

ASSEMBLY BILL

No. 1875

Introduced by Assembly Member Wood
(Principal coauthor: Assembly Member Aguiar-Curry)
(Coauthor: Assembly Member Levine)
(Coauthors: Senators Dodd and McGuire)

January 16, 2018

An act to add Section 10103.6 to the Insurance Code, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1875, as introduced, Wood. Residential property insurance.

Existing law requires specified disclosures to be made with the issuance or renewal of a policy of residential property insurance.

This bill would require an insurer to offer extended replacement cost coverage, as specified, when issuing or renewing, on or after January 1, 2019, a policy of residential property insurance, and would require the insurer to disclose the premium costs for extended replacement cost coverage.

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

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

1 SECTION 1. Section 10103.6 is added to the Insurance Code,
2 to read:
3 10103.6. A policy of residential property insurance shall not
4 be issued or renewed in California on or after January 1, 2019,
5 unless the applicant or insured is offered extended replacement

1 cost coverage in an amount of no less than 50 percent of coverage
2 above the policy limits for the primary dwelling, other structures,
3 contents, and additional living expenses. The offer shall be
4 accompanied by a disclosure of the premium cost for each
5 additional coverage amount.

O