impact metrics survey in the Impact Investment Marketplace platform. COIN sent out this questionnaire to approved Investment Bulletin managers, which measured their investments' social and environmental impact and collected data on insurers who have made investments in the Bulletin Program.

Highlights from 2025:

- COIN continued to build relationships throughout the institutional investment industry, including with insurers, asset managers, socially responsible investors, and community development organizations. Participation in the COIN program achieved a record number of primary insurer and asset manager investor contacts, Impact Investment Marketplace account holders, and an increase in the percentage of insurers who hold COIN-qualified investments.

- 2025 Bulletins continue to raise capital in 2026. Total insurer investment numbers are not yet available.

BULLETIN TRACKING SUMMARY

Year	Number of Bulletins	Number of DIMs	Total Insurer Investment ($)
2016	5	N/A	$25,000,000
2017	7	N/A	$51,000,000
2018	5	N/A	$0
2019	10	N/A	$856,791,041
2020	22	8	$4,321,055,829
2021	15	6	$2,081,000,000
2022	24	11	$1,003,550,000
2023	19	7	$1,195,400,000
2024	20	5	$1,104,475,000
2025	20	5	

- COIN approved twenty new Investment Opportunity Bulletins in 2025, which provided:

  - Social and environmental benefits in affordable housing.
  - Healthcare.
  - Small and middle-sized businesses.
  - Real estate.
  - Renewable energy.
  - Mortgage loans for low-to-moderate-income populations in California.
  - Wildfire risk reduction and forest resilience in California.

- COIN conducted three COIN Advisory Board meetings, and the Commissioner appointed three new board members.
- COIN published a COIN Newsletter in December 2025 which touched on the following areas:
  - COIN conducts an Impact Metrics Survey, in which COIN mandates all approved investment bulletin managers to submit the total amount of funding raised to assess the impact of the COIN Bulletin Program. This annual questionnaire measures bulletin investments' social and environmental impact and collected data on insurers who have invested in the Bulletin Program. COIN publishes its findings in the aggregate, as detailed in the updated "Bulletin Tracking Summary" table above.
  - Diverse Investment Managers: Commissioner Lara has prioritized COIN investments that drive affordable housing, fight climate change, expand access to healthcare and encourage investors to use diverse investment managers. COIN continues to lead with a strong dedication to diversity, equity, and inclusion. Commissioner Lara's "Invest in Our Diverse Communities" initiative, launched on July 1, 2020, has expanded to include a robust pipeline of diverse investment managers and entrepreneurs who mirror the communities they serve. In 2022, the State passed Senate Bill 655, which formalized the definition of Diverse Investment Managers into California Insurance Code 926.1. From 2020 to 2024, COIN has approved 100 Bulletins, of which 37 are diverse investment managers, raising more than $9.7 billion from insurers.
  - Leeway Law Legislation: Proposal to Remove Sunset Date: Background: Assembly Bill (AB) 1511 amended the "Leeway" provision in the California Insurance Code to expand insurer participation in COIN-qualified investments. Under this amendment, California-domiciled insurers may exceed the traditional five percent cap on Schedule BA investments – so

long as each investment is approved by the California Insurance Commissioner and certified as COIN-qualified.

- Demonstrated Early Success: Since AB 1511 took effect in 2022, two leading insurers have delivered significant Environmental Social Governance (ESG) aligned investments totaling $321M that directly benefit Californians. Projects span renewable energy, affordable housing, wildfire mitigation projects, and business loans in low- and moderate-income communities.

COIN Insurer Investment Bulletin Program

Pre-qualified investment Bulletins by COIN help insurers easily find investments that can enhance their current investment portfolio. The investments are focused on providing social and environmental impact in California, with competitive financial returns for insurance company investors. In 2025, direct investments by insurers were down slightly from 2024, as insurers continue to have an increased appetite for traditional, highly rated fixed-income securities, given the above-average interest rate environment.

Through the COIN Investment Bulletin Program, COIN does investment research for the insurer, providing:

- Expertise - Finding California-focused investment opportunities for insurers.
- Due Diligence - Evaluating and verifying management, risks, benefits, and potential returns of investments.
- Performance - Seeking consistent, competitive financial returns with a social/environmental benefit.
- Unlocking Capital - Finding insurers to fund social/environmental impact investments.

COIN Advisory Board

COIN utilized the COIN Advisory Board (CAB) to advise the best methods to increase insurance industry capital in financially sound investments and facilitate contact among executives at insurance companies, community-based organizations, and community development financial institutions.

T.C. Wilson, Chief Investment Officer of The Doctors Company, part of TDC Group, continues as COIN Advisory Board Chair, and Debra Gore continues as COIN Advisory Board Vice Chair.

HEALTH EQUITY AND ACCESS OFFICE

The Health Equity and Access Office (HEAO) reviews, analyzes and develops legislative proposals and policy positions related to health insurance issues. HEAO promotes and implements health policies that increase health equity and access to care for all Californians, including members of historically underrepresented communities.

The initial implementation of the federal Affordable Care Act (ACA) required significant structural changes within the Department of Insurance. These policies continue to require the robust framework of legal and policy support provided by HEAO. Accordingly, HEAO continues to help the Department work toward the effective implementation of the Affordable Care Act, as well as to integrate ongoing federal and state changes to the marketplace, increase coordination across state agencies, actively represent California insurance consumers with the federal government and the National Association of Insurance Commissioners (NAIC), and respond to federal actions that significantly challenge the stability of California's health insurance market.

In addition, HEAO's work incorporates a significant focus on health equity and social determinants of health. This focus has intensified since the COVID-19 pandemic highlighted the stark social disparities that exist within our state and federal healthcare systems. These disparities have been exacerbated by the federal government's rollback of health system reforms and consumer protections.

HEAO strives to uphold and improve equitable access to health care, monitoring federal, state and national activities, advocating for anti-discriminatory practices and supporting efforts to maintain vital consumer protections even as they are stripped out of federal law.

ACCOMPLISHMENTS

Protect and Promote Access to Reproductive Health Care, in California and nationally

Implementation of laws providing access to fertility care

The Commissioner co-sponsored Senate Bill (SB) 729 (Menjivar, Ch. 930, Stats. of 2024). SB 729 expanded access to fertility care for all Californians, including coverage for in vitro fertilization (IVF). SB 729 ensures that queer couples no longer have to pay more out of pocket to start families than non-queer couples, increases access to care, reduces inequities in health and economic status, and brings the law up to date on medical advancements in IVF and its uses.

SB 729 was signed by the Governor in 2024. In 2025, HEAO supported the implementation of SB 729, providing technical assistance to stakeholders regarding the applicability of state law, and advocating to ensure that limitations on access did not

exceed those permitted by SB 729 and clinical guidelines. In addition, CDI provided internal and external training on the law's requirements.

CDI staff presented on the implementation of SB 600 (Portantino, Ch. 853, Stats. of 2019) and access to fertility preservation services at a symposium hosted by the California Breast Cancer Research Program. CDI's topics included access to fertility preservation services, the scope of insurance coverage for iatrogenic infertility, challenges with access to coverage, and resources for patients and clinicians when insurers fail to meet their obligations. CDI staff remain in contact with organizers and attendees and continue to give ad hoc guidance and support to stakeholders.

Letter in response to Updating California's Essential Health Benefits Benchmark Plan

CDI submitted a letter commenting on proposed changes to California's essential health benefit (EHB) benchmark plan. The current EHB benchmark is out of date, based largely on mandates and a plan design based upon statutory requirements that were in effect prior to the implementation of the ACA and the protections afforded to patients by its prohibition on discriminatory plan designs. For example, the current benchmark specifically does not provide access to infertility treatments or coverage of wheelchairs, hearing aids, and other essential durable medical equipment. The Department advocated for the addition of these and other services/treatments with the goal of addressing coverage gaps that promote inequities, backfilling gaps, and incorporating advances in medical and behavioral health treatment. However, the federal government has failed to approve the benchmark package, with the result that many Californians remain without access to these services and equipment.

Ongoing litigation support

In 2022, the Legislature passed and the Governor signed SB 245 (Gonzalez, Ch. 11, Stats. of 2022), the Abortion Accessibility Act, which barred any cost sharing for abortion health care. An anti-choice "crisis pregnancy center" and two anti-choice activists sued CDI and the Department of Managed Health Care to enjoin them from implementing and enforcing the law. The case went to trial before Judge Clark in Kern County Superior Court in September 2024, Judge Clark issued his final judgment in favor of the Departments in December 2024.

CDI has fully implemented SB 245, issuing a Bulletin regarding insurers' obligation to comply with the law. The plaintiffs filed an appeal to the 5th District Court of Appeal, which will likely be heard in oral arguments in July 2026.

Efforts to ensure continued access to care

Nondiscrimination and Access to Care for All Californians

In response to federal rollbacks of non-discrimination laws, the Commissioner issued a Notice to all insurers and interested parties reinforcing California's continued commitment to laws supporting access to care and non-discrimination in health insurance and detailing the anti-discrimination protections California law affords to consumers.

Guidance on use of Artificial Intelligence Tools in Utilization Management

The Department issued Guidance, pursuant to SB 1120 (Becker, Ch. 879, Stats. of 2024), on employing Artificial Intelligence (AI) tools in utilization management. The Guidance clarified that the ACA's antidiscrimination rules apply to these tools, and such tools cannot be applied in a manner that discriminates on any prohibited basis. In addition, the Guidance clarifies that health insurers identify and mitigate discrimination risks on a continuous basis.

Efforts to modernize dated Language Access Standards

The Commissioner sponsored Assembly Bill (AB) 843, authored by Assemblymember Garcia, to update existing Insurance Code provisions requiring language assistance services for persons with limited English proficiency (LEP). HEAO drafted the updated language to conform to federal regulations implementing the nondiscrimination provisions of the Affordable Care Act, reflecting the current understanding of best practices in ensuring access for persons with LEP without placing excessive burdens on regulated entities. HEAO supported the sponsor's development of summary materials, drafted testimony on behalf of the Legislative Office, and provided technical support during the bill hearings.

The bill was passed by the legislature but vetoed by the Governor. While the Governor's veto message indicated the bill was unnecessary because it duplicated federal requirements, HEAO maintains that state-level requirements are needed to guard against the risk that the federal government will withdraw its regulations.

Initiation of Study on Fiscal Impacts of Health Coverage for Undocumented Californians

Reflecting California's leadership in implementing a state-supported expansion of health coverage (Medi-Cal) eligibility for undocumented residents, the Commissioner commissioned a study of the fiscal and economic impacts of the expansion.

Efforts to expand access and remove barriers to HIV prevention

The Commissioner co-sponsored AB 554, authored by Assemblymember Mark González, to increase access to HIV prevention drugs, including HIV Preexposure Prophylaxis (PrEP). AB 554 sought to expand clinics' ability to procure expensive PrEP medications, removing barriers to care and increasing access to patients. Although the bill was passed by the legislature, it was vetoed by the Governor.

Ensuring students have access to health insurance

The Commissioner sponsored AB 594 (Solache, Ch. 594, Stats. of 2025) to expand CDI's authority over student health insurance policies at California colleges and universities, including by giving CDI the authority to issue monetary penalties for noncompliance. AB 594 clarified that students have the right to terminate their student health insurance coverage mid-year, to receive refunds of premiums paid for any time they are not enrolled in such coverage, and to be granted a waiver of student health coverage enrollment requirements under certain conditions. AB 594 also gave the Department the authority to issue monetary penalties for failure to comply with the statute, and the ability to prohibit a rate change if an insurer fails to timely file its rates with the Department. AB 594 was signed by the Governor and became effective January 1, 2026.

Securing continued access to preventive care

The Department supported efforts to ensure that California's consumers continue to be afforded access to preventive services, despite federal policy changes that include rollbacks of vaccine coverage requirements. As a part of these efforts the Department issued a Bulletin outlining requirements in AB 144 (Assembly Committee on Budget, Ch. 105, Stats. 2025), which include coverage, without cost sharing, of specified vaccinations.

Legislative support and implementation

HEAO offers expert policy opinions and advice to the Legislative Office (LO) on both CDI-sponsored and non-sponsored legislation. HEAO supports CDI-sponsored bills by drafting and reviewing bill language and technical documents, meeting with stakeholders, and providing subject matter expertise at hearings. For non-CDI-sponsored legislation HEAO provides guidance to the LO by reviewing and synthesizing amendments offered by other bureaus within the Department, drafting documents supporting or opposing the legislation, meeting with stakeholders, and generally providing expertise. Once a bill is signed into law, HEAO provides internal implementation support, coordinates with other Departments, and engages with stakeholders throughout implementation.

Ensuring meaningful access to mental health and substance use disorder care

Mental Health and Substance Use Disorder rulemaking

The Department submitted a final regulation package to implement, interpret, and make specific SB 855 (Wiener, Ch. 151, Stats. of 2020) and AB 988 (Bauer-Kahan, Ch. 747, Stats. of 2022), to the Office of Administrative Law. Those regulations were adopted and went into effect on June 26, 2025. The regulations set forth requirements for mental health and substance use disorder (MHSUD) benefits coverage, including basic

health care services and behavioral health crisis services. The regulations establish requirements for health insurer utilization review of MHSUD benefits, as well as requirements for the provision of utilization review criteria and to train utilization review staff. The regulations further establish limited standards for MHSUD networks, require health insurers to arrange for out-of-network care when medically necessary care is unavailable from a network provider within geographic and timely access to benefit standards, and clarify the required contents of adverse benefit determination notices. The rules also specify the disclosures that are required to appear in health insurance policies for compliance with AB 988 as well as SB 855. HEAO continues to support internal and external stakeholders as part of its implementation efforts.

Children and Youth Behavioral Health Initiative

HEAO staff continue to work on the implementation and ongoing monitoring of the Children and Youth Behavioral Health Initiative (CYBHI), in collaboration with staff from the California Department of Health Care Services (DHCS) and the California Department of Managed Health Care (DMHC). The goal of the CYBHI, which requires reimbursement of specific MHSUD services provided to public school students at school sites, is to transform the way California addresses child, youth, and family MHSUD care needs, by meeting students where they are.

HEAO participates in biweekly meetings with DHCS/DMHC executive staff and workgroups with managed care plans and insurers. HEAO staff further provides technical assistance to insurers on compliance with relevant Insurance Codes and the CYBHI program.

Continued stakeholder engagement and addressing gaps in state law

CDI meets with stakeholders and responds to concerns pertaining to access to mental health and substance use disorder care. CDI’s continuing efforts to improve access include meeting with stakeholders to identify and address concerns raised by elected officials, patients, and providers. These conversations helped to inform HEAO’s work and led to the development of legislative proposals that aim to ensure access to nondiscriminatory mental health and substance use disorder care.

Represented CDI and the Commissioner Nationally

Nationally, HEAO actively participated in weekly meetings and conference calls with the NAIC. Our participation influenced the national dialogue by providing California’s perspective and experience in analyzing information essential to the implementation of the ACA, as well as subsequent federal regulatory actions in California. The HEAO team is California’s representative on the Mental Health Parity and Addiction Equity Act (MHPAEA) Working Group and provided the Commissioner with support for weekly and national NAIC meetings.

Federal Comment Letters

Letter in response to Federal Trade Commission *Request for Public Comment Regarding Gender Affirming Care for Minors*

HEAO supported the Commissioner in drafting and submitting a letter in response to the Federal Trade Commission's (FTC) request for comments on gender affirming care for minors. The FTC's request was presented as a request for information on public harms stemming from information about such care, a framing that the Commissioner's comments rejected. The Commissioner's response emphasized that gender affirming care is medically necessary health care and any attempt by the FTC to regulate states' support of gender affirming care represented an attempt to undermine the states' sovereign right to regulate their residents' access to healthcare.

Letter in opposition to House Resolution (HR) 1

HEAO provided technical support for the Commissioners' letter to California's U.S. Senators opposing provisions of HR 1, federal budget legislation that significantly reduced Californians' access to health care services. The letter objected to multiple provisions of HR 1 that intruded on state sovereignty and reduced residents' access to health care. These included provisions that rescinded access to federal Medicaid funds for gender-affirming care, constrained the states' ability to classify as state Medicaid funding certain hospital expenditures, rescinded lawfully present immigrants' eligibility for Medicaid and Medicare and made Covered California plans more unaffordable and difficult to access.

Letter in response to *Marketplace integrity* proposed rule

HEAO provided technical support for the Commissioner's comments on proposed ACA regulations that impeded consumers' access to affordable marketplace coverage and reduced state flexibility in ACA marketplace implementation. The comments emphasized concerns about the proposal's discriminatory exclusion of gender-affirming care services from classification as essential health benefits and the termination of marketplace eligibility for persons granted Deferred Action for Childhood Arrivals (DACA).

HEALTH ACTUARIAL OFFICE

The Health Actuarial Office provides technical assistance within PLB, including review of health insurance rate filings and assistance in the formulation of policy related to health insurance equity and reform initiatives.

Health Prescription Drug Cost Reporting and Insurance Premium Rates

Pursuant to Senate Bill 17 (Hernandez, Chapter 603, Statutes of 2017), insurers are required to report information regarding outpatient generic, brand name, and specialty

prescription drugs for the 25 most frequently prescribed drugs, 25 costliest drugs by total annual plan spending, including cost-sharing, and the 25 drugs with the highest year-over-year increase. CDI received and analyzed this data from insurers and reported its findings to the Legislature at the end of 2025.

Pursuant to Senate Bill 546 (Leno, Chapter 801, Statutes of 2015) for large group and Assembly Bill 2118 (Kalra, Chapter 277, Statutes of 2020) for individual and small group, insurers are required to report to the California Department of Insurance specified aggregate information on premiums, cost sharing, benefits, enrollment, and trend factors for all grandfathered and non-grandfathered products. In 2025, CDI received and analyzed the information received from insurers pursuant to these bills.

Pursuant to Assembly Bill 731 (Kalra, Chapter 807, Statutes of 2019), insurers are required to disclose with a rate filing with specific information by geographic region for individual, grandfathered group, and non-grandfathered group contracts and policies, including the price paid compared to the price paid by the Medicare Program for the same services in each benefit category. CDI received and analyzed the data from the insurers. AB 731 also authorizes a large group health insurance contract holder, which meets specified criteria, to apply to the Department of Insurance within 60 days of receiving notice of a rate change to review the rate change and determine if it is unreasonable or not justified. That requires the Department to use reasonable efforts to complete the review within 60 days of receiving all the information required to make a determination. CDI has not received any such requests yet.

Saved Consumers Money through Rate Review

In 2025, the Health Actuarial Office reviewed all major medical rate filings filed with the Department, including student policy filings, specified disease filings, standalone dental plan filings, and Medicare Supplement rates. California law does not give the Insurance Commissioner authority to reject excessive health insurance rate increases. However, the Department reviews rates and discusses concerns with insurance carriers, who voluntarily agree to reduce rates. This process has resulted in an estimated total savings of $42.7 million for California consumers with various medical insurance products in 2025.

2025 ANNUAL REPORT

RATE REGULATION BRANCH

RATE REGULATION BRANCH

The Rate Regulation Branch (RRB) is responsible for the prior approval of property and casualty (P&C) insurance rates charged to consumers. Under California's prior approval statutes and provisions of Proposition 103 enacted by the voters in 1988, RRB analyzes rate filings submitted by P&C insurers and other insurance organizations for most P&C insurance lines of business, ensuring that proposed rates are not excessive, inadequate, or unfairly discriminatory. In addition, RRB analyzes filings submitted by P&C insurers and other insurance organizations under California's file-and-use statutes for a limited number of P&C lines of business.

RRB processed 3,282 P&C rates, rules, and form filings in 2025 and reduced requested rate increases by more than $736 million. In addition, RRB approved reductions of existing rates totaling more than $10.6 million. For personal auto insurance coverage, the reductions to requested rate increases totaled more than $186 million and the approved reductions of existing rates was more than $1.38 million.

RATE FILING BUREAUS

RRB consists of six rate filing bureaus, three in Los Angeles, two in Oakland, and one in Sacramento. These bureaus receive and review filings from nearly 700 P&C companies licensed in California.

RRB's Intake Unit is responsible for processing all prior approval rate filing applications and providing copies of all filings to the Public Viewing Rooms maintained in Oakland and Los Angeles. The Intake Unit is also responsible for processing all file-and-use rate filing applications which cover the Workers' Compensation and Title lines of insurance. All filings are accessible to the public electronically, via the Department's virtual viewing room platform located on the Department's public website.

RRB utilizes the National Association of Insurance Commissioners' (NAIC) System for Electronic Rate and Form Filings (SERFF). SERFF enables insurers to send and states to receive, review, comment on, approve, or reject insurance industry rate, rule, and form filings. SERFF helps increase efficiency and facilitates communication between the rate filing bureaus and insurers. In 2025, 100% of filings submitted to the rate filing bureaus were received through SERFF.

NUMBER OF RATE FILINGS RECEIVED IN CALENDAR YEARS 2024 AND 2025

TYPE	2024	2025
Private Passenger Automobile	346	200
Homeowners	147	210

TYPE	2024	2025
Title	68	81
Other Personal Lines Products	177	178
Workers' Compensation	548	545
Medical Malpractice	31	32
Other Commercial Lines Products	2,116	2,036
Total	3,433	3,282

RATE ACTUARY OFFICE

The actuaries in the Rate Actuary Office (RAO) are comprised of experienced industry practitioners who are well-versed in the various actuarial practice areas, insurance lines, predictive and catastrophe models, reinsurance, and other technical actuarial and insurance subject matters. The RAO team is responsible for rate filings that impact the greatest number of consumers in need of protection and are often the most complex. The RAO team provides advisory support and guidance to RRB, establishes actuarial best practice in the review of rate filings, and improves efficiency by modernizing the rate review processes and systems. Additionally, RAO applies their expertise in the development and implementation of new and revised regulatory and legislative proposals, as well as Department-led initiatives such as Commissioner Lara's Sustainable Insurance Strategy. In litigated rate matters, RAO actuaries serve as expert witnesses. RAO also represents the Department at the NAIC and at professional actuarial community by participating in topical panel discussions at annual and regional meetings of the Casualty Actuarial Society.

RATE SPECIALIST BUREAU

The Rate Specialist Bureau (RSB) provides advice and support to the Insurance Commissioner (Commissioner), Executive Staff, RRB, other Department managers, the industry, and consumers concerning underwriting, rating, data collection, statistical analysis, profitability, and rate-of-return issues. RSB also monitors different emerging issues affecting insurance, such as the industry's use of Insurtech in the areas of sharing economy, autonomous vehicles, artificial intelligence, etc. RSB's duties and responsibilities extend to all lines of insurance and special task force assignments. Besides producing the essential Rate Component Determination (RCD) generic rating factors for use by RRB staff, RSB is also responsible for reporting data under California Insurance Code (CIC) Sections 674.5 and 674.6. Under CIC Section 674.5, an insurer ceasing to offer any particular class of commercial liability insurance must provide prior notification of its intent to the Commissioner. Likewise, under CIC Section 674.6, an insurer offering policies of commercial liability and most types of property and casualty insurance must provide prior notification to the Commissioner of its intent to withdraw

wholly or substantially from the specified line of insurance. The list of notifications that RSB received in 2025 is shown in the following table.

COMPANIES FILING WITHDRAWALS, CEASE WRITINGS, ETC.
CALENDAR YEAR 2025

NAIC Number	Company Name	Group Name	Request Date	Effective Date	Withdrawal of Line or Indicated Company Action
26905	Century National Insurance Company	ALLSTATE INS GRP	12/18/2025	3/1/2026	Withdraw all Personal Auto product offerings.
34037	Hallmark Insurance Company	Hallmark Fin Serv Grp	11/10/2025	11/11/2025	Withdraw General Aircraft Program and Airport Liability Program.
25054	Hudson Insurance Company	FAIRFAX FIN GRP	10/25/2025		Phase out offering Personal Umbrella and Excess Personal Umbrella admitted coverages.
11185	Foremost Insurance Company Grand Rapids Michigan	FARMERS INS GRP	10/22/2025	4/1/2026	Cease offering HO4 Tenant product.
21873	Firemans Fund Insurance Company	ALLIANZ INS GRP	10/20/2025	8/1/2026	Withdraw from Commercial Property, Crime, Excess, General Liability, Inland Marine, Entertainment

NAIC Number	Company Name	Group Name	Request Date	Effective Date	Withdrawal of Line or Indicated Company Action
					and Commercial Umbrella insurance markets in California.
21849	American Automobile Insurance Company	ALLIANZ INS GRP	10/20/2025	8/1/2026	Withdraw from Commercial Property, Crime, Excess, General Liability, Inland Marine, Entertainment and Commercial Umbrella insurance markets in California.
22810	Chicago Insurance Company	ALLIANZ INS GRP	10/20/2025	8/1/2026	Withdraw from Commercial Property, Crime, Excess, General Liability, Inland Marine, Entertainment and Commercial Umbrella insurance markets in California.
38970	Markel Insurance Company	Markel Grp	10/9/2025	1/9/2026	Discontinue Farm Package

NAIC Number	Company Name	Group Name	Request Date	Effective Date	Withdrawal of Line or Indicated Company Action
					Program (05.0 CMP Liability and Non-Liability).
14133	Qualitas Insurance Company		10/6/2025	1/1/2026	Withdraw Crossborder program (impacts Truckers, Commercial General Liability, Commercial Inland Marine, and Commercial Package) and withdraw from Commercial Auto market.
29742	Integon National Insurance Company		9/16/2025		Withdraw Earthquake coverage endorsement in California.
24414	General Casualty Company of Wisconsin	QBE Ins Grp	8/26/2025		Withdraw from Workers' Compensation market.
24449	Regent Insurance Company	QBE Ins Grp	8/26/2025		Withdraw from Workers' Compensation market.
23481	New Hampshire Insurance Company	AMERICAN INTL GRP	8/14/2025	10/17/2025	Nonrenew ocean marine book of business.
21113	United States Fire Insurance Company	FAIRFAX FIN GRP	8/12/2025	11/1/2025	Withdraw Version 3 pet

NAIC Number	Company Name	Group Name	Request Date	Effective Date	Withdrawal of Line or Indicated Company Action
					insurance program.
21113	United States Fire Insurance Company	FAIRFAX FIN GRP	8/12/2025	11/1/2025	Withdraw Emergency Care pet insurance program.
21105	The North River Insurance Company	FAIRFAX FIN GRP	8/12/2025	11/1/2025	Withdraw 24PetWatch pet insurance program.
23469	American Modern Home Insurance Company	Munich Re Grp	7/22/2025	12/1/2025	Discontinue Recreational Vehicle Rental Program.
26581	Independence American Insurance Company	JAB Holding Co Grp	7/15/2025	11/1/2025	Withdraw Pets Best 2.0 program.
37974	Mt. Hawley Insurance Company (Surplus Lines Carrier)	RLI INS GRP	7/14/2025		Withdrawal security guard business under Line 17.1-Other Liability (Occurrence).
20338	Palomar Specialty Insurance Company	Palomar Holdings Grp	7/9/2025	10/1/2025	Cease to offer new residential flood insurance.
20796	21st Century Premier Insurance Company	FARMERS INS GRP	6/30/2025	TBD in accordance with state requirements	Cease offering renters insurance in California.
42390	AmGUARD Insurance Company	BERKSHIRE HATHAWAY GRP	6/26/2025	9/1/2025	Discontinue Garage Program

NAIC Number	Company Name	Group Name	Request Date	Effective Date	Withdrawal of Line or Indicated Company Action
					(Commercial Auto).
39306	Fidelity & Deposit Company of Maryland	Zurich Ins Group	6/18/2025	9/15/2025	Withdraw two programs under HO-Tenant: Renter's Insurance Program and Renter's Insurance Earthquake Coverage.
39217	QBE Insurance Corporation	QBE Ins Grp	5/30/2025	8/1/2025	Discontinue writing HO-3 homeowners' insurance program.
39217	QBE Insurance Corporation		5/30/2025	8/1/2025	Discontinue writing HO-6 homeowners' insurance program.
39306	Fidelity & Deposit Company of Maryland	Zurich Ins Group	5/15/2025	3/15/2025	Withdraw Premier Building Owner's Property Program under its Commercial Property (Fire and Allied Lines), and Premier Building Owner's Package Policy Program

NAIC Number	Company Name	Group Name	Request Date	Effective Date	Withdrawal of Line or Indicated Company Action
					under its CMP Liability and Non-Liability line of insurance.
10970	Response Indemnity Insurance Company of California	Tiptree Fin Grp	5/15/2025		Withdraw mobile home program.
19445	National Union Fire Insurance Company of Pittsburgh, PA	AMERICAN INTL GRP	5/7/2025		Withdraw Dentist Professional Liability Program.
19879	Security National Insurance Company	AmTrust Financial Serv Grp	4/23/2025	7/15/2025	Cease writing a third-party administrator's small contractors commercial package business.
37974	Mt. Hawley Insurance Company (Surplus Lines Carrier)	RLI INS GRP	4/17/2025		Discontinue Cyber Liability coverage in Professional Liability portfolio.
26379	Accredited Surety and Casualty Company, Inc	Accredited Ins Holdings Grp	3/4/2025	5/1/2025	Withdraw from writing Workers Compensation policies in the state of California.

NAIC Number	Company Name	Group Name	Request Date	Effective Date	Withdrawal of Line or Indicated Company Action
37257	Praetorian Insurance Company	QBE INS GRP	2/28/2025	Policy date 11/17/2025 or later	Discontinue writing Renters' Insurance Program.
29874	Swiss Re Corporate Solutions America Insurance Corporation	SWISS RE GRP	2/28/2025	60 days from notice letter	Discontinue new and renewal Construction GL insurance business.
21652	Farmers Insurance Exchange	FARMERS INS GRP	1/15/2025	3/15/2025	Discontinue Dwelling Fire and Landlord Protector programs in California.
21660	Fire Insurance Exchange	FARMERS INS GRP	1/15/2025	3/15/2025	Discontinue Dwelling Fire and Landlord Protector programs in California.
21662	Mid Century Insurance Company	FARMERS INS GRP	1/15/2025	3/15/2025	Discontinue Dwelling Fire and Landlord Protector programs in California.
21873	Firemans Fund Insurance Company	ALLIANZ INS GRP	1/15/2025	60 days from date of notice letter	Withdraw from Workers' Compensation and Commercial Automobile insurance in California.

NAIC Number	Company Name	Group Name	Request Date	Effective Date	Withdrawal of Line or Indicated Company Action
21849	American Automobile Insurance Company	ALLIANZ INS GRP	1/15/2025	60 days from date of notice letter	Withdraw from Workers' Compensation and Commercial Automobile insurance in California.
21881	National Surety Corporation	ALLIANZ INS GRP	1/15/2025	60 days from date of notice letter	Withdraw from Workers' Compensation and Commercial Automobile insurance in California.
41238	Trans Pacific Insurance Company	Tokio Marine Holdings Inc GRP	1/8/2025	5/1/2025	Withdraw from writing personal automobile insurance in California.