

The document outlines the requirements for insurers regarding homeowners and residential property insurance, particularly focusing on rate reviews, non-renewals, and wildfire risk management. Insurers must provide detailed information in Exhibit 18 regarding any plans to reduce or restrict policies, including reasons for non-renewals, eligibility criteria, and corrective actions that policyholders can take to maintain coverage. Non-renewal notices must comply with California Insurance Code, detailing reasons for adverse decisions and referencing the Home Finder and California FAIR Plan. Insurers must also report the number of policies affected by non-renewals by ZIP code.

For Difference in Conditions (DIC) policies, insurers must clarify the circumstances under which these policies are offered, how they communicate the lack of fire coverage, and the rating process. They must confirm that policyholders have secured a FAIR Plan policy for fire exposure and communicate any premium credits associated with DIC policies. Insurers are also required to assess their DIC policyholders for eligibility for full homeowners insurance coverage.

Regarding wildfire risk, insurers must disclose risk scores to policyholders, including the main drivers of these scores and potential mitigation actions that could lower them. They must allow time for policyholders to undertake mitigation efforts and have an appeals process for disputed risk scores. Insurers offering wildfire mitigation credits must specify the types of credits available and the requirements for qualifying.

Additionally, insurers must submit customer dislocation tables showing the impact of rate changes by ZIP code and provide information on participation in the California FAIR Plan Clearinghouse Program, including the number of offers made to FAIR Plan policyholders and acceptance rates. The Department may request further information based on the submitted data.