

AMENDED IN ASSEMBLY APRIL 21, 2025

AMENDED IN ASSEMBLY APRIL 3, 2025

AMENDED IN ASSEMBLY FEBRUARY 18, 2025

CALIFORNIA LEGISLATURE—2025–26 REGULAR SESSION

## ASSEMBLY BILL

**No. 290**

---

---

**Introduced by Assembly Member Bauer-Kahan**

January 22, 2025

---

---

An act to add ~~Section 10095.8~~ *Sections 10095.8 and 10095.9* to the Insurance Code, relating to insurance.

### LEGISLATIVE COUNSEL’S DIGEST

AB 290, as amended, Bauer-Kahan. California FAIR Plan Association: automatic payments.

Existing law establishes the California FAIR Plan Association, a joint reinsurance association in which all insurers licensed to write basic property insurance participate to administer a program for the equitable apportionment of basic property insurance for persons who are unable to obtain that coverage through normal channels. Existing law authorizes cancellation of an insurance policy for nonpayment of premium, and requires an insurer to notify a policyholder at least 10 business days before the policy will be canceled for nonpayment.

This bill would require the California FAIR Plan Association to create an automatic payment system and accept automatic payments for premiums from policyholders. The bill would prohibit an automatic payment amount from being different than if the policyholder made a payment through another method. The bill would prohibit cancellation or nonrenewal of a FAIR Plan policy solely because the policyholder is not enrolled in automatic ~~payments~~ *payments, except as specified*, or

because the policyholder failed to confirm a payment when making a one-time payment on the association's internet ~~website~~. *website, as specified*. The bill would provide for a 15-day grace period for late premium payments.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 10095.8 is added to the Insurance Code,  
2 to read:

3 10095.8. (a) The association shall create an automatic payment  
4 system and accept automatic payments for premiums from  
5 policyholders.

6 (b) An automatic payment amount charged to a policyholder  
7 shall not be different than if the policyholder made a payment  
8 through another method.

9 (c) A policy shall not be canceled or nonrenewed solely because  
10 the policyholder is not enrolled in automatic ~~payments or because~~  
11 ~~the policyholder failed to confirm a payment when making a~~  
12 ~~one-time payment on the association's internet website.~~ *payments,*  
13 *unless the policyholder failed to make the payment within the grace*  
14 *period provided in subdivision (d).*

15 (d) If a policyholder fails to timely pay their premium, the  
16 policyholder shall have a 15-day grace period to pay the  
17 outstanding premium.

18 SEC. 2. Section 10095.9 is added to the Insurance Code, to  
19 read:

20 10095.9. (a) A policy shall not be canceled or nonrenewed by  
21 the association solely because the policyholder failed to confirm  
22 a payment when making a one-time payment on the association's  
23 internet website, unless the policyholder failed to make the payment  
24 within the grace period provided in subdivision (b).

25 (b) If a policyholder fails to timely pay their premium, the  
26 policyholder shall have a 15-day grace period to pay the  
27 outstanding premium.