



Guidance Education Service

# Understanding the California FAIR Plan



The **F**air **A**ccess to **I**nsurance **R**equirements (FAIR) Plan is an association created in the 1960's following major brush fires and riots. It is an insurance pool established to assure the availability of basic property insurance to people who own insurable property in California and who have been unable to obtain insurance in the standard insurance market.

Each insurer contributes to the association based on the amount of premium they write in California. The FAIR Plan provides insurance as a last resort and should be used only after making a diligent effort to obtain coverage in the voluntary market.

### How does it work?

- ~ The FAIR Plan offers coverage for fire and smoke. It can also cover windstorm, hail and vehicles if you choose that coverage.
- ~ A companion policy called a Difference in Conditions (DIC) or Wrap Around policy can and should be purchased. Together, the FAIR Plan and DIC Policies provide coverage somewhat similar to a standard homeowners policy.

### Can you give me claim examples?

- ~ Kitchen fire: The FAIR Plan would respond
- ~ Forest fire or fire storm: The FAIR Plan would respond
- ~ Wind damages your roof: The FAIR Plan would respond if coverage was added
- ~ Dishwasher or plumbing leak: A Homeowners or DIC would respond (if covered)
- ~ An old, rotted oak tree falls on your house: A Homeowners or DIC would respond
- ~ Roof leaks: A Homeowners or DIC would respond
- ~ Someone breaks into your house and steals your belongings: A Homeowners or DIC would respond
- ~ You say something on Social Media, someone is offended and sues you for slander: A Homeowners or DIC may respond
- ~ Someone falls and is hurt at your home: A Homeowners or DIC would respond

**The FAIR Plan does not have the same robust coverage that a standard Homeowners policy may have, such as Replacement Cost, Other Structures, Trees/Plants, Loss Assessment, Evacuations Expenses (and much more).**



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