BAXTER INSURANCE AGENCY · HOMEOWNERS IN CALIFORNIA

Admitted or non-admitted? What the difference really means for your home.

"Non-admitted" is a licensing term, not a quality rating. Here's the honest side-by-side, including the one trade-off that matters.

	Admitted company	Non-admitted company
What it means	Licensed by the California Department of Insurance as an "admitted" insurer.	Allowed to insure California homes under a different set of state rules, as a "surplus line" insurer. It has to be on the state's list of approved surplus line companies.
Who sets the price and policy wording	The state reviews and approves them.	The company sets its own. That flexibility is why it can often cover homes the standard companies are turning away.
If the company goes out of business	The California Insurance Guarantee Association steps in to pay covered claims, up to limits set by state law.	**No state guarantee fund.** This is the real difference. It's why we look at the company's financial strength rating before we recommend one.
What's on your bill	Your premium and standard fees.	Your premium, plus a state surplus lines tax (about 3%) and a small stamping fee, listed separately.
Paperwork	A standard application.	You'll sign a state-required notice saying the company is non-admitted. Every surplus line policy in California comes with one.
Who it usually fits	Homes that meet the company's standard guidelines.	Homes standard companies won't take right now: high fire areas, older roofs or wiring, prior claims, or a higher rebuild cost.

How we handle it

1. We check standard (admitted) companies first.
2. If a non-admitted company is the better fit, or the only one, we explain the difference before you choose.
3. We check the company's financial strength and walk through the policy with you, line by line.

The bottom line

Non-admitted doesn't mean unlicensed or illegal. It means a different set of state rules, with one real trade-off: no state guarantee fund. Knowing that, you can make the choice that fits your home.

Not sure which one you have?

Send us your declarations page. We'll tell you, and what it means for you.

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