

Date of Hearing: June 24, 2026

ASSEMBLY COMMITTEE ON INSURANCE

Lisa Calderon, Chair

SB 1301 (Allen) – As Amended June 18, 2026

SENATE VOTE: 29-7

SUBJECT: Residential property insurance: nonrenewals

SUMMARY: Provides new processes that insurers must follow when an insurer refuses to renew a policy or imposes a reduction of limits or an elimination of coverage, among other provisions. Specifically, **this bill:**

- 1) Requires an insurer that refuses to renew a policy or imposes a reduction of limits or an elimination of coverage to provide the policyholder with all of the following:
 - a) A detailed, plain language explanation of the grounds for the nonrenewal or the reduction of limits or elimination of coverage, including a reference to the specific provision or provisions in the insurer's underwriting guidelines; and,
 - b) All information relating to the decision of nonrenewal or reduction of limits or elimination of coverage, including, but not limited to, all nonaerial imagery or other documentation relating to the decision and all sources of such information, nonaerial imagery, and documentation.
- 2) Provides that if the nonrenewal is due in whole or in part to an assessment of the wildfire risk associated with the property, the insurer shall provide the policyholder with their wildfire risk score or other wildfire risk classification, including the following, as applicable:
 - a) A plain language description of each property-specific characteristic that led to the determination; or,
 - b) A plain language description of each surrounding area characteristic that led to the determination.
- 3) Specifies the requirement above does not require the insurer to provide information that they provide to the policyholder in connection with the wildfire risk score or other wildfire risk classification pursuant to Section 2644.9 of Title 10 of the California Code of Regulations.
- 4) Requires that if an insurer finds that a policy does not meet its underwriting guidelines due to a condition that can be remediated by the policyholder, the insurer must provide the policyholder with both of the following:
 - a) A detailed, plain language explanation of any remediation, additional information, or other change to the property that is consistent with the insurer's underwriting guidelines and that would qualify the policyholder to obtain renewal of the policy or to maintain the existing limits or coverage of the policy, along with a detailed, plain language

explanation of the action to be taken by the policyholder or the additional information to be provided by the policyholder; and,

- b) A period of not less than 90 days to perform the necessary remediation or other change to the property or to provide additional information.
- 5) Allows an insurer to contact the policyholder to verify that the policyholder will be performing remediation or another change to their property pursuant #4, above.
 - 6) Requires a policyholder to furnish the insurer evidence of remediation. If the insurer seeks additional verification, the insurer may perform an onsite physical inspection of the property to verify remediation at the insurer's expense.
 - 7) Requires an insurer to renew a policy if remediation, additional information, or other change to the property is verified by the insurer.
 - 8) Requires the insurer to issue a written determination within 15 days of receipt of additional information or evidence of any remediation or other change to the property.
 - 9) Requires an insurer to provide a policyholder with a reasonable opportunity to dispute, or to correct or amend any inaccurate or incomplete information relied upon by the insurer in connection with a decision to not renew or to impose a reduction of limits or an elimination of coverage of a policy.
 - a) Allows a policyholder to request that an insurer conduct an onsite physical inspection of the property to verify the information relied upon by the insurer in connection with a decision to not renew or to impose a reduction of limits or an elimination of coverage of a policy.
 - b) Requires an insurer to issue a written determination within 15 days of receipt of any dispute, correction, or amendment.
 - 10) Prohibits a nonrenewal or a reduction of limits or elimination of coverage of a policy to take effect during a period of remediation.
 - 11) Requires an insurer, on or before April 1, 2029 and annually thereafter, to submit to the Insurance Commissioner (IC) a report for the previous calendar year containing the following information for policies written in California:
 - a) The number of policies in each of the following categories listed by county and ZIP Code:
 - i) New policies.
 - ii) Renewed policies.
 - iii) Policies for which the policyholder elected not to renew.

- iv) Policies for which the insurer elected not to renew or imposed a reduction of limits or an elimination of coverage.
 - (1) Requires information under this category to include:
 - (a) The number of policies for which the insurer provided the policyholder with an explanation of any remediation, additional information, or other change to the property that is consistent with the insurer's underwriting guidelines and that would qualify the policyholder to obtain renewal of the policy or to maintain the existing limits or coverage of the policy; and,
 - (b) The number of policies for which the policyholder performed remediation and whether those actions resulted in a renewal of the policy or a nonrenewal of the policy.
 - v) Canceled policies.
- 12) Provides the report shall only include the required information collected beginning January 1, 2028.
- 13) Requires the IC, on or before September 1, 2029 and annually thereafter to prepare and publish on the California Department of Insurance (CDI) internet website an aggregated report for the previous calendar year of all information reported by insurers.
- 14) Prohibits an insurer from refusing to issue or renew, or determine eligibility for, a residential property insurance policy on the basis of any of the following claims by the applicant or policyholder, or any previous owner or occupant of the property to be insured:
 - a) A claim that is filed but is not paid or payable.
 - b) A claim that is within the claimant's deductible.
 - c) A claim that is not covered by the policy.
 - d) A claim that is paid in full by another insurance policy or a third party.
 - e) A claim concerning a property that is no longer owned by the applicant or policyholder.
 - f) A claim by the applicant or policyholder in which the loss was not the direct result of intentional conduct or gross negligence by the applicant or policyholder and for which the risk of loss has been mitigated through the removal of the hazard, the repair of the damage or defect, or other changes to the property or to the condition that caused the loss.
- 15) Provides that #14 does not apply if the applicant or policyholder has had at least three claims regarding the same damage, defect, or other condition of the property over the previous three years.
- 16) Prohibits an insurer from refusing to issue or renew, or determine eligibility for, a residential property insurance policy based in whole or in part on whether a policyholder has previously

inquired about the insurance policy, including, but not limited to, an inquiry concerning the scope or nature of coverage available under the policy.

- 17) Provides that beginning January 1, 2028, an insurer shall not refuse to issue or renew, or determine eligibility for, a residential property insurance policy solely on the basis of the age of the roof if the policyholder obtains and pays for an independent inspection of the roof that confirms at least five years of useful roof life remaining. Allows an insurer to take in consideration the age of the roof when issuing or renewing, or determining eligibility for, a residential property insurance policy.
- 18) Repeals, on January 1, 2028, Insurance Code Section 678, which deals with policyholder notification of renewal or nonrenewal and associated timelines.
- 19) Enacts on January 1, 2028, a replacement Section 678 of the Insurance Code with extended timelines and associated requirements. At least 90 days before the policy expiration, an insurer shall deliver to the policyholder an offer of renewal, as specified, of the policy contingent upon payment of premium. Additionally, insurers must deliver notices of nonrenewal of the policy or a notice of renewal with a reduction of limits or an elimination of coverage at least 90 days before the policy expiration.
 - a) Provides, if the policy does not meet the underwriting guidelines due to a condition that can be remediated by the policyholder, then the insurer will have to deliver or mail to the policyholder at least 120 days before the policy expiration date.
- 20) Provides that all provisions of this bill apply to residential property insurance policies and do not become operative until January 1, 2028.

EXISTING LAW:

- 1) Establishes CDI, led by the IC for the regulation of insurers, agents and brokers, and other insurance-like organizations, as well as classes of insurance, including residential property insurance.
- 2) Defines a “policy of residential property insurance” to mean a policy insuring individually owned residential structures of not more than four dwelling units, individually owned condominium units, or individually owned mobile homes, and their contents, and used exclusively for residential purposes, or a tenant’s policy insuring personal contents of a residential unit. (Insurance Code, Section 675)
- 3) Provides a framework for renewal and nonrenewal. The applicable policies cover insurance on residential property for up to four units, personal property, and personal liability. These provisions do not apply to auto insurance, workers' compensation, or commercial insurance. (Insurance Code, Section 675)
- 4) Provides an insurer cannot refuse to renew a policy of insurance solely on the grounds that a claim is pending under the policy. (Insurance Code, Section 675)
- 5) Requires insurers to deliver or mail to a policyholder an offer of renewal, as specified, at least 45 days before policy expiration. If an insurer fails to give the policyholder an offer of renewal, the existing policy, with no change in its terms and conditions, will remain in effect

for 45 days from the date that the offer to renew is delivered or mailed to the policyholder. (Insurance Code, Section 678)

- 6) Requires insurers to deliver or mail to a policyholder a notice of nonrenewal, as specified, at least 75 days before policy expiration. If an insurer fails to give the policyholder a notice of nonrenewal, the existing policy, with no change in its terms and conditions, will remain in effect for 75 days from the date that the notice of nonrenewal is delivered or mailed to the policyholder. (Insurance Code, Section 678)

FISCAL EFFECT: Unknown.

COMMENTS:

- 1) *Purpose of the bill:* According to the Author, “California policyholders receive a nonrenewal notice from their insurers at the fourth highest rate in the nation. Losing insurance coverage unnecessarily risks the livelihood of families and increases reliance on our FAIR Plan which has increased policy underwriting by 146 percent since 2022. These nonrenewal notices are often opaque and do not sufficiently specify why a policyholder is being dropped. Increased transparency would allow policyholders to appropriately repair or adjust their property to reduce risk of damage, improve insurability and affordability, and minimize reliance on the FAIR Plan.

SB 1301 requires insurers to provide a nonrenewal notice three months in advance, detail the specific reasons why the nonrenewal notice was issued, and offer an opportunity for the policyholder to maintain coverage if appropriate remedying action is taken. Those performing remedying action are eligible for additional time beyond three months to complete work if they require it. The bill also prohibits nonrenewal notices because of specifying reasons that don’t pertain to the risk of the property, helping policyholders appropriately maintain their coverage.”

- 2) *Background:* This measure addresses multiple issues in a piecemeal approach. The measure puts together a fairly tight framework on the approach an insurer takes when non-renewing. The expectation is that the policyholder is provided with a clear explanation of why a reduction of coverage or non-renewal was provided. Additionally, the bill puts together a framework for a policyholder to remediate the property and potentially maintain their policy. The measure also contains a reporting requirement to be conducted by insurers to the IC, an issuance and renewal provision attached to claims, a new and separate process pertaining to the age of a roof, and repeals and replaces Insurance Code 678 which changes when a policyholder must receive renewal from 45 days to 90 days and a non-renewal notice from 75 days to 90 days. If a property is determined to have an opportunity to remediate, the policyholder must be provided 120 days before policy expiration.

California’s Existing Framework: An insurer must deliver or mail at least 45 days before a policy expires, a renewal offer stating the new terms and premium, or 75 days prior, a written non-renewal notice. If the insurer chooses not to renew, the notice must include the specific reason or reasons for that decision and contact information.

This measure has many beneficial provisions that hopefully help policyholders maintain coverage or at least provide a better understanding of why one may be non-renewed. However, given the withdrawal of insurers over the last few years, one must always consider

market implications and balance the two. As the IC has stated publicly at numerous oversight hearings, insurers are not required to stay in California, hence the creation of the Sustainable Insurance Strategy. At times a carrot-and-stick approach is necessary. As shown below, the Legislature has over a half dozen measures moving through the process that address concerns highlighted from the Eaton and Palisades fires. All of these measures should be considered together.

3) *Related Legislation:*

SB 877 (Perez) Modifies the definition of “claims-related documents” within the standard fire insurance policy form to clarify loss adjustment calculations include preliminary or final documents that relate to the amount of loss, covered damage, and cost of repairs. Pending before the Assembly Appropriations Committee.

SB 878 (Perez) Codifies regulations specifying timeframes for payment of a claim under a policy of residential property insurance and adds interest payable to the insured, if the timeframes are not met. Pending before the Assembly Appropriations Committee.

SB 876 (Padilla) Clarifies and expands options available to policyholders using additional living expenses after a dwelling loss. Requires insurers to assign and make a primary claims adjuster available when multiple adjusters are assigned to claims, and to provide a timely written status report. Requires insurers to develop, maintain, and submit to the California Department of Insurance, a detailed disaster response plan. Increases liability for penalties fixed by the Insurance Commissioner for unfair insurance practices and expands the Insurance Commissioner’s authority to order restitution by insurers or licensees for losses arising from their conduct. Pending before the Assembly Insurance Committee.

AB 570 (Calderon) Reduces the time an insurer must provide a policyholder, after a covered loss, a copy of their homeowner’s policy to 15 calendar days rather than 30 calendar days, once requested by the policyholder. Pending before the Senate Appropriations Committee.

AB 1559 (Calderon) Beginning July 1, 2027, requires admitted insurers to notify residential property insurance policyholders in advance of taking aerial images of the insured property, and to provide access to those images upon request, and prohibits insurers from basing decisions to terminate coverage on aerial images older than 180 days. Provides policyholders who have been subject to a decision to terminate coverage based on an aerial image with the right to dispute the accuracy of the image, verify remediation, and request an in-person inspection. Pending before the Senate Privacy Committee.

AB 1642 (Harabedian) Establishes the Wildfire Environmental Safety and Testing Act (Act), which, among other things, requires, by July 1, 2027, the Department of Toxic Substances Control (DTSC) 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 wildland urban interface fire; requires, by July 1, 2028, DTSC to adopt non-emergency regulations specifying standards for additional contaminants. Pending before the Senate Environmental Quality Committee.

AB 1795 (Gipson) Requires that the California Environmental Protection Agency (CalEPA) develop, by June 30, 2027, health-based standards and requirements for minimum 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; establishes a framework for the application and implementation of these standards, to include the development of training and certification requirements for insurance adjusters and persons who sample, test, or restore residential properties; requirements for insurers; and requirements pertaining to specified responsibilities for CDI. Pending before the Senate Insurance Committee.

AB 2038 (Harabedian) Requires an insurer to offer to their policyholders, when a disaster-related total loss of a primary residential property occurs, coverage for at least the next three annual renewal periods, but no less than 36 months of coverage from the date of the total loss. Additionally, prohibits an insurer from canceling or refusing to renew a policy of residential property insurance for a property located in any ZIP Code within or adjacent to a fire perimeter for two years after the declaration of a state of emergency. Pending before the Senate Appropriations Committee.

- 4) *Arguments in Support:* According to Consumer Watchdog et al, “Access to home insurance is a mounting crisis in California and around the country. The often vague and inaccurate notices families receive that their insurance will not be renewed are a growing part of the problem. Homeowners receive nonrenewal notices that do not give them a chance to respond. Some cite “increased hazard” without further documentation. Others contain outdated information or provide pictures that don’t reflect the hazard, that’s the reason for nonrenewal. Notices rarely offer a path to fix anything and maintain coverage. This opaqueness makes compliance impossible for many policyholders, and it allows insurers to drop policies for safe homes without accountability.

SB 1301 requires insurance companies to: give policyholders more notice before changing or nonrenewing coverage; provide clear disclosure of the reasons for nonrenewal; spell out any actions that will allow a family to keep coverage; and give them enough time to correct errors or make those repairs. The bill also prevents nonrenewal due solely to the age of a roof, or for filing a claim.

California ranks 4th highest in the nation for non-renewals. Hundreds of thousands of homeowners have lost coverage across the state, and the FAIR Plan has doubled in size in just two years. The insurance crisis, worsened by climate-driven weather disasters, is threatening the housing market and putting Californians’ financial futures at risk.”

- 5) *Arguments in Opposition:* According to the APCA, NAMIC, PADIC and PIFC, “SB 1301 unnecessarily limits insurers’ ability to evaluate property conditions by restricting the previous claims history as underwriting factors. Previous history of damage and loss are well-established indicators of future property risk and are routinely considered throughout the country. Restricting insurers’ ability to rely on this information will not reduce losses or improve affordability; it will simply make underwriting less precise and increase uncertainty within the market.

Similarly, the bill’s requirement to publicly disclose detailed underwriting guidelines moves California’s fragile insurance market in the wrong direction. Such a requirement would expose proprietary risk-selection methodologies, and create legal uncertainty surrounding the protection of trade-secret information. Moreover, underwriting decisions are rarely based on a single factor; they involve the evaluation of numerous variables and predictive models that

operate together to assess risk. Requiring disclosure and oversimplification of these complex methodologies could result in confusion for consumers while exposing sensitive business practices that are fundamental to an insurer's operations. These consequences would make it more difficult for insurers to effectively manage risk and could discourage participation in California's residential property insurance market. Rather than enhancing consumer protection, the proposal risks reducing competition and availability, ultimately harming the very consumers it seeks to help.”

6) *Recommended Committee Amendments*: The following amendments are recommended to balance the objective of the measure with the stabilization of California’s insurance market.

- On page 7- on line 3, after “policy”, add, “solely”

The below recommended amendment implements a similar approach provided under AB 1559 (Calderon).

- On page 3, line 7 after delete “all of the following” and delete lines 8-18 and insert:

“a detailed, plain language explanation of the grounds for the nonrenewal or the reduction of limits or elimination of coverage. Upon request, the insurer shall, also, within 15 days of the request, provide the policyholder all non-proprietary information relating to the decision of nonrenewal or reduction of limits or elimination of coverage, including, but not limited to, all nonaerial imagery or other documentation relating to the decision and all sources of such, nonaerial imagery, and documentation.”

REGISTERED SUPPORT / OPPOSITION:

Support

350 Conejo / San Fernando Valley
 AARP
 Affordable Homeownership Foundation INC
 Altadena Colab
 Americans for Financial Reform
 Ballona Wetlands Institute
 Bay Area System Change Not Climate Change
 Bay Area-system Change Not Climate Change
 Bayardo Strategies LLC
 Berkeley; City of
 Bright Operations
 California Community Foundation
 California Insurance Commissioner Emeritus Dave Jones
 California Low-income Consumer Coalition
 California Nurses Association
 Center for Biological Diversity
 Center for Community Action & Environmental Justice
 Center for Community Action and Environmental Justice (CCA EJ)
 Climate Defenders
 Consumer Action
 Consumer Attorneys of California

Consumer Federation of America
Consumer Federation of California
Consumer Protection Policy Center
Consumer Watchdog
Courage California
Defend Ballona Wetlands
Dena Rise Up
Eaton Fire Renters Coalition
Eaton Fire Residents United
Every Fire Survivor's Network
Extreme Weather Survivors
Extreme Weather Survivors Action Fund
Food & Water Watch
Freeport Haven
Green America
Individual
Jewish Federation of the Greater San Gabriel and Pomona Valleys
League of California Cities
Leap of Faith Family to Family Support
My Tribe Rise
Orinda; City of
Pacific Palisades Community Council
Pasadenans Organizing for Progress
Public Citizen
Rise Economy
So Cal 350 Climate Action
Sunflower Alliance
Team Palisades
The American Policyholder Association
Town of Truckee
United Policyholders
West Berkeley Alliance for Clean Air and Safe Jobs
Xtreme Athletics

Oppose

American Property Casualty Insurance Association
National Association of Mutual Insurance Companies
Pacific Association of Domestic Insurance Companies
Personal Insurance Federation of California

Analysis Prepared by: Kathleen O'Malley / INS. / (916) 319-2086