

AMENDED IN ASSEMBLY MAY 1, 2025

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
(Coauthors: Assembly Members Addis, Gipson, Hadwick, and Harabedian)

January 22, 2025

An act to add ~~Sections 10095.8 and 10095.9~~ *Section 10095.8* 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~~ *bill, on or before April 1, 2026*, 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, except as specified, ~~or because the policyholder failed to confirm a payment when making a one-time payment on the association's internet website, as specified.~~ *specified.* The bill would provide ~~for a 15-day~~ *a 10-day* grace period for ~~late premium payments.~~ *the policyholder to pay any outstanding installment premium.*

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~~ *On or before April 1, 2026, the* association
4 shall create an automatic payment system and accept automatic
5 payments for premiums from policyholders.

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

9 (c) A policy shall not be canceled or nonrenewed solely because
10 the policyholder is not enrolled in automatic payments, unless the
11 policyholder failed to make the payment within the grace period
12 provided in subdivision (d).

13 (d) If a policyholder fails to timely pay ~~their~~ *any outstanding*
14 *installment* premium, the policyholder shall have a ~~15-day~~ *10-day*
15 grace period to pay the outstanding *installment* premium.

16 ~~SEC. 2. Section 10095.9 is added to the Insurance Code, to~~
17 ~~read:~~

18 ~~10095.9. (a) A policy shall not be canceled or nonrenewed by~~
19 ~~the association solely because the policyholder failed to confirm~~
20 ~~a payment when making a one-time payment on the association's~~
21 ~~internet website, unless the policyholder failed to make the payment~~
22 ~~within the grace period provided in subdivision (b).~~

1 ~~(b) If a policyholder fails to timely pay their premium, the~~
2 ~~policyholder shall have a 15-day grace period to pay the~~
3 ~~outstanding premium.~~

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