



RICHIE M SAYAVONG

LEGISLATIVE UPDATES

CALIFORNIA DEPARTMENT OF INSURANCE

ABOUT THE CALIFORNIA DEPARTMENT OF INSURANCE

- Protect consumers from fraud and abuse
- Regulate most lines of insurance and maintain insurer solvency
- Set standards for agents and broker licensing
- Resolve consumer insurance complaints
- Investigate and prosecute insurance fraud
- Assist consumers understanding their insurance policies



**Insurance
Commissioner Ricardo
Lara**

EDUCATIONAL TOPICS

- Home, Renters and Business Insurance
- Senior Scams Prevention
- Sustainable Insurance Strategy
- Safer from Wildfires
- Low-Cost Auto Insurance Program
- Emergency Preparedness
- Disaster Recovery
- Market and Legislative Updates



ENGAGEMENT OPTIONS

Community Meetings

Townhalls

Information Guides

Workshops

Staff Trainings

Webinars

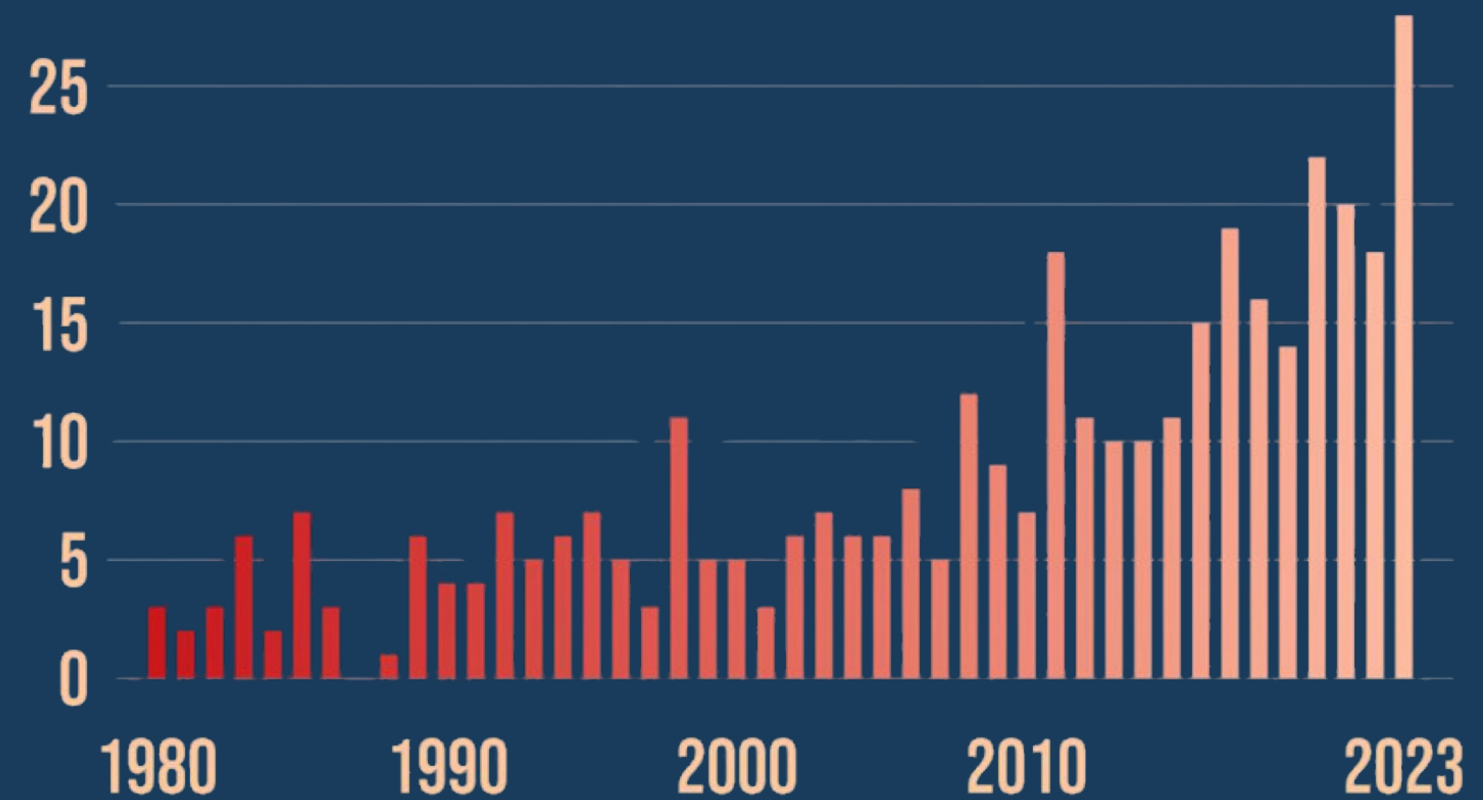
Social Media Tools

INSURANCE MARKET

- Last insurance reform over 30 years ago
- Historic inflation
- Rising cost of reinsurance
- Growing climate change threats
- 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

Top 12 Companies dominated 85% of State's Homeowners Market

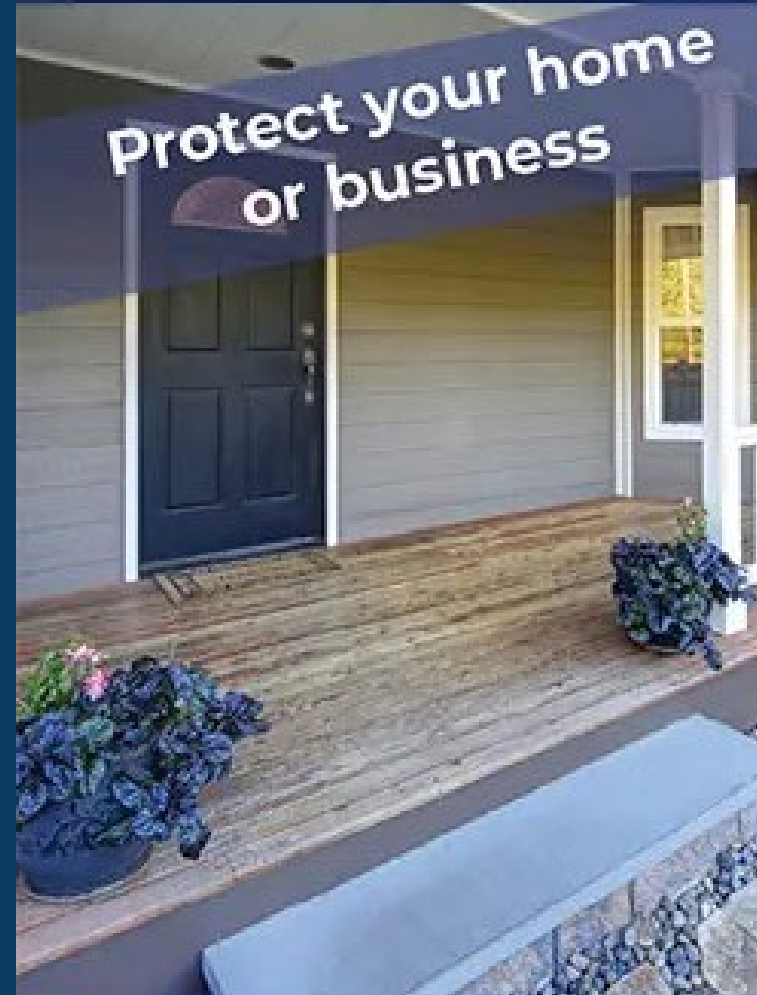
Since 2022 – 7 of the top 12 insurance group paused or stopped policies.

BUILDING ON WILDFIRE SAFETY

SAFER FROM WILDFIRES (2022)

Mandates transparency on wildfire risk scores

Premium discounts for homeowners implementing wildfire safety actions.



10 STEPS TO BECOMING WILDFIRE SAFE AND COMMUNITY CERTIFIED

SUSTAINABLE INSURANCE STRATEGY

SUSTAINABLE
INSURANCE
STRATEGY
(2023 - 2024)

MODERNIZE

ACCESSIBLE

RESILIENT

PROTECT
CONSUMER



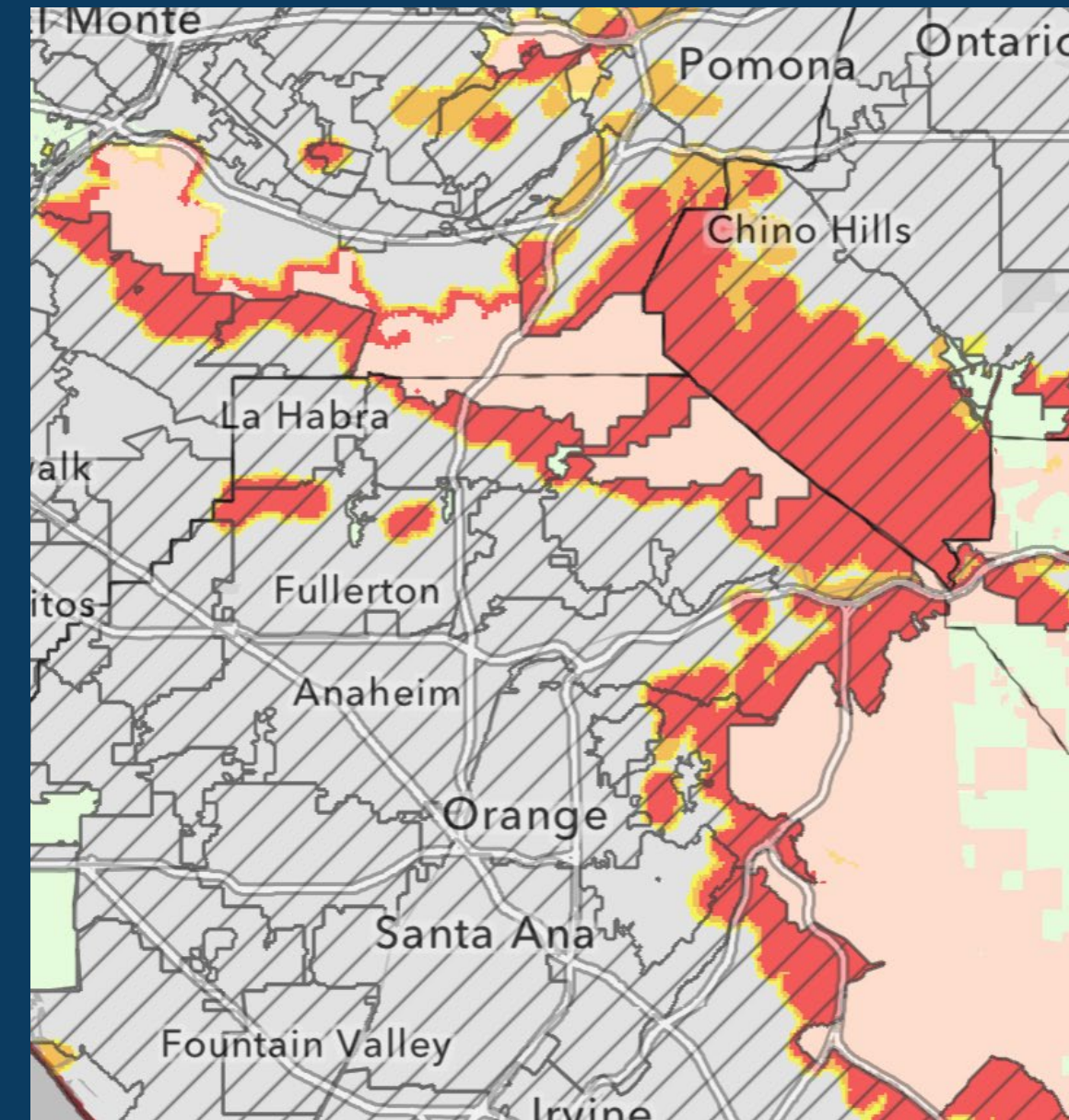
The Sustainable Insurance Strategy – Expands the use of Catastrophe Models using technology to provide accurate pricing options, modernizes rate reviews and requires insurance companies to write in high wildfire severity zones.

California Safe Homes Act (AB 888)

STRENGTHEN CALIFORNIA HOMES GRANT PROGRAM

(in development)

Creating grants for low-income homeowners in high fire hazard severity zones to fund Zone 0 and Class A roofing.



Defensible Space: Ember Resistant Zones

FIRE HAZARD SEVERITY ZONES
MAPS: <https://osfm.fire.ca.gov/>

INSURANCE MARKET COMPARIS

1994 Northridge Earthquake



- Fearing bankruptcy 90% of Insurance Companies left the state CA Earthquake Authority created.
- Low Take-Up Rate: Despite California experiencing 90% of the nation's earthquakes, only 10–15% of homeowners have it.
- Coverage Gap: The low uptake leaves a large percentage of California residents exposed to significant financial risk if a major earthquake occurs.

INSURANCE MARKET COMPARIS

2025 LA Fires



- Safer from Wildfires
 - Mitigation Strategies
 - Wildfire Risk Score Transparency
- Sustainable Insurance Strategy
 - Integrates Catastrophe Modeling
 - Expands Coverage Availability
 - Modernizes FAIR Plan
 - Streamlines Rate Filings
- The long-term goal of this initiative is to prevent a total market collapse and stabilize insurance rates.

INSURER UPDATES

Under the Sustainable Insurance Strategy, five companies have committed to growing in California, with more insurers expected to follow.

1. CSAA – Effective 3/01/2026
2. USAA (4 COMPANIES) –
Effective 4 /30/2026

3. CALIFORNIA CASUALTY –
Effective 5/1/2026
4. MERCURY - EFFECTIVE 7/1/2026
5. PACIFIC SPECIALTY –
Effective 7/1/2026

SMOKE DAMAGE RECOVERY ACT

*AB 1795 by
Assemblymember
Mike Gipson*

HEALTH BASED STANDARD:

- Set health standards testing by (CalEPA) to develop science-based requirement for sampling and chemical screening of smoke- impacted properties

IMPROVE CLAIM TIMELINE:

- Requires insurance companies to inspect smoke damage claims within 30 days of receiving notice.

INSURER ACCOUNTABILITY:

- Insurers must use licensed professionals for inspections, follow consistent remediation protocols, and cannot terminate Additional Living Expense (ALE) benefits until the home is certified safe for habitation.

SMOKE DAMAGE RECOVERY ACT

*AB 1795 by
Assemblymember
Mike Gipson*

- AB 1795 gives cities clearer rules , faster authority , better tools to protect residents and speed wildfire recovery .

HOW IT HELPS YOUR CITY...

- **Faster Recovery:** Clear rules speed up insurance claims and ensure homes are truly safe.
- **Local Power:** Cities can name "smoke zones" so neighbors get help immediately.
- **Expert Safety:** Health officials—not insurance companies—decide when it's safe to move back.

DISASTER RECOVERY REFORMACT

*SB876 by
Senator Steve Padilla*

ACCOUNTABILITY:

REQUIRES 5 DAY NOTICE UPDATES

- When a new adjuster is assigned

EXPANDS ADDITIONAL LIVING EXPENSES

- 100% of policy limits

Expands up - front payments

- Actual Cash Value and structure replacement
- Payable with interest if late.

DISASTER RECOVERY REFORM ACT

WHY IT MATTERS?

SB 876 keeps insurers accountable to better plan, respond, and support recovery for residents affected by disasters, aligning insurance practices with local emergency needs.

**SB876 by
Senator
Steve Padilla**

HOW DOES IT BENEFITS THE CONSUMER?

- Insurer Accountability
- Faster payouts
- More stable housing
- Clearer insurance guidelines

MAKE IT FAIR ACT

AB 1680 By

Assembly Member

Lisa Calderon

STRENGTHENED OVERSIGHT:

- NON-COMPLIANCE imposes fines up to \$20,000 for each violation.

OPERATIONAL REFORMS:

- Requires faster clearinghouse processes for returning policyholders to the private market.

Transparency Requirements:

- Improve capital and liquidity management, mandating public governing meetings.

How AB 1680 MAKE IT FAIR ACT IMPACTS YOUR CITY?

- **Stronger consumer protection: FAIR**
Plan must follow state exams, fix issues, or face fines (\$10K to \$20K) per violation.
- **Faster claim handling & transparency :**
Required to hire more staff, create a 3–5 year plan to speed up wildfire-related claims, and open meetings and documents to public.

CALL TO ACTION

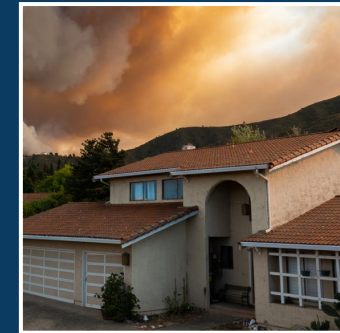
LOCAL SUPPORT IS ESSENTIAL

qrco.de/CDISB876



STATEWIDE EDUCATION SERIES

TOPICS & DATES



June 17
Residential
Insurance



August 19
Health
Insurance



October 21
Business
Insurance

JOIN US :

Share with your consumers.
Register using the
QR code or visit
qrco.de/CDI2026



CONSUMER ALERTS

STAY INFORMED
[SIGN UP!](#)

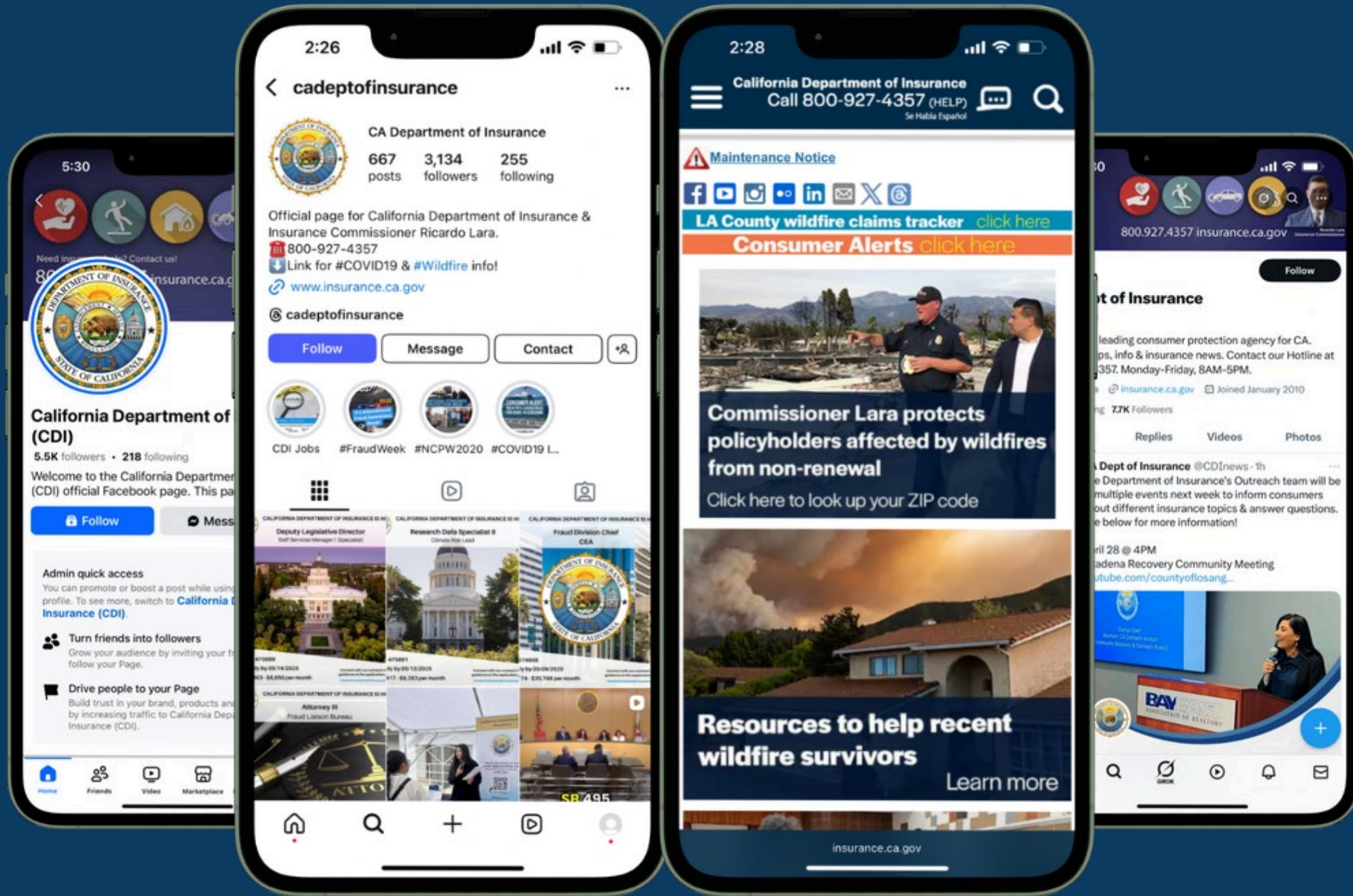


NEW REGULATIONS,
CONSUMER SAFETY
EDUCATION,

FRAUD PREVENTION,

UNFAIR AND
DECEPTIVE BUSINESS
PRACTICES,

INSURANCE ISSUES



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WE CARE ABOUT WHAT YOU THINK.



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6](https://qrco.de/psurvey26)

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