



RICARDO LARA
CALIFORNIA INSURANCE COMMISSIONER

NOTICE 2025-01

TO: All Admitted and Non-Admitted Insurers Writing Residential Property Insurance in California

FROM: Insurance Commissioner Ricardo Lara

DATE: January 9, 2025

RE: Moratorium on Cancellations and Non-Renewals and Grace Period for Premium Payments for Policies of Residential Property Insurance After the Recent Wildfires in Southern California

Due to the tragic loss of life and property from the current wildfires in Southern California, many consumers are overwhelmed with being evacuated and the tasks of dealing with finding temporary housing while ensuring the safety of their families, among other major adverse changes in their daily lives.

These fires include, but are not limited to, the Palisades Fire, Eaton Fire, and other fires in Los Angeles County, and the Tyler Fire in Riverside County. Governor Gavin Newsom declared a [state of emergency](#) in Los Angeles and Ventura counties to address the fires in those counties as a result of windstorm conditions. Subsequently, President Joe Biden issued a Presidential Major Disaster Declaration to support ongoing response efforts related to the major wildfires burning in the Los Angeles area.

In an effort to assist residential property owners impacted by the current wildfires in Southern California, as Insurance Commissioner, I'm calling on all admitted and non-admitted property insurance companies to forego any pending nonrenewals and cancellations that are due to take effect on residential properties located within and around these wildfires.

Existing California insurance laws already require certain protections for property owners impacted by wildfires. These protections include:

- **No Non-Renewal or Cancellation Within Fire Perimeter (Moratoriums) For One Year:** Insurance companies are prohibited from cancelling or refuse to renew residential property insurance policies for a property

located in any ZIP Code within or adjacent to the fire perimeter, for one year after the declaration of a state of emergency, based solely on the fact that the insured structure is located in an area in which a wildfire has occurred. This prohibition applies to all policies of residential property insurance in effect at the time of the declared state of emergency (Cal. Ins. Code section 675.1[b][1]). Today, I've also issued a preliminary bulletin with the known ZIP Codes impacted by the Palisades and Eaton Fires, and will update those ZIP Codes as more information is received. Insurers are expected to take immediate steps to cease any pending nonrenewals in the known areas where these current wildfires are taking place.

- **No Non-Renewals After a Declared Disaster:** When there is a total loss to a residential property as a result of a declared disaster, the insurance company is required to offer a renewal of the policy for at least the next two annual renewal periods, but no less than 24 months from the date of the loss. (Cal. Ins. Code section 675.1[a][3]).
- **60-Day Grace Period for Insurance Premium Payments:** In the event of a state of emergency, insurance companies must offer a 60-day grace period for payment of premiums for residential property insurance policies for property located within the affected area. (Cal. Ins. Code section 2062).

Nothing in my Notice prevents an insurer from providing a policyholder with a grace period longer than 60 days. In fact, I encourage insurance companies to extend this 60-day period as long as reasonable given the circumstances. Insurers that choose to offer longer grace periods must do so in a nondiscriminatory manner and may not consider the claims experience of the policyholder. Insurers are especially encouraged to work with individual policyholders who have been acutely impacted by these wildfires and are unable to timely pay their premiums.

In addition to the above, there are residential property owners that may be up for nonrenewal or cancellation that do not fall within the scope of these statutory protections. For these property owners, I'm calling on all property insurance companies to forego any pending nonrenewals and cancellations that are due to take effect on residential properties located within and around these wildfires. Pending nonrenewals and cancellations would include notices that were sent from the insurance company to the policyholder in the previous ninety (90) days prior to January 7, 2025, but were not due to take effect until after the start of the January 7, 2025 wildfires. I am calling on all property insurance companies to pause these pending nonrenewals and cancellations for at least six months from January 7, 2025, to provide the necessary stability for the communities near these wildfires to concentrate on safety, recovery, and rebuilding.

Lastly, I'm reminding all insurers of their obligation to take steps to confirm that all appropriate insurance company staff and claims adjusters are made aware of the [Significant California Laws Pertaining to Residential Property Insurance Policies, including those related to a Declared State of Emergency](#) that describe other protections and options for residential property owners that suffered losses or were otherwise impacted by these tragic wildfires. Due to the magnitude of destruction caused to properties and infrastructure by these fires, we can expect the rebuilding and recovery process to be lengthy due to circumstances beyond the control of the insured including, but not limited to, unavoidable construction permit delays, the lack of necessary construction materials, or the unavailability of contractors to perform the necessary work. I expect all claimants to be provided with all the extended timeframes to collect Replacement Cost, Additional Living Expenses, advance payments where applicable, and other benefits associated with these wildfires being a declared disaster.

Any insurance company with questions about this Notice, please contact:

Jully Pae, Attorney
Consumer Law Unit
Jully.Pae@insurance.ca.gov