



Frequently Asked Questions

What is the FAIR Plan?

The California FAIR Plan Association (FAIR Plan) exists to provide insurance to Californians who cannot find coverage through no fault of their own. We are committed to ensuring all Californians, including those who live in areas threatened by wildfires, have access to basic property coverage and the peace of mind they deserve.

As an insurer of last resort, the FAIR Plan serves as a temporary safety net for property owners until traditional insurance coverage becomes available. FAIR Plan fire insurance policies satisfy mortgage lenders' requirements and protect homeowners against losses in the event of a fire and other named perils, such as vandalism. The FAIR Plan is a private association. It is not a state agency and is not funded by the state or other public agencies.

Who does the FAIR Plan serve?

The FAIR Plan was established following the riots and brush fires of the 1960s to ensure the availability of basic property insurance to consumers when coverage in the voluntary market is unavailable. Like other specialized insurance products, such as the California Earthquake Authority that only provides coverage for earthquakes, the FAIR Plan is tailored to provide basic fire coverage. While the majority of properties covered by FAIR Plan policies are in the wildland urban-interface (WUI), roughly 44 percent of FAIR Plan policies cover property in California's urban areas.

How does the FAIR Plan support a healthy insurance market?

Consumers benefit from a competitive insurance market in which they have real choice. The FAIR Plan is not intended to compete with or replace traditional insurers. The FAIR Plan supports policy solutions that strengthen consumer choice and expand competition to help keep insurance rates as low as possible and mitigate the looming insurance unavailability crisis.

The FAIR Plan collaborates with the California Department of Insurance (CDI), the Legislature and stakeholders to meet consumer needs, including an agreement to increase the commercial coverage limit to \$20 million per location, legislation to extend coverage to farm risks and wineries, and, pending CDI approval, new home hardening discounts for policyholders.

How do customers purchase a FAIR Plan policy?

California property owners should work with a broker to seek available coverage in the voluntary insurance market before turning to the FAIR Plan. If coverage is not available, a broker will help determine the appropriate amount of basic property coverage needed and submit an application to the FAIR Plan. Brokers may also secure a "Difference in Conditions" policy which, in combination with a dwelling policy from the FAIR Plan, can provide the equivalent to a traditional homeowners insurance policy. Customers in need of a broker can reference the FAIR Plan's "Find a Broker" tool at www.cfpnet.com.