

LEGISLATIVE UPDATES

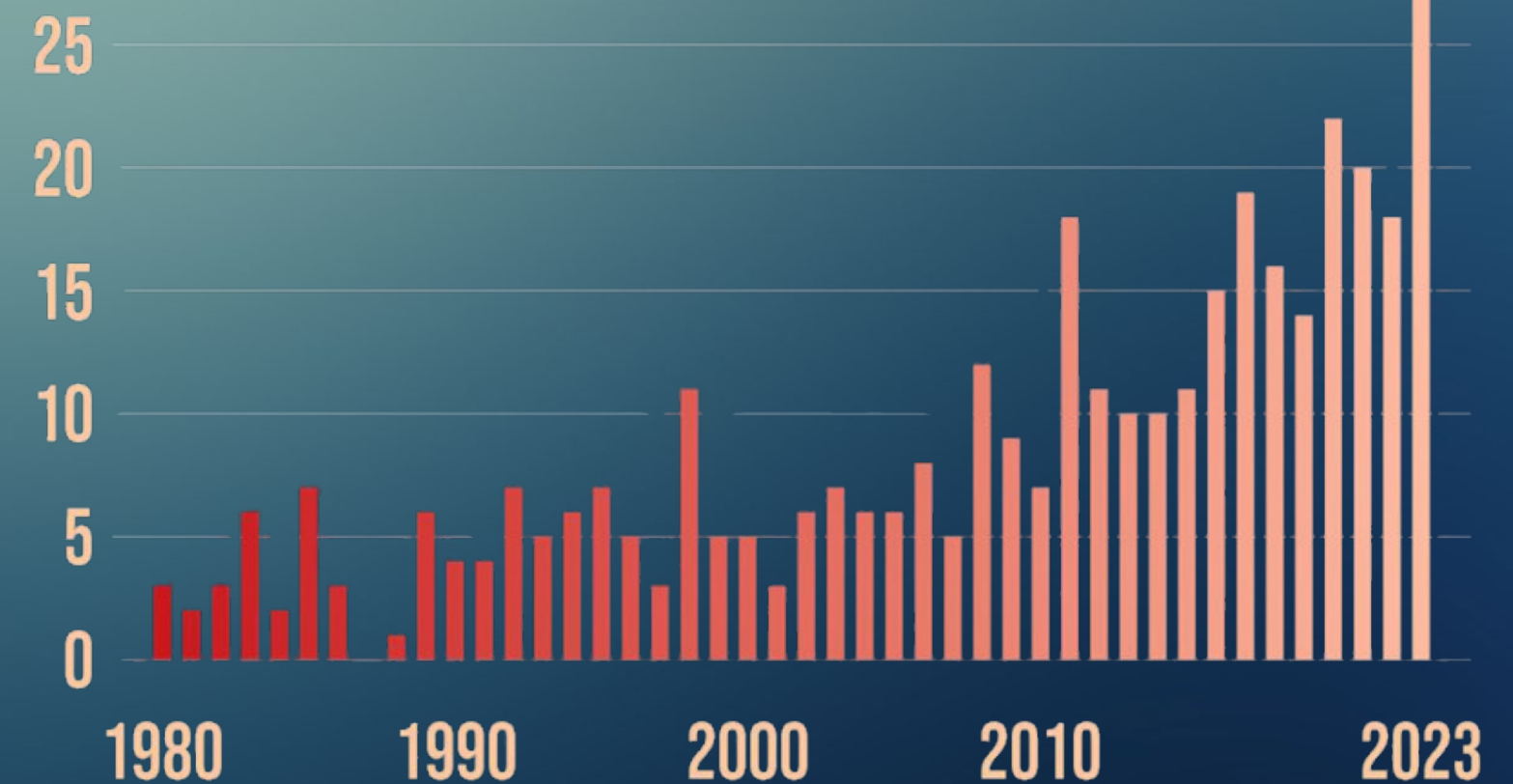


INSURANCE MARKET CONTEXT

- Growing intensity and severity of climate events
- Historic inflation
- Rising cost of reinsurance
- Fewer insurance options
- Accelerated growth of the FAIR plan

U.S. BILLION-DOLLAR DISASTERS

Annual number of events



No disasters in 1987. Data as of 1/9/2024.
Source: NOAA/NCEI

CLIMATE  CENTRAL

SAFER FROM WILDFIRES (2022)

Mandates insurers offer premium discounts for homeowners implementing wildfire mitigations while rewarding risk reduction.



SUSTAINABLE INSURANCE STRATEGY (2023 - 2024)

Uses catastrophe modeling for precise wildfire risk pricing, factoring in mitigation at property, community, and landscape scales to ensure market stability.



CALIFORNIA SAFE HOMES GRANT PROGRAM (2025)

Grants for low-income homeowners in high fire hazard severity zones to fund defensible space and home hardening.

MAKE IT FAIR ACT

AB 1680

- **Mandates compliance** with Insurance Commissioner recommendations from exams and operational reports, within set timelines.
- **Imposes fees for violations** (with due process via hearings and appeals).
- **Comprehensive coverage options** which requires the FAIR Plan to offer a more robust homeowners policy, reducing the need for separate policies for basics like liability and water damage.
- **Boosts accountability, consumer protections, and pathways** to shift policyholders back to voluntary markets.

DISASTER RECOVERY REFORMACT

SB876 (protections after a declared emergency)

- Requires Insurer to have a “Disaster Recovery Plan” for claims handling and meeting timelines
- Doubles penalties on unfair claims practices
- Mandates insurers to pay direct restitution to policyholders when they violate the law.
- Requires 5 - days status update when a new adjuster is assigned
- Expands Additional Living Expenses to 100% of policy limits
- Expands up - front payments, payable with interest if late.

DISASTER RECOVERY REFORMACT

SB876 Proposed Bill (protections after a declared emergency)

- M a n d a t o r y R e p l a c e m e n t C o s t O p t i o n s that require updated replacement cost estimates on new and renewal policies.
- S a f e r R e b u i l d i n g S t a n d a r d s that apply mandatory building code upgrade coverage at the time of rebuilding, so homes meet current codes after a loss.

SMOKE DAMAGE RECOVERY ACT

SB 1795 Proposed Bill

- **Establishing science-based, health-driven standards** for inspection, testing, and restoration of smoke-damaged homes.
- **Creating uniform insurance claims-handling** practices and required restoration protocols.
- **Developing health-based guidelines** to determine when a home is safe for families to return.
- **Designating the appropriate state and local agencies** to implement and enforce these standards.
- **Providing immediate relief** by allowing survivors to rely on local public health standards for smoke testing and restoration while statewide standards are being finalized.

CALL TO ACTION

SUPPORT AB 1680, SB 1795, &
SB 876

and strengthen insurance
protections for Californians.

<https://bit.ly/CDILegAction>



CONSUMER ALERTS

**STAY INFORMED
SIGN UP!**



NEW REGULATIONS,

**CONSUMER SAFETY
EDUCATION,**

FRAUD PREVENTION,

**UNFAIR AND DECEPTIVE
BUSINESS PRACTICES,**

INSURANCE ISSUES

STATEWIDE EDUCATION SERIES



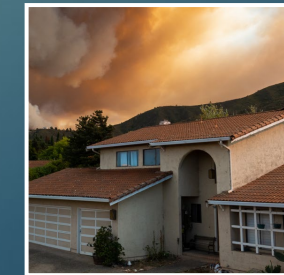
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your constituents.

qrco.de/CDI2026

TOPICS & DATES



April 22
**Life, Annuities &
Seniors**



June 17
**Residential
Insurance**



August 19
**Health
Insurance**



October 21
**Business
Insurance**

California Department of Insurance

2026 Legislative Priorities

Smoke Damage Recovery Act (AB 1795)

- Sets health standards for smoke testing and restoration.
- Certifies insurers in modern claims handling.
- Triggers immediate aid via local health standards.
- Mandates science-based restoration protocols.

Disaster Recovery Reform Act (SB 876)

- Mandates insurer Disaster Recovery Plans.
- Doubles penalties for unfair practices; requires direct restitution.
- Boosts Living Expenses by 100% with mandatory up-front payments.
- Updates replacement costs to meet current building codes.

Make It FAIR Act (AB 1680)

- Overhauls FAIR Plan transparency and claims handling.
- Creates a transition path back to the private market.
- Imposes violation fees and mandates CDI compliance.
- Consolidates coverage to eliminate redundant policies.

CALL TO ACTION

We invite your office to join cities and counties statewide in submitting a letter of support for this bill.

<https://bit.ly/CDILegAction>.



CALL TO ACTION

EXPANDING WILDFIRE SAFETY EFFORTS

Strengthen California Homes Grant Program (in process):

- Provides grants for low-income homeowners in high fire hazard zones for Zone 0 and Class A roofing improvements.

Sustainable Insurance Strategy (2023–2024):

- Expands coverage using catastrophe modeling to reflect property and community mitigation efforts.

Safer from Wildfires (2022):

- Mandates premium discounts (4–40%) for mitigated homes with wildfire standards.



LEARNING SERIES



CONSUMER ALERTS



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CALIFORNIA DEPARTMENT OF INSURANCE
COMMUNITY RELATIONS & OUTREACH BRANCH

INSURANCE MADE CLEAR: 2026 CONSUMER LEARNING SERIES

FREE INSURANCE EDUCATION SERIES: PROTECTING WHAT MATTERS MOST

The California Department of Insurance invites you to join our free statewide webinar series designed to help consumers better understand important insurance topics. Each session features experts who will answer questions and provide helpful information and resources so you can make informed decisions for yourself and your family.



🕒 6:00 PM - 7:00 PM

Register using the
QR code or visit
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TOPICS & DATES



February 18
Auto
Insurance



April 22
Life,
Annuities
& Seniors



June 17
Residential
Insurance



August 19
Health
Insurance



October 21
Business
Insurance