SECTION 1.

The Legislature finds and declares the following:

(a) Insurance losses due to wildfires are on the rise in California.

(b) The risk of catastrophic wildfires is increasing due to global climate change.

(c) In order to ensure a vibrant and robust insurer marketplace relating to fire risk, it is necessary for the Insurance Commissioner to collect data on fire loss experience from insurers writing residential property insurance, including the FAIR (fair access to insurance requirements) Plan, and to issue a report summarizing findings from that data collection.

~~SECTION 1.~~*SEC. 2.*

Section 675.1 of the Insurance Code is amended to read:

675.1.

(a) In the case of a total loss to the primary insured structure under a policy of residential property insurance subject to Section 675, the following provisions apply:

(1) If reconstruction of the primary insured structure has not been completed by the time of policy renewal, the insurer, prior to or at the time of renewal, and after consultation by the insurer or its representative with the insured as to what limits and coverages might or might not be needed, shall adjust the limits and coverages, write an additional policy, or attach an endorsement to the policy that reflects the change, if any, in the insured's exposure to loss. The insurer shall adjust the premium charged to reflect any change in coverage.

(2) The insurer shall not cancel coverage while the primary insured structure is being rebuilt, except for the reasons specified in subdivisions (a) to (e), inclusive, of Section 676. The insurer shall not use the fact that the primary insured structure is in damaged condition as a result of the total loss as the sole basis for a decision to cancel the policy pursuant to subdivision (e) of that section.

(3) Except for the reasons specified in subdivisions (a) to (e), inclusive, of Section 676, the insurer shall offer to, at least once, renew the policy in accordance with paragraph (1) if the total loss to the primary insured structure was caused by a disaster, as defined in subdivision (b) of Section 1689.14 of the Civil Code, and the loss was not also due to the negligence of the insured.

(4) With respect to policies of residential earthquake insurance, the California Earthquake Authority, or any insurer, including a participating insurer, as defined in subdivision (i) of Section 10089.5, may defer its initial implementation of this section until no later than October 1, 2005.

(5) With respect to a residential earthquake insurance policy issued by the California Earthquake Authority, the following provisions apply:

(A) The participating insurer that issued the underlying policy of residential property insurance on the primary insured structure shall consult with the insured as to what limits and coverages might or might not be needed as required by paragraph (1).

(B) The California Earthquake Authority, in lieu of meeting the requirements of paragraph (1), shall establish procedures and practices that allow it to reasonably accommodate the needs and interests of consumers in maintaining appropriate earthquake insurance coverage, within the statutory and regulatory limitations on the types of insurance coverages and the coverage limits of the policies that the authority may issue.

(b) An insurer shall not ~~cancel,~~ *cancel or* refuse to ~~renew, or include a surcharge or an increase in the premium of,~~ *renew* a ~~policy of residential property~~ homeowners' insurance policy *for one year after the* *declaration of a state of emergency, as defined in Section 8558 of the Government Code,* based solely on the fact that the insured structure is located in a county in which one or more catastrophic events have occurred for which a state of emergency has been~~declared by the Governor, the President of the United States, the executive officer or governing body of a city, county, or city and county, or a nationally recognized catastrophe loss index provider, for one year after the declaration of a state of emergency.~~ *declared.* This prohibition applies to all ~~residences~~ *policies of residential property insurance in effect at the time of the declared emergency* in the ~~counties~~ burn area as identified by CalFire affected by the declared emergency.

(c) Subdivision (b) shall not apply in ~~either~~ any of the following circumstances:

(1) If the renewal of the policy would threaten the financial solvency of the insurer;

(2) If the insurer suffers the withdrawal of reinsurance covering all or part of the risk and this withdrawal will likely threaten the financial solvency of the insurer; or,

(3) If, in the case of a declaration of emergency defined in Section 8558 of the Government Code, the loss was also due to the negligence of the insured, losses have occurred subsequent to the disaster-related total loss, or there were physical or risk changes to the insured property that result in the property becoming uninsurable.

(d) An insurer that does not renew a policy pursuant to subdivision (c)(1) or (2) shall report that nonrenewal and the reason for its financial solvency issues to the commissioner.

~~SEC. 2.Section 758.8 is added to the Insurance Code, to read:~~
~~758.8.~~
~~An insurer that intends to reduce, within the first 12 months after a declared disaster, the total number of its homeowners' insurance policies in force, for properties within the same ZIP Code and located in this state, by 20 percent or more, shall submit to the commissioner, 60 days prior to implementing that action, a plan for the orderly reduction of the total number of its homeowners' insurance policies in that area. This section applies to an insurer if its anticipated total number of homeowners' insurance policies in force for properties within the same ZIP Code and located in this state, at any time during the 12 months after a declared disaster and after the planned reduction, will be at least 20 percent less than its total number of homeowners' insurance policies in force in that ZIP Code and located in this state on January 1 of the year in which the disaster occurs. The plan shall do all of the following:~~
~~(a)Describe the contemplated actions.~~
~~(b)Set forth the reasons for those actions.~~
~~(c)Describe the measures the insurer intends to take in order to minimize market disruption.~~
~~(d)Provide other information that the commissioner requires.~~
~~SEC. 3.~~
~~The Department of Insurance shall conduct a data call on wildfire and fire loss experience from insurers writing residential property insurance policies.~~

SEC. 3.

Article 10.4 (commencing with Section 929) is added to Chapter 1 of Part 2 of Division 1 of the Insurance Code, to read:

Article 10.4. Wildfire Risk Information Reporting
929.

(a) On or before April 1, 2020, and every two years thereafter, an admitted insurer with written California premiums totaling ten million dollars ($10,000,000) or more shall submit a report to the commissioner on its ~~residential property~~ homeowners' insurance policies experience data for policies written in California.

(b) The commissioner may specify, by bulletin, the manner to provide, and the form ~~and information~~ to be included in the report submitted pursuant to subdivision (a). The report shall ~~include~~ have the following information reported by individual policy, to the extent it is collected by the insurer:

(1) Fire- or wildfire-incurred losses, if any, and the date of the loss.

(2) Fire-incurred defense and cost containment expense as reported to the National Association of Insurance Commissioners.

(3) Fire claim counts.

(4) Insurance Services Organization public ~~Protection~~ protection class.

(5) Numerical ~~Fire~~ fire risk score and source of fire risk score, if applicable.

(6) Premium.

(7) ZIP Code.

(c) If the commissioner issues a bulletin pursuant to subdivision (b), the initial bulletin shall be posted to the department's Internet Web site on or before May 1, 2019. Any updated bulletins shall be posted at least two months prior to when an insurer must submit a report.

(d) An insurance holding company system, as defined in subdivision (e) of Section 1215, may submit a consolidated report of the information required by this section for all insurers comprising the holding company system.

929.1.

Information submitted to the commissioner, as required by Section 929, shall be confidential pursuant to subdivision (d) of Section 6254 of the Government Code and exempt from the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code). Additionally, that information shall not be subject to subpoena or subpoena duces tecum. Testimony by the commissioner, the commissioner's staff, an employee of the department, or a person to whom the report required by Section 929 was disclosed, shall be inadmissible as evidence in a civil proceeding.

929.2.

The commissioner shall post to the department's Internet Web site a report on wildfire risk compiled from the data collected pursuant to Section 929. The report shall be updated every two years to reflect new data submitted by insurers.

929.3.

(a) Failure to submit a report pursuant to Section 929 shall subject an admitted insurer to a civil penalty to be fixed by the commissioner, not to exceed five thousand dollars ($5,000) or, if the act was willful, a civil penalty not to exceed ten thousand dollars ($10,000).

(b) An insurer may request, and the commissioner may grant, a 30-day extension, if needed due to unintended or unforeseen delays, to submit the report. If the insurer fails to submit the report within 30 days of a written notice by the commissioner regarding the failure to submit the report, the commissioner may find that the failure to submit the report was willful and increase the civil penalty to an amount not to exceed ten thousand dollars ($10,000).

(c) The penalty imposed by this section shall be enforced by the commissioner and may be appealed by means of a remedy provided by Section 12940, or by Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code. This subdivision is the sole means for enforcement of this section.

SEC. 4.

The Legislature finds and declares that Section 3 of this act, which adds Section 929.1 to the Insurance Code, imposes a limitation on the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:

In order to protect proprietary insurer information, it is necessary for information reported to the Insurance Commissioner by insurers pursuant to Section 3 of this act to remain confidential.