STATE OF CALIFORNIA
**DEPARTMENT OF INSURANCE**
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Dave Jones, *Insurance Commissioner*

November 23, 2015

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City Council Office

Mayor Jim Griffith
456 W. Olive Ave.
Sunnyvale, CA 94086

Dear Mayor Griffith:

With a strong likelihood of El Niño driven storms causing flooding in parts of California, and consumers concerned about the availability of homeowners' insurance in areas with a high risk of wildfire, I am writing to ask you to share this important information about insurance coverage with your constituents:

**El Niño and Flood Insurance**
Meteorologists predict El Nino will likely bring heavy rains and flooding to many areas in the state. Flood damage is not covered by traditional homeowners' insurance. Flood insurance is only available through the National Flood Insurance Program and there is a 30 day waiting period before the policy is effective. Californians living in areas with any risk of flooding should purchase flood insurance through the NFIP immediately. Learn more at https://www.floodsmart.gov/floodsmart/.

**Fire Insurance: California FAIR Plan**
With increased losses, due to more frequent and more severe fires, some insurance companies are not renewing policies or restricting where they write new policies. Consumers should always shop around for homeowners' insurance. If they cannot find standard coverage they should ask an insurance agent or broker about the non-admitted (surplus lines) market.

The Legislature also established an insurer of last resort for Californians unable to find standard home insurance. Californians unable to find standard home insurance are entitled to purchase fire insurance from the California FAIR Plan. They can contact the FAIR Plan at https://www.cfpnet.com/.

We provide a number of tools on our California Department of Insurance Website to help consumers understand home/residential insurance so that they can make the best decision for their situation, including informational guides, a premium comparison tool, and a new coverage comparison tool that allows consumers to compare differences between insurance policies offered by insurers. Please visit our website at www.insurance.ca.gov for more information.

**Important Consumer Information**
In an effort to assist you, we have created a one-sheet of important information that can be used as newsletter or Website content. Please distribute this to your constituents.

**Insurance Questions and Complaints**
The California Department of Insurance Consumer Hotline at 800-927-4357 or www.insurance.ca.gov can assist consumers with questions about their insurance and coverage.

Thank you for your leadership.

Sincerely,

DAVE JONES
Insurance Commissioner

**Need Assistance Finding Property Insurance?**

**Shop Around**

Whether you are interested in purchasing, reviewing or replacing homeowners, renters, condominium or mobile home insurance, it is important to shop and compare insurance products just like you would when shopping for any other important consumer purchase. Since residential insurance often protects your largest financial investment, plan on spending some time to conduct a search of the insurance marketplace.

The California Department of Insurance (CDI) public web site provides a premium comparison tool (https://interactive.web.insurance.ca.gov/survey/index.jsp) for companies licensed to sell residential insurance. You may wish to contact the insurance companies to see if they are currently accepting new business.

**What If I Can't Find Insurance?**

If after shopping the market you are still having difficulty obtaining residential insurance, you may want to contact the California FAIR Plan (http://www.cfpnet.com/) to explore your coverage options. As the insurer of last resort, the FAIR Plan should only be considered after a diligent search for coverage in the traditional insurance market. If you are turned down or non-renewed by your current insurance company, or are otherwise in need of coverage, you may apply for coverage under the FAIR Plan through an agent or broker licensed to sell property insurance, or you may contact the FAIR Plan directly at **800-339-4099**.

Please note that the FAIR Plan only provides coverage for the perils of Fire or Lightning, Internal Explosion, and Smoke. For an additional premium, Extended Coverage (windstorm, hail, explosion, riot or civil commotion, aircraft, vehicles, and volcanic eruption) and Vandalism or Malicious Mischief may be added to the policy. Since the FAIR Plan policy does not cover all the perils insured under a traditional homeowners' insurance policy such as theft or liability, you may want to consider purchasing a "Differences in Conditions" policy in addition to the FAIR Plan policy that will

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cover these additional risks. An agent or broker should be able to locate an insurance company that sells this type of coverage.

**Additional Information on Shopping for and Understanding Residential Insurance**

The California Department of Insurance (CDI) website provides several tools to help you understand home/residential insurance so that you can make the best decision for your situation. There you will find several informational guides, tips and tools to assist consumers in understanding homeowners' insurance and how to shop for the best product and at the best price to meet their needs. The following Home/Residential Insurance web page (https://www.insurance.ca.gov/01-consumers/105-type/5-residential/index.cfm) takes you to where all this information is contained.

If you do not find the information you need, you can call the Department's Consumer Hotline at **(800) 927-4357** for assistance. Dedicated insurance experts are available to assist you with any questions on all aspects of insurance.

**Do you need Flood Insurance?**

Standard homeowners' insurance doesn't cover flood damage, so it's important for consumers to know what options are available to them for protection from flood losses.

The U.S. Congress established the National Flood Insurance Program (NFIP) with the passage of the National Flood Insurance Act of 1968. The NFIP is a Federal program enabling property owners in participating communities to purchase insurance as a protection against flood losses. To obtain additional information, you may wish to visit (https://www.floodsmart.gov/floodsmart/) or call 1-888-379-9531.

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