

AMENDED IN ASSEMBLY APRIL 17, 1995

CALIFORNIA LEGISLATURE—1995–96 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1366**

**Introduced by Assembly Member Knowles**

February 23, 1995

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An act to amend Section ~~10081~~ 10082 of the Insurance Code, relating to earthquake insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1366, as amended, Knowles. Earthquake insurance.

Under existing law, a policy of residential property insurance may not be issued or delivered or, under certain circumstances, initially renewed by any insurer unless the named insured is offered coverage for loss or damage caused by an earthquake *to all insured property*, as specified.

This bill would ~~make a technical, nonsubstantive change to these provisions~~ *require an insurer to offer earthquake coverage only on the primary dwelling insured by the policy, excluding the dwelling contents and appurtenant structures.*

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 10081 of the Insurance Code is~~
- 2 *SECTION 1. Section 10082 of the Insurance Code is*
- 3 *amended to read:*

1 10082. The offer required by Section 10081 shall  
 2 include coverage against risk of loss or damage from the  
 3 peril of earthquake on ~~all property~~ *the primary dwelling,*  
 4 *excluding contents and appurtenant structures,* insured  
 5 by the policy of residential property insurance. The  
 6 earthquake coverage shall be in accordance with the  
 7 insurer's rules and rating plan, provided, however, that  
 8 nothing contained in this chapter shall require an insurer  
 9 to issue a policy of residential property insurance except  
 10 in accordance with the insurer's usual underwriting  
 11 standards. However, ~~such~~ *this* standard shall not permit  
 12 an insurer to provide a policy of residential property  
 13 insurance unless the offer of coverage required by this  
 14 chapter is made.

15 amended to read:

16 ~~10081. No policy of residential property insurance~~  
 17 ~~may be issued or delivered or, with respect to any policy~~  
 18 ~~in effect on the effective date of this chapter, initially~~  
 19 ~~renewed in this state by any insurer unless the named~~  
 20 ~~insured is offered coverage for loss or damage caused by~~  
 21 ~~the peril of earthquake as provided in this chapter. That~~  
 22 ~~coverage may be provided in the policy of residential~~  
 23 ~~property insurance itself, either by specific policy~~  
 24 ~~provision or endorsement, or in a separate policy or~~  
 25 ~~certificate of insurance which specifically provides~~  
 26 ~~coverage for loss or damage caused by the peril of~~  
 27 ~~earthquake alone or in combination with other perils.~~

