

Assembly Bill No. 1875

Passed the Assembly August 30, 2018

Chief Clerk of the Assembly

Passed the Senate August 29, 2018

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2018, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to add Sections 10095.7 and 10103.2 to the Insurance Code, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1875, Wood. Residential property insurance.

Existing law generally regulates classes of insurance, including residential property insurance. Under existing law, the California FAIR (fair access to insurance requirements) Plan Association, a joint reinsurance association in which all insurers licensed to write basic property insurance participate, administers a program for the equitable apportionment of basic property insurance for persons who are unable to obtain that coverage through normal channels. Existing law requires the association to establish and maintain an Internet Web site and a toll-free telephone number through which a person may receive assistance in applying for basic property insurance. Existing law requires an insurer member of the plan to provide the Internet Web site address and toll-free telephone number to an applicant who is denied coverage.

This bill would require the Department of Insurance to establish the California Home Insurance Finder on its Internet Web site to help homeowners connect with an insurance agent or broker for residential property insurance. The bill would require the department to annually survey agents, brokers, and insurers about inclusion in the finder, and post participants' names, addresses, phone numbers, and Internet Web sites, if available, to the finder on or before July 1, 2020. The bill would require the commissioner to use social media and other tools to promote the finder, and to create materials in the most common languages used in California. The bill would require an insurer to disclose specified information to an applicant who is denied coverage or a policyholder whose policy is canceled or not renewed, including, on or after July 1, 2020, information about the finder. The bill would require specified information, including the Internet Web site address of the department's Homeowners Coverage Comparison Tool, to be disclosed on or after July 1, 2020, upon an offer of a policy of residential property insurance if specified conditions are met. The

bill would require a residential property insurer to notify the department on or before February 1 of each year of the amount of extended replacement cost coverage it offers in California, if the amount is different from that of the previous year, and would require the department to use this information to annually update the Homeowners Coverage Comparison Tool.

The people of the State of California do enact as follows:

SECTION 1. Section 10095.7 is added to the Insurance Code, to read:

10095.7. (a) The commissioner shall establish the California Home Insurance Finder on the department's Internet Web site. The purpose of the finder is to connect homeowners in need of insurance assistance to an insurance agent or broker to assist in finding residential property insurance.

(1) The department shall annually survey licensed insurance agents, licensed insurance brokers, and admitted insurers in California regarding inclusion on the finder.

(2) On or before July 1, 2020, and at least annually thereafter, the department shall update the finder with the names, addresses, phone numbers, and Internet Web site links, if the licensee has an Internet Web site address, of the licensed insurance agents and brokers and admitted insurers for inclusion in the finder. The information shall be aggregated by ZIP Code within which the insurance agent, broker, or insurer maintains an office or sells policies, as well as by the languages in which the insurance agent, broker, or insurer may transact insurance.

(3) The department shall use social media and other appropriate tools to make consumers aware of the California Home Insurance Finder. The department shall develop materials in the most common languages used in the state to facilitate access to the finder for non-English-speaking consumers.

(b) On and after July 1, 2020, an insurer shall provide to an applicant who is denied coverage, or to a policyholder whose policy is canceled or not renewed, information regarding the department's California Home Insurance Finder. This disclosure may be provided jointly with the disclosure required by subdivision (h) of Section 10095.

SEC. 2. Section 10103.2 is added to the Insurance Code, to read:

10103.2. (a) On and after July 1, 2020, upon an offer of a policy of residential property insurance, a disclosure shall be provided to the applicant that states policies offering extended replacement cost coverage of at least 50 percent may be available for that property and that includes the Internet Web site address of the department's Homeowners Coverage Comparison Tool, pursuant to the following conditions:

(1) If an insurer does not offer at least 50 percent above the residential dwelling coverage limit to the applicant, the insurer shall provide the disclosure.

(2) If an insurer, utilizing an agent or broker, does not offer an applicant at least 50 percent above the residential dwelling coverage limit to the applicant, the insurer, agent, or broker shall provide the disclosure.

(3) If an agent or broker provides quotes to a consumer from multiple insurers, but none of the offers include coverage at least 50 percent above the residential dwelling coverage limit, the agent or broker shall provide the disclosure.

(b) If an agent or broker provides quotes to a consumer from multiple insurers, and at least one of the insurers offers 50 percent above the residential dwelling coverage limit, the insurer, agent, or broker is not required to make a disclosure pursuant to subdivision (a).

(c) An insurer that offers policies of residential property insurance shall notify the department on or before February 1 of each year of the amount of extended replacement cost coverage offered by the insurer for each policy or product it sells in California if the amount is different than what was reported in the previous year. The department shall use this information to annually update the Homeowners Coverage Comparison Tool on the department's Internet Web site.

Approved _____, 2018

Governor