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TO: Registered FAIR Plan Brokers

FROM: California FAIR Plan

DATE: Wednesday, May 26, 2021

SUBJECT: California FAIR Plan Clearinghouse

The FAIR Plan is meant to be a **temporary safety net** for homeowners who do not have access to fire insurance from traditional carriers. To assist both brokers and customers in identifying and accessing more insurance options, the California FAIR Plan is establishing a clearinghouse program effective June 5, 2021.

California Insurance Code Section 10095 (i) requires the clearinghouse to:

1. Reduce the association's concentration and number of policies, and to encourage maximum use of the normal insurance market
2. Help reduce the number of existing FAIR Plan policies
3. Provide the opportunity for insurers to offer homeowners' insurance policies to FAIR Plan policyholders.

The statute further provides that the participating insurer must make any offers of homeowners insurance through the policy's listed agent or broker of record, if any. The FAIR Plan is also permitted to make this data available to non-admitted insurers after admitted insurers have the first option.

Beginning June 5<sup>th</sup>, the FAIR Plan policy data will be available to admitted insurers that have become Participating Insurers under the FAIR Plan Clearinghouse Program. After thirty days, the FAIR Plan will make this same information available to non-admitted insurers.

Customer contact data will not be provided in the database.

This process may offer your policyholders options for coverage through the normal insurance market, while supporting your efforts in completing a periodic diligent search for your customers.

Please share this information with everyone in your office who handles FAIR Plan business.

**CONFIDENTIALITY NOTICE:** This document is intended for internal use only by the California FAIR Plan Association (the FAIR Plan) and brokers placing business with the FAIR Plan. Please share this document only with your employees who work with FAIR Plan policyholders.