

The California Department of Insurance outlines critical information regarding automobile insurance, which is essential for covering injuries and damages related to vehicle ownership and operation. California law mandates that all vehicle owners demonstrate financial responsibility, typically through auto liability insurance, which must be carried in the vehicle at all times. Failure to maintain this insurance can lead to fines, license suspension, and vehicle impoundment. An auto insurance policy serves as a legal contract that details costs, coverages, and exclusions, making it vital for policyholders to understand their policy, particularly the Declarations page, and to inform their insurance provider of any changes in vehicle ownership or household drivers.

The policy includes a Good Driver Provision, requiring insurers to offer lower rates (at least 20% less) to drivers with clean records. Cancellations or non-renewals of policies are permitted only for specific reasons such as fraud, non-payment of premiums, or a significant increase in risk, with insurers obligated to provide a 10-day written notice for cancellations due to non-payment. Premiums, which can be paid in installments, vary by insurer, and deductibles apply to certain coverages, influencing the premium amount. Mandatory liability coverage has minimum limits of \$30,000 for individual bodily injury, \$60,000 for total bodily injury in one accident, and \$15,000 for property damage.

Drivers must provide proof of insurance, and those without coverage face penalties, including tickets and potential license suspension. Alternatives for demonstrating financial responsibility include cash deposits or surety bonds. Additional coverage options available include Uninsured Motorist Coverage, which protects against accidents involving uninsured or underinsured drivers, and Medical Payments Coverage for medical expenses incurred by the insured or passengers. Physical damage coverages, such as Collision and Comprehensive, cover vehicle repairs or replacements, subject to specific deductibles and limits.

Policyholders are encouraged to compare quotes and coverage options from multiple providers, as

discounts may be available for factors such as multi-car policies, good driving records, and vehicle safety features. Consulting with licensed agents or brokers is advisable to determine the best coverage and ensure the insurance company is licensed in California. When applying for auto insurance, applicants must provide details about vehicle usage, annual mileage, vehicle specifics, purchase price, loan or lease insurance requirements, driving history, and personal information of all household drivers. It is essential to review the application thoroughly before signing and to request copies of all documents. Upon receiving the policy, policyholders should verify the accuracy of the information and coverage, promptly reporting any discrepancies to the insurance company.

The document emphasizes the importance of working with licensed agents or brokers, who may charge commissions or broker fees, and consumers are encouraged to choose their agents or brokers carefully, ensuring they prioritize the client's interests. In the event of an accident, immediate reporting to law enforcement and the insurance company is required, and an adjuster may be assigned to assess damages. If both drivers are at fault, comparative negligence will determine each party's responsibility. Health insurance typically covers immediate medical expenses, with the possibility of subrogation for reimbursement from auto insurance.

California also offers a Low Cost Automobile Insurance Program (CLCA) for income-eligible drivers, providing lower liability coverage limits that comply with state laws. Additionally, the California Automobile Assigned Risk Plan (CAARP) assists high-risk drivers in obtaining insurance through assigned companies, with standardized premiums and no broker fees. The document defines key insurance terms such as actual cash value, collision coverage, liability coverage, and exclusions, which specify what is not covered by the policy.

For consumer assistance, the California Department of Insurance provides resources for filing complaints regarding claims, policy cancellations, and other issues, with a consumer assistance hotline available for inquiries and additional materials accessible online. This guide serves as a

comprehensive resource for understanding auto insurance in California, ensuring consumers are informed about their rights and available options.