

Date of Hearing: April 22, 2026

ASSEMBLY COMMITTEE ON INSURANCE
Lisa Calderon, Chair
AB 1795 (Gipson) – As Amended April 16, 2026

SUBJECT: Smoke Damage Recovery Act

SUMMARY: Requires the California Environmental Protection Agency (CalEPA) to create, on or before June 30, 2027, statewide testing standards for smoke damage, and sets up a smoke claim process under the California Department of Insurance (CDI). **Specifically**, this bill:

- 1) Requires CalEPA, in coordination with other state agencies and local public health departments, as necessary, to develop health-based standards for required sampling, testing, and chemical screening levels for residential properties that have sustained smoke damage as a result of a wildland urban interface (WUI) fire or urban conflagration, similar in scope to the "Residential soil evaluation: Guidance for the 2025 Los Angeles Wildfires" document developed by the Department of Toxic Substances Control (DTSC) and Department of Resources, Recycling and Recovery (CalRecycle); requires the standards to include required parameters and thresholds for prerediation testing, postremediation testing, and clearance of a residential property for habitation after remediation is completed; and, requires CalEPA to consult with agencies that include, but are not limited to, DTSC, the Office of Environmental Health Hazard Assessment (OEHHA), California Air Resources Board (CARB), California Department of Public Health (CDPH), and air pollution control districts, as necessary.
- 2) Provides that CalEPA's requirements consider differences, where appropriate, based on the distance of a residential structure from the fire perimeter; requires the following default zones to be used:
 - a) High-impact zone;
 - b) Moderate-impact zone; and,
 - c) Low-impact zone.
- 3) Requires, if applicable, standards to be more stringent for the high-impact zone and less stringent for the moderate- and low-impact zones.
- 4) Authorizes CalEPA, the Department of Forestry and Fire Protection (CAL FIRE), or a city or county public health or safety agency to designate a smoke exposure zone for a specific wildfire.
- 5) Requires, if a smoke exposure zone is designated that the smoke exposure zone supersede CalEPA's default high-, moderate-, and low-impact zones, and that the requirements applicable to the high-impact zone apply within the smoke exposure zone.
- 6) Provides that CalEPA's requirements shall consider, where appropriate, whether certain wildfire smoke byproducts and associated hazardous substances dissipate with the passage of time.

- 7) Requires CalEPA and CAL FIRE to adopt regulations, as may be necessary to implement the above requirements, or make them more specific.
- 8) Authorizes CalEPA to impose requirements pertaining to a specific wildfire, including requirements for the identification of additional WUI or urban conflagration contaminants, additional minimum sampling and testing recommendations or requirements, or additional chemical screening levels for residential properties that have sustained smoke damage; provides that these requirements, pertaining to a specific wildfire, shall be exempt from specified state laws that govern rulemaking.
- 9) Authorizes CalEPA, as an interim measure before the adoption of the regulations, to impose sampling, testing, and chemical screening requirements pertaining to a specific wildfire that a person involved in the inspection, evaluation, testing, or remediation process shall comply with, including in an open, pending, or disputed insurance claim; provides that these interim measure requirements shall be exempt from specified state laws that govern rulemaking and become inoperative upon adoption of the regulations.
- 10) Defines "fire perimeter" as the footprint or entire outer boundary of a burned area as a result of a WUI fire or urban conflagration, as determined and mapped by CAL FIRE.
- 11) Defines "high-impact zone" as the area within the fire perimeter and within six miles from the fire perimeter, or the area within a smoke exposure zone designated for a specific wildfire.
- 12) Defines "moderate-impact zone" as the area within six miles to 12 miles from the fire perimeter, or within six miles from a smoke exposure zone designated for a specific wildfire.
- 13) Defines "low-impact zone" as the area greater than 12 miles from the fire perimeter, or the area greater than six miles from a smoke exposure zone designated for a specific wildfire.
- 14) Defines "person" as an individual, insurance company, association, organization, partnership, business trust, limited liability company, or corporation.
- 15) Defines "restoration of the property to preloss condition" as the removal of smoke damage residues, combustion byproducts, chemicals, contaminants, and odor caused by wildfire smoke exposure through remediation of the property, including structural elements, building systems, contents, and indoor environment, to the same condition that existed before exposure.
- 16) Defines "smoke damage" as exposure of residential property or its contents to wildfire smoke, combustion byproducts, and the chemicals and contaminants contained within the wildfire smoke.
- 17) Defines "smoke exposure zone" as the area exposed to significant settled, fine particulate residue, including soot, char, and ash, carried by a smoke plume and winds after a WUI fire or urban conflagration, as designated by CalEPA, CAL FIRE, or a city or county public health or safety agency.
- 18) Defines "urban conflagration" as a massive, uncontrollable fire, regardless of cause, that spreads rapidly from building to building through densely populated, developed areas,

typically overwhelming fire suppression resources, and that has been designated and declared in a state of emergency, as specified; specifies that these fires are typically fueled by high winds, structural density, and flammable materials, often transitioning from WUI fires into surrounding communities.

- 19) Defines "wildfire" as a WUI fire, or an urban conflagration, that has been designated and declared a state of emergency, as specified.
- 20) Defines "wildland-urban interface fire" as a fire, regardless of cause, in the zone of transition between unoccupied land and human development, including the area or zone where structures and other human development meet or intermingle with undeveloped wildland or vegetative fuels, creating significant fire risk to developed areas and a significant number of structures, that has been designated and declared a state of emergency, as specified.
- 21) Requires CalEPA, by January 1, 2028, to consult with CDI, CDPH, the Department of Industrial Relations, Contractors State License Board, State Water Resources Control Board (State Water Board), and any other state or local government agency, as may be necessary, to establish training and certification requirements for a person who inspects, evaluates, samples, tests, analyzes, or restores residential properties that have sustained smoke damage as a result of a WUI fire or urban conflagration, including industrial hygienists, restoration professionals, and laboratories; requires the requirements to be tailored to each category of persons, depending on their role with regard to wildfire smoke damage.
- 22) Requires CalEPA to promulgate regulations, if necessary, to implement, administer, and enforce the training and certification requirements, establish rules for noncompliance, and determine which entity or entities will have jurisdiction over the different categories of persons subject to the requirements; requires these regulations to establish certification fees; provides that these fees shall be established at levels that do not exceed an amount sufficient to cover administration and enforcement costs; and requires fees to be deposited into the Wildfire Remediation Certification and Training Fund, established to support the above activities.
- 23) Prohibits an insurer from terminating coverage for additional living expenses for a covered smoke damage claim submitted under a policy of residential property insurance, as a result of a WUI fire or urban conflagration that is declared a state of emergency, as specified, until the property has been cleared for habitation pursuant to the CalEPA guidance.
- 24) Provides that, in addition to the CalEPA guidance if a local or state public health department, environmental agency, or any other government agency with jurisdiction over the area where a wildfire has occurred issues a public notice, bulletin, or advisory that provides explicit guidance pertaining to a specific wildfire—including identifying specific WUI or urban conflagration contaminants, minimum sampling and testing recommendations, and chemical screening levels for residential properties that have sustained smoke damage—then that guidance shall also apply to claims under residential property insurance, as specified, using the same tiered sampling and testing recommendations for each zone developed by CalEPA.
- 25) Provides that, until CalEPA develops the guidance, if a local or state public health department, environmental agency, or any other government agency with jurisdiction over the area where a wildfire has occurred issues a public notice, bulletin, advisory, or guidance that describes specific standards for sampling, testing, and chemical screening levels for

residential smoke damage and restoration pertaining to a specific wildfire, then those standards shall apply to a person involved in the inspection, evaluation, testing, and restoration process, including in open, pending, or disputed insurance claims for that specific wildfire.

- 26) Requires an insurer to be responsible for covering the cost of the sampling and testing required pursuant to AB 1795, as specified, subject to the terms and provisions of the policy, specified conditions and limitations, and all of the following rebuttable presumptions:
- a) For residential properties in the high-impact zone: a rebuttable presumption that there is significant smoke damage exposure from the wildfire; requires the smoke damage claim to be classified as high impact for purposes of the type of inspection, evaluation, and testing it receives;
 - b) For residential properties in the moderate-impact zone: a rebuttable presumption that the property shall initially be classified as moderate impact for purposes of the type of inspection, evaluation, and testing, if applicable, it receives; and,
 - c) For residential properties in the low-impact zone: a rebuttable presumption that the property shall initially be classified as low impact for purposes of the type of inspection, if any, and evaluation it receives.
- 27) Provides that AB 1795 does not preclude an insurer from covering sampling and testing that exceeds AB 1795's requirements.
- 28) Requires that all of a specified list of conditions apply to covered smoke damage claims resulting from a WUI fire or urban conflagration that is declared a state of emergency, including that, if a smoke damage insurance claim is settled on the basis of a written scope or estimate prepared by or for the insurer, the insurer shall supply the claimant with a copy of each document upon which the settlement is based; requires the estimate to be for an amount that will restore the damaged property to no less than its condition before the loss and allow for restoration to be completed in a manner that meets or exceeds the CalEPA guidance and accepted trade and industry standards for the specific work being performed.
- 29) Requires that a specified list of conditions and limitations apply to covered smoke damage claims resulting from a WUI fire or urban conflagration that is declared a state of emergency, including the following:
- a) Notice of the claim shall be provided to the insurer within 120 days after the wildfire has reached 100% containment, as determined by CAL FIRE; an insurer shall provide an insured, or insured's representative, additional extensions of this time period for good cause if the insured, acting in good faith and with reasonable diligence, encounters a delay in providing notice of the claim that is beyond the control of the insured; provides that circumstances beyond the control of the insured may include either of the following, if applicable to the specific claim: the death, disability, injury, or incapacity of the insured; or, the inability of the insured to access the insured property as a result of governmental action or because the property is located in an area that is exposed to hazardous materials posing a health risk; and,

- b) If notice of the claim is given to an insurer later than the time period specified above, then the claim may be subject to a sublimit of no less than 10% of the policy limits, as specified.
- 30) Provides that specified provisions in AB 1795 apply to all policies of residential property insurance issued, amended, or renewed on or after AB 1795's operative date.
- 31) Requires CDI, by January 1, 2028, to develop training and certification programs, as specified, for insurance adjusters and public insurance adjusters in inspecting, evaluating, sampling, or testing smoke damage caused by a WUI fire or urban conflagration in residential properties on behalf of insurers, and to implement and enforce these programs, as specified.
- 32) Authorizes CDI to adopt regulations as necessary to implement specified provisions under AB 1795.
- 33) Contains an urgency clause.
- 34) Makes findings and declarations.

EXISTING LAW:

- 1) Provides that a fire perimeter is determined by CAL FIRE in consultation with the Office of Emergency Services (CalOES). Subsequently, CAL FIRE must provide the Insurance Commissioner with data describing the fire perimeter so that the Commissioner may determine which ZIP Codes are within or adjacent to the fire perimeter. The Commissioner must then issue a bulletin to inform insurers which ZIP Codes are subject to a one-year moratorium. (Insurance Code, Section 675.1)
- 2) Defines "state of emergency" as the duly proclaimed existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions such as air pollution, fire, flood, storm, epidemic, riot, drought, cyberterrorism, sudden and severe energy shortage, electromagnetic pulse attack, plant or animal infestation or disease, the Governor's warning of an earthquake or volcanic prediction, or an earthquake, or other conditions, other than conditions resulting from a labor controversy or conditions causing a "state of war emergency," which, by reason of their magnitude, are or are likely to be beyond the control of the services, personnel, equipment, and facilities of any single county, city and county, or city and require the combined forces of a mutual aid region or regions to combat, or with respect to regulated energy utilities, a sudden and severe energy shortage requires extraordinary measures beyond the authority vested in the Public Utilities Commission. (Insurance Code, Section 2051.5; Government Code, Section 8558)
- 3) Establishes the Hazardous Waste Control Law (HWCL) to authorize DTSC to regulate the management of hazardous wastes in California. (Health and Safety Code (HSC) Section 25100, *et seq.*)
- 4) Defines "hazardous waste" as waste, that, because of its quantity, concentration, or physical, chemical, or infectious characteristics:

- a) Causes, or significantly contributes to, an increase in mortality or an increase in serious irreversible, or incapacitating reversible, illness; or,
 - b) Poses a substantial present or potential hazard to human health or the environment, due to factors including, but not limited to, carcinogenicity, acute toxicity, chronic toxicity, bioaccumulative properties, or persistence in the environment, when improperly treated, stored, transported, disposed of, or otherwise managed. (HSC Section 25141(b))
- 5) Requires DTSC, under the HWCL, to adopt, and revise when appropriate, standards and regulations for the management of hazardous wastes to protect against hazards to public health, domestic livestock, wildlife, or the environment. (HSC Section 25150)
 - 6) Establishes DTSC's Toxicity Criteria for Human Health Risk Assessments, Screening Levels, and Remediation Goals (Toxicity Criteria Rule) for hazardous waste and hazardous substance cleanup sites; requires, among other things, that human health risk assessment calculations—including, but not limited to, all cancer risk and non-cancer hazard screening levels and corrective action objectives—use the toxicity criteria specified under the Toxicity Criteria Rule and attain human health protection, as specified. (22 California Code of Regulations (CCR) Section 68400.5).
 - 7) Specifies, under the Toxicity Criteria Rule, criteria for all human health risk assessments, human health risk-based screening levels, and human health risk-based remediation goals statewide, for the cleanup of releases of hazardous waste or hazardous substances to the environment. (22 CCR Section 69020-69022)
 - 8) Defines, under DTSC's health standards for the management of hazardous waste, "remediation goal" to mean a contaminant concentration that is media-specific (e.g., for air, groundwater, surface water, or soil affected by a release), site-specific, protective of human health and the environment, and used as a final cleanup goal for a response or corrective action. (22 CCR Section 69020(c)(5))
 - 9) Defines, under DTSC's health standards for the management of hazardous waste, "screening level" to mean a risk-based, contaminant concentration, calculated as specified and considered to be protective for humans (including sensitive groups) over a lifetime. (22 CCR Section 69020(c)(6))
 - 10) Requires DTSC to develop sampling and analytical methods for the collection of methamphetamine residue; requires DTSC, to the extent funding is available, to develop health-based target remediation standards for iodine, methyl iodide, and phosphine; authorizes DTSC, to the extent funding is available and using guidance developed by OEHHA, to develop additional health-based target remediation standards for additional precursors and byproducts of methamphetamine; requires DTSC to adopt investigation and cleanup procedures for use in the remediation of sites contaminated by the illegal manufacturing of methamphetamine; requires the procedures to ensure that contamination can be remediated to meet DTSC's remediation standards, to protect the health and safety of all future occupants of the site. (HSC Section 79380)
 - 11) Establishes the federal Toxic Substances Control Act (TSCA), which, among other things, empowers the United States Environmental Protection Agency (US EPA) with the authority

to require reporting, record-keeping, and testing requirements, and restrictions relating to chemical substances and mixtures. (15 U.S.C. Section 2601, *et seq.*)

- 12) Establishes, under TSCA, dust-lead hazard standards, post-abatement clearance levels, and abatement requirements for lead-based paint in certain residential structures. (40 Code of Federal Regulations (CFR) Section 745.61, *et seq.*)

FISCAL EFFECT: Unknown.

COMMENTS:

- 1) *Purpose for the bill:* According to the author: "AB 1795 creates a consistent statewide framework for handling wildfire smoke damage insurance claims which would be the first in the nation. This bill would require that homes contaminated after a wildfire are properly evaluated and restored to a safe and habitable condition—and hold insurance companies accountable when standards are not met. Right now, the absence of statewide standards has created confusion, unfair claims handling, and uncertainty for families already coping with unimaginable losses. Consumer protection is my number one priority, and establishing clear rules will ensure that homeowners are protected and survivors can safely move back into their restored homes knowing they do not face life-long health risks. After a wildfire, recovery should not depend on a homeowner's ability to navigate complex insurance disputes while their life is already turned upside down. More than a year after the most devastating fires Los Angeles has ever seen, there is no reason to delay. I am dedicated to swift passage of AB 1795, the Smoke Damage Recovery Act, to pave the way for a better process that insurance policyholders can rely upon."
- 2) *Wildfires are increasing in frequency and severity:* According to CARB, the frequency and severity of wildfires have been increasing, both in the state and all over the world. Since 1950, the area burned annually by California wildfires has grown, as spring and summer temperatures increase and spring snowmelt occurs earlier. CAL FIRE data show that four out of the five most destructive wildfires in California history happened in just the last 10 years. In 2025, the Eaton and Palisades fires in Los Angeles County destroyed over 16,000 structures and burned 38,000 acres combined; in 2018, the Camp Fire in Butte County destroyed nearly 19,000 structures and burned 153,000 acres; and in 2017, the Tubbs Fire in Napa and Sonoma counties destroyed more than 5,500 structures and burned nearly 37,000 acres.

When fires in the WUI burn into densely populated areas, wildfires can transition into urban conflagrations, in which fires spread rapidly from structure-to-structure. In the wake of these fires, both the interiors and exteriors of structures can become polluted by smoke residue, ash, and debris, which in turn can contain toxic chemicals. Emerging science points to the presence of toxic chemicals after WUI fire events. In the wake of the Eaton and Palisades fires, researchers from multiple research institutions—including Harvard University; the University of Southern California; Stanford University; the University of California (UC), Davis; UC, Irvine; UC, Los Angeles; the University of Texas at Austin; and Yale University—launched a collective scientific effort to investigate the short- and long-term health impacts of the fires. The 10-year study, called the LA Fire Health Study, aims to evaluate the types, levels, locations, and human health impacts of pollutants associated with the fires. So far, the collaborative has reported, through a series of briefs, the discovery of several types of concerning chemicals inside and outside of structures, including volatile

organic compounds (VOC) in indoor and outdoor air; chromium-6 in outdoor air; and benzene and other VOCs in tap water.

- 3) *AB 1795*: This measure was previously heard in the Assembly Environmental Safety & Toxic Materials Committee, therefore this analysis will focus on those issues that fall under the Assembly Insurance Committee jurisdiction.

The Pacific Palisades and Eaton wildfires highlighted a number of weaknesses. AB 1795 attempts to address a major weakness: the absence of statewide smoke damage standards for residential properties damaged by smoke exposure from wildfire. The fall out of these fires highlighted that each insurer approaches smoke damage claims differently and on a case-by-case basis. The statewide standards established under AB 1795 would include standards for inspection, testing and remediation for residential properties. The measure also provides protocols for admitted insurers to follow in relation to smoke damage. Additionally, AB 1795 creates training and certification requirements for professionals involved in smoke-damage assessment and cleanup.

Two points in AB 1795's finding and declarations are important to highlight because they get to the purpose of this bill:

“While all property insurance policies that cover the peril of fire also cover smoke damage resulting from fire, the extent to which insurance companies are covering the remediation and restoration of properties has been inconsistent, and many residents are concerned that they will incur significant financial burden to remediate and restore their properties on their own.

While remediation of smoke damage is made more challenging due to the varying severity of smoke inundation on the exterior and interior of properties, consistent standards are vitally needed regarding the inspection, testing, and remediation of smoke damage on residential properties after a fire so that the Department of Insurance is able to enforce insurance companies' remediation obligations and so that residential properties are rendered safe and habitable and restored to preloss condition.”

California would be the first state to create and implement statewide smoke damage standards should this measure become law.

- 4) *Smoke Damage Claim Litigation and Challenges*: A number of lawsuits are still pending around smoke damage claims, but even case law does not provide a clear pathway to how best to approach smoke damage.
- *LA wildfire victims vs. Los Angeles Department of Water and Power*: Lawsuit alleges that utility-caused fires led to widespread smoke contamination.
 - A number of homeowner lawsuits against insurers: numerous individual and class-style actions alleging improper denial or underpayment of smoke damage claims. Environmental contamination lawsuits: cases involving toxic debris, ash, and smoke particulates after major fires (e.g., Camp Fire, Marshall Fire)
 - *Bottega, LLC v. National Surety Corp.* (N.D. Cal. Jan. 10, 2025): A Napa Valley restaurant contaminated by smoke from the 2017 North Bay Fires sought coverage.

Court ruled for the policyholder, finding smoke and soot infiltration could constitute covered physical loss.

- *Gharibian v. Wawanesa* (Cal. Ct. App. Feb. 7, 2025) Homeowners filed a claim after the 2019 Saddle Ridge Fire caused extensive smoke and ash contamination. Court ruled for the insurer, holding that contamination did not constitute “demonstrable, physical alteration.”

In December 2025, the *New York Times* (NYT) article "How did this family end up back in a toxic house?" reported findings from an investigation, in which the NYT asked a family impacted by the Eaton Fire for permission to have a certified professional test for lead and other heavy metals in each room of their house, and to submit strands of hair so scientists could measure the family's exposure to metals over time. The family's home had already undergone cleaning recommended by their insurance company, which included ripping out their attic insulation; vacuuming and mopping their floors; wiping countertops and other surfaces; laundering carpets and drapes; and using air scrubbers in every room. The readings, taken a month after the family had moved back into their home, showed that six out of 11 samples collected in the house had "unsafe levels of contaminants, including extremely high levels of lead." The NYT also found that readings for lead on the floor next to the refrigerator and where the kitchen tile met the dining room floor were 27 times and seven times, respectively, the federal hazard limit for lead established under the US EPA's lead-based paint program. In addition, the investigation found a lead level near 8,000 $\mu\text{g}/\text{ft}^2$ in a sample taken from the HVAC in the attic. For context, the US EPA's action levels—the level at which the US EPA recommends abatement under its lead-based paint program—for lead in dust on floors, window sills, and window troughs are 5 $\mu\text{g}/\text{ft}^2$, 40 $\mu\text{g}/\text{ft}^2$, and 100 $\mu\text{g}/\text{ft}^2$, respectively. Hair samples from the family showed "measurable spikes in heavy metals after [the family] returned to the home in August, indicating a period of elevated exposure."

The article referenced above highlights the complexities of smoke damage and how challenging it may be as it relates to an insurance claim.

Furthermore, the California FAIR Access to Insurance Requirements (FAIR) Plan is a good example of the challenges that CDI faces in regards to smoke damage. In 2017, the FAIR Plan redefined “direct physical loss” to require “permanent physical changes” to the property, which leads us to today. On June 27, 2025, after 4 years of litigation, the Los Angeles Superior Court ruled in the case of *Alif v. California Fair Plan Association* that several key aspects of a FAIR Plan policy unlawfully restricted coverage compared to the standard fire policy requirements under the California Insurance Code. (Insurance Codes Sections 2070 and 2071)

The issue at hand was the FAIR Plan handling of smoke claims policies, for which "direct physical loss" meant coverage was only available to damage that was perceptible by sight or smell. FAIR Plan policies provide coverage for “direct physical loss,” defined as "any actual loss or physical damage evidenced by permanent physical damages or changes to the covered property caused by smoke damage." The definition of smoke damage includes sudden and accidental physical loss from smoke, including airborne particles like soot, ash, or char debris that are visible to the "unaided human eye", or "odors detectable by the unaided human nose." The policy specifically excludes reliance on laboratory testing or individual subjective senses.

The FAIR Plan policy also contains a unique dispute resolution process for smoke damage claims. Homeowners may choose between two methods. Under Method 1, both sides appoint a neutral party, who jointly select a third person to serve as an umpire. This three-person panel inspects the property and determines by majority vote whether evidence of smoke damage exists. The decision is binding. Alternatively, Method 2 allows for a sole neutral umpire to make the determination, with the parties sharing the cost. If the smoke damage is confirmed through either method but the parties dispute the amount of loss, the claim proceeds to a separate appraisal process governed by the policy's appraisal provision.

The court issued a formal declaration holding that the FAIR Plan policy's definition of "direct physical loss" violated Insurance Code Section 2070 because it provided coverage less favorable than, and not substantially equivalent to, the coverage required by the standard form fire policy.

Following this case, CDI brought action against the FAIR Plan in July 2025 for denying smoke damage claims in the response to the Pacific Palisades and Eaton wildfires. According to CDI data, they received approximately 220 smoke claims complaints related to the FAIR Plan. A number of smoke claims lawsuits were filed in 2025, and have yet to be decided.

- 5) *Statewide smoke Process*: For homes that have burned, CalRecycle and DTSC, along with federal partners, implement a phased approach to clearing properties. Typically, Phase 1 involves the removal of visible household hazardous waste (e.g., batteries, pesticides, paints, building materials that contain asbestos, and e-waste) and Phase 2 includes soil testing and the removal of contaminated debris, ash, and soil. In the case of the Los Angeles fires, the Federal Emergency Management Agency assigned Phase 2 to the U.S. Army Corps of Engineers. California formally requested, but the federal government denied, confirmation soil sampling as part of the debris removal process.

For homes that remain standing but have been impacted by WUI fire smoke and debris, there are no uniform state or federal standards pertaining to investigation, testing, and remediation for indoor chemical hazards. Residents returning to their homes have reported feeling concerned about whether it is safe to do so, as illustrated in the NYT article described above:

"Every day, he vacuums, mops and wipes every surface in his house, which stands on one of the blocks in Altadena, Calif., that survived the flames of the Los Angeles wildfires, but not the smoke.

He works in deliberate lines across the kitchen tile, then along the baseboards, then into the corners where the smoke pooled nearly a year ago—following a map only he can see.

It's the only way to quiet his thoughts: Is it safe for his children, 6-year-old Sylvia and 9-year-old Milo, to walk barefoot on the kitchen tiles? Should he wash the toys they drop on the floor with bleach, or with soap and water? The darkest thoughts are about his wife, Cathlene Pineda, 41, a jazz pianist who is on medication for cancer. If the toxins were in the house, he wonders, could they bring the cancer back?"

In the absence of state and federal health-based standards, various entities have developed professional standards and certifications to guide the work of remediation and testing by contractors and hygienists, as well as recommendations for residents. In August 2025, DTSC

and CalRecycle released their "Residential soil guidance for the 2025 Los Angeles wildfires," which contains screening levels for various soil contaminants (screening levels are used to help determine if the amount of chemicals in a sample indicates a health risk), step-by-step instructions for survivors and local authorities for soil sampling based on property damage levels, information on how to interpret results, and an overview of professional remediation methods. The state has not released similar guidance for indoor contaminants.

- 6) *CDI Action on Smoke Claims:* Following the January 2025 wildfires, CDI issued a bulletin on March 7, 2025([Bulletin 2025-7 Insurance Coverage for Smoke Damage and Guidance for Proper Handling of Smoke Damage Claims for Properties Located in or near California Wildfire Damage](#))to all admitted insurers providing “guidance for proper handling of smoke damage claims for properties located in or near California wildfire areas.” The bulletin replayed CDIs expectations with regard to how insurance companies process and pay smoke damage claims as a result of wildfires. More specifically, CDI stated “whether a particular smoke damage claim is covered depends on the specific policy language and the unique facts of each claim.”

The Smoke Claims and Remediation Task Force: In May 2025, out of recognition that California needs consistent statewide standards for investigating and paying smoke damage claims, CDI established the Smoke Claims and Remediation Task Force (Task Force). The Task Force was charged with:

- Evaluating existing methods of best practices and recommending uniform standards for inspecting, testing, and remediating properties with smoke damage;
- Recommending standards for determining whether structures damaged are below, at, or above, established levels for health and safety of occupants; and,
- Determining which state and local government agencies must be involved in creating and enforcing these standards, including to mitigate the submission of fraudulent or exaggerated smoke claims.

In July 2025, CDI announced appointments to the Task Force. The Task Force was comprised of representatives from CDI, CDPH, the Los Angeles County Department of Public Health, CAL FIRE, United Policyholders, the Consumer Federation of California Education Foundation; Safeguard EnviroGroup, Inc.; Anderson Group International; HRA Environmental Consultants, Inc.; Forensic Analytical Consulting Services; Personal Insurance Federation of California; and the American Property Casualty Insurance Association.

On March 9, 2026, CDI released the Task Force's findings in a report. The report documents presentations the Task Force heard, materials the Task Force reviewed, and Task Force discussions, including differing perspectives on how smoke damage and contaminants should be addressed in the wake of WUI fires and urban conflagrations. The Task Force heard from numerous stakeholders, including impacted homeowners and survivor groups, consumer advocates, academics, industrial hygienists, restoration specialists, local and state public health experts, insurance industry representatives, an attorney on behalf of policyholders, and an attorney on behalf of the insurance industry.

According to the report, the topic that elicited the most discussion involved a "tiered classification" concept, which posited that "the degree of smoke damage to an impacted home varies by the density of smoke in the area, direction of the wind, proximity of the home to the wildfire burn zone, duration of the fire, characteristics of the home, and other factors." With this concept in mind, the Task Force discussed a potential framework comprised of an "objective standard," based on the distance of homes from the fire perimeter, and a "wildfire-specific standard," based on designation of an "ash zone," defined as the area covered by settled, fine particulate residue, including soot, char, and ash carried by a smoke plume and winds.

AB 1795 adopts a tiered impact zone framework in which homes are designated as being in a particular impact zone (high, moderate, or low) based on pre-determined distances from the fire perimeter; or designated as being inside or outside of a smoke exposure zone (defined as an area exposed to soot, char, and ash carried by a smoke plume and winds), which may be established after a wildfire event by CalEPA, CAL FIRE, or a city or county public health or safety agency. According to CDI, the aim of this tiered framework is to ensure that there are "default" standards available for immediate implementation in the wake of a WUI fire or urban conflagration (achieved through the impact zone approach), while allowing for flexibility via an alternative approach (the designation of a smoke exposure zone) in cases where major wind events disperse contaminants in ways that cannot be captured by the default impact zones.

While there was consensus among some Task Force members that this approach held potential, some raised questions and concerns. According to the Task Force Report, CDPH asserted that "the proposed mileage cutoffs for defining high, moderate, and low impact zones [were] somewhat arbitrary and [lacked] justification and that although they [appeared] to be based on the distance cutoffs used in the [American Industrial Hygiene Association] Technical Guide, those were intended only as examples to describe the conceptual model and that the use of 1 km, 10 km, and 100 km zones was not meant to imply any actual relevance to real situations."

The committee amendments recommended below attempt to address this issue.

- 7) *Arguments in Support:* According to Ricardo Lara, Insurance Commissioner at CDI: "California has experienced record-breaking wildfires, including the January 2025 Eaton and Palisades Fires, which destroyed thousands of homes and left many more contaminated by smoke, soot, ash, char, and other hazardous substances. Thousands of smoke-damage insurance claims have since been filed. Because no authoritative, enforceable standards exist for testing or remediating smoke damage, survivors report inconsistent claims handling, partial or total denials, and refusals by insurers to pay for pre- or post-remediation testing. CDI has taken executive actions—including consumer bulletins, enforcement actions, and investigations—but the absence of standards has resulted in a patchwork of insurer practices. In response to the January 2025 fires, I convened a Smoke Claims and Remediation Task Force to develop recommendations for statewide standards and insurance coverage expectations.

Residential property insurance policies that cover the peril of fire also cover smoke damage caused by fire, and insurers are required to cover restoration of properties to pre-loss condition. However, California has no statewide standards governing the inspection or

testing of smoke-damaged homes, no minimum sampling or clearance protocols, no mandated remediation methods, and no training or certification requirements for professionals who assess or remediate smoke damage... The absence of enforceable standards has resulted in inconsistent insurer practices, including denials of testing, partial claim denials, and refusals to reimburse for pre- or post-remediation testing. Homeowners and tenants face uncertainty about whether their homes are safe to reenter, and many have been forced to pay for testing or remediation out of pocket. Without statewide standards, neither insurers nor regulators have a clear framework to ensure that smoke-damaged homes are restored to safe, habitable, pre-loss condition, and the resulting instability contributes to rising costs in the residential property insurance market.

AB 1795 would create a comprehensive statewide framework for residential property insurance policies to ensure consistent, science-based handling of smoke-damage claims. It will establish minimum protocols for inspection, sampling, and testing of smoke-related contaminants and sets clear thresholds for determining whether a property is safe. This bill will mandate insurer compliance with remediation protocols and clarify their obligation to cover the cost of restoring properties to a pre-loss condition. Finally, AB 1795 also identifies the state agencies responsible for implementing and enforcing the standards and creates penalties for noncompliance."

- 8) *Arguments in Opposition:* According to the opposition, The American Property Casualty Insurance Association (APCIA), the National Association of Mutual Insurance Companies (NAMIC), the Pacific Association of Domestic Insurers (PADIC), and the Personal Insurance Federation of California (PIFC), collectively known as the "trades", "the insurance industry supports standards on the testing and remediation of smoke claims and actively participated in the Smoke Claims and Remediation Task Force established by the California Department of Insurance (CDI). Clear and credible standards benefit homeowners, regulators, and insurers. However, standards must be grounded in defensible science and structured in a way that is operationally feasible and legally durable.

AB 1795 introduces a comprehensive new framework governing wildfire smoke testing, remediation, and insurance claims handling. While intended to improve consistency and consumer outcomes, several provisions raise significant concerns for insurers related to contract certainty, retroactive application, operational feasibility, and cost escalation.

Contract Certainty Risks: Expansion beyond traditional "direct physical loss or damage": Multiple provisions redefine "smoke damage" as exposure that "requires restoration," without specifying who makes that determination or tying it clearly to demonstrable physical damage. This approach departs from long-standing property insurance constructs and risks undermining the predictability and uniformity that the Standard Fire Policy framework is intended to provide. The bill makes reference to "unsettled caselaw," however it is not an issue in dispute. *Gharibian v. Wawanesa General Insurance Company* (2025) 108 Cal.App.5th 730 established that "direct physical loss" is a necessary showing in order for smoke claims to be covered. This bill changes that legal standard.

Undefined standards for "clearance for habitation": The bill repeatedly conditions insurer obligations—particularly Adjusted Living Expenses (ALE)—on a property being "cleared for habitation," but does not define clearance thresholds. This creates uncertainty about when coverage obligations end and invites dispute. Absent a defined endpoint, insurers,

homeowners, and regulators are left without a clear standard for when coverage obligations conclude, increasing the likelihood of dispute and litigation.

Potential expansion beyond insured property: References to remediation frameworks analogous to “residential soil evaluation” raise concern that standards could extend to soil, ambient air, or broader environmental conditions, which are typically outside property insurance coverage.”

- 9) *Double referral*: This measure recently passed out of the Assembly Environmental Safety & Toxic Materials Committee with a 5-1 vote.
- 10) *Related legislation*: AB 1642 (Harabedian). Establishes the Wildfire Environmental Safety and Testing Act, which, among other things, requires DTSC, by July 1, 2027, to adopt emergency regulations specifying science-informed, health-based standards to guide the adequate removal of lead and asbestos inside and outside of standing homes, schools, workplaces, and other structures after a WUI fire; requires, by July 1, 2028, DTSC to adopt non-emergency regulations specifying standards for additional contaminants. This bill is pending before the Assembly Appropriations Committee.
- 11) *Recommended Amendments*: This measure is attempting to tackle a major issue spotlighted after the January 2025 wildfires. As stated previously, California would be the first state to create statewide smoke damage standards should this bill be signed. With that in mind, careful thought and consideration needs to go into this measure as it will have direct impacts on California’s insurance market. While this bill is still in the beginning of the legislative review process, a lot more work is needed should it move forward. The committee is recommending the following amendments to address the issues/confusion/frustration around the tiered zone approach. The bill only applies to wildfires that are a declared state of emergency; therefore, the committee recommends removing the tiered zone system and applying the bill to ZIP Codes determined by CDI for the existing one year moratorium plus adjacent zip codes that are identified as downwind based on maps generated by the National Oceanic and Atmospheric Administration. These ZIP Codes would be known soon after the Governor declared a state of emergency and easy to track by survivors and insurers. The recommended amendments also make clear that the deciding entities are CalEPA pertaining to smoke damage standards and CDI pertaining to insurers. This bill arose partly due to the case-by-case approach taken by each insurer on what constitutes smoke damage; therefore, anything in the bill that supports having potentially different and differing smoke damage standards between the state or a local government/agencies are recommended to be deleted. CalEPA and CDI will likely need to issue additional regulations once CalEPA has completed the initial work which this measure allows them to do.
 - a) On page 6- line 36, delete, “the”, delete lines 37-40
 - b) On page 7 delete lines 1-15
 - c) On page 8, delete lines 1-7
 - d) On page 8 delete lines 22-33 and insert:
“Impact-zone” means ZIP Codes:

Within the fire perimeter as defined pursuant to Section 675.1 (b)(2) of the Insurance Code; and,
Adjacent ZIP codes as defined pursuant to 675.1 (b)(2) of the Insurance code that are also identified as downwind of the fire perimeter based on maps generated by the National Oceanic Atmospheric Administration.

- e) On page 9 delete line 6-12
- f) On page 11, line 30 after ‘claims’ insert “within the impact zone”
- g) On page 12, line 7 delete “for each zone”
- h) On page 12, delete line 9-20
- i) On page 12, line 25, delete “and all” and delete lines 26-39

REGISTERED SUPPORT / OPPOSITION:

Support

City of Los Alamitos
Insurance Commissioner Ricardo Lara / California Department of Insurance

Support If Amended

Institute of Inspection Cleaning and Restoration Certification
United Policyholders

Oppose

American Property Casualty Insurance Association
California Community Foundation
Consumer Watchdog
National Association of Mutual Insurance Companies
Pacific Association of Domestic Insurance Companies
Personal Insurance Federation of California

Oppose Unless Amended

After the Fire
Altadena Arts
Altadena Colab
Altogether
Biomax Environmental
Civic Sundays
Consumer Attorneys of California
Dena Rise Up
Eaton Fire Renters Coalition

Eaton Fire Residents United
Glendale Environmental Coalition
Hello Claire
Holly Wyman Design
Indivisible Alta Pasadena
Joan Collaborative
L.a. Voice
LA Standing Homes
Long Beach Alliance for Clean Energy
Mcclain Consulting Services
My Tribe Rise

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