RICARDO LARA
CALIFORNIA INSURANCE COMMISSIONER

June 10, 2022 IH-2022-00001

NOTICE OF INVESTIGATORY HEARING INTO THE CALIFORNIA FAIR PLAN ASSOCIATION

Insurance Commissioner Ricardo Lara will convene an investigatory hearing pursuant to California Insurance Code section 12924 to gather evidence and ascertain the facts regarding operations, policies and procedures of the California FAIR Plan Association (FAIR Plan) to inform actions needed for it to evolve to meet the changing needs of California consumers.

As the "insurer of last resort" established in 1968 by the Governor and Legislature to serve all Californians, the FAIR Plan's fundamental mission since its founding is to meet the needs of California homeowners and businesses unable to find insurance in the traditional marketplace, as codified in Insurance Code sections 10090 through 10100.2. The FAIR Plan is a joint reinsurance association formed by all insurers licensed to write property insurance in California. The impetus for this hearing are persistent concerns raised by consumers, businesses, insurance producers, elected officials, and the Commissioner about the FAIR Plan's internal operations and external factors including but not limited to the need for greater liability coverage for homes and businesses, the need for increased personnel and resources, the handling of smoke claims, higher commercial coverage limits, and interpretation of underwriting guidelines, among other factors. The FAIR Plan must be held to the highest standards of service and consumer protection and continue to evolve with the changing times in order to remain relevant, available, and ready to meet continued consumer needs.

The investigatory hearing will explore (1) the concerns and changing needs of California consumers, organizations, businesses, and brokers, and (2) what additional changes are needed to the FAIR Plan's operations, governance, business practices, and coverage offerings to enable it to continue to meet those needs far into the future.

Prior to the investigatory hearing, the Commissioner will communicate with stakeholders and other interested persons inviting them to provide information in response to the Commissioner's specific questions in advance of the hearing.

The Commissioner may issue subpoenas pursuant to California Insurance Code section 12924(a) for documents and live testimony in advance of the public hearing. Whether the Commissioner will issue subpoenas will depend upon the extent to which stakeholders are able to voluntarily provide him with comprehensive answers to his specific questions.

Date, Time and Location

Date: Wednesday, July 13, 2022

Time: 9:00 a.m.
The investigatory hearing shall continue until all in attendance wishing to provide comments have commented, or 5:00 p.m.

Location: California Department of Insurance
1901 Harrison Street, 3rd Floor - Room # 30000
Oakland, California 94612

Register to Attend (In-Person or Virtual)

Please use the following link to register to attend either in-person or virtually:
https://us06web.zoom.us/webinar/register/WN_pfJlvNzAQSyN6Mwx3N12JA

ATTENDANCE

This hearing will be open to the public. To increase public participation, interested parties are invited to attend virtually or in-person, and offer comment, if they so choose. Please be advised that in-person attendance at the hearing may be limited or curtailed, depending upon any state or local restrictions on public gatherings that may be in effect at the time of the hearing, or due to COVID-19 transmission control precautions implemented by the Department.

The facility for this hearing is accessible to persons with mobility impairments. Persons with sight or hearing impairments are requested to notify the logistical contact person for these hearings (listed below) in order to review available accommodations, if necessary.

WRITTEN COMMENT

All persons are invited to submit written comments to the Commissioner by July 13, 2022. Please direct all written comments to the following contact person:

Abigail Meraz
Staff Services Analyst
California Department of Insurance
300 Capitol Mall, 17th Floor
Sacramento, CA 95814
Email: Abigail.Meraz@insurance.ca.gov

The Commissioner will accept written comments transmitted by e-mail provided they are sent to the e-mail address set forth above. **Comments sent to e-mail addresses other than those designated in this notice will not be accepted. Comments sent by e-mail are subject to the deadline set forth above for written comments.**

Please note that under the California Public Records Act (Government Code Section 6250, et seq.), your written and oral comments, and associated contact information (e.g., your address, phone number, e-mail, etc.) become part of the public record and can be released to the public upon request.

CONTACT PERSONS

All substantive questions and concerns regarding this hearing should be directed to Jason S. Y. Gatchalian. All logistical inquiries should be directed to Abigail Meraz.

Logistical Inquiries
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Substantive Inquiries
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