

AMENDED IN SENATE JUNE 17, 2025
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 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, 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:~~ *payments*. The bill would provide a 10-day grace period for 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) On or before April 1, 2026, the association shall
4 create an automatic payment system and accept automatic payments
5 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):~~ *payments*.
13 (d) If a policyholder fails to timely pay any outstanding
14 installment premium, the policyholder shall have a 10-day grace
15 period to pay the outstanding installment premium.