
SENATE COMMITTEE ON INSURANCE

Senator Stephen Padilla, Chair

2025 - 2026 Regular

Bill No:	AB 1554	Hearing Date:	
Author:	Calderon		
Version:	April 30, 2026 Amended		
Urgency:	No	Fiscal:	Yes
Consultant:	Brandon Seto		

SUBJECT: Disasters: data

DIGEST: Requires the California Earthquake Authority (CEA), in submitting its annual report on its operations to the Legislature, to provide the report to both houses' insurance committees, and to post the report on the CEA's website. Also requires the risk transfer market mechanisms working group that existing law directs the Insurance Commissioner (Commissioner) to convene, to incorporate hazard mitigation projects into its recommendations by January 1, 2028.

ANALYSIS:

Existing law:

- 1) Establishes the CEA as a quasi-public insurance company that provides earthquake insurance to policyholders of "participating insurers."
- 2) Requires the CEA to annually report to the Legislature and the Commissioner on the CEA program operations, including the financial condition of the CEA, a description of rates and rating plans approved, an evaluation of CEA efforts toward making residential property insurance and residential earthquake insurance more available, and other specified requirements. This report is due by August 1 of each year.
- 3) Specifies that in verifying the matters contained in the annual report, the Department of Finance shall approve independent qualified auditors selected by the Commissioner to examine the books and accounts regarding all matters of the financial and program operations of the CEA.
- 4) Provides that the CEA is governed by a Board comprised of the Governor, the Commissioner, and the State Treasurer as voting members, with a Senate and an Assembly appointee as non-voting members.

This bill:

- 1) Requires the CEA, in submitting its annual report on its operations to the Legislature, to provide the report to both of the Legislature's insurance committees, and to post the report on the CEA's website.
- 2) Requires the working group regarding risk transfer market mechanisms that existing law directs the Commissioner to convene to, by January 1, 2028, incorporate hazard mitigation projects into its recommendations.

Background

According to the author:

“This measure provides greater transparency to the Legislature and the public by clarifying that the annual report must be submitted to the relevant policy committees, and additional information posted to the CEA internet website. This greater transparency will cut costs and time associated with responding to public inquiries and providing copies to the public upon request.”

Related/Prior Legislation

SB 30 (Lara, Chapter 614, Statutes of 2018). Requires the IC to convene a working group to identify, assess and recommend risk transfer market mechanisms that promote investment in natural infrastructure to reduce the risks of climate change, including mitigation incentives for private investment to lessen exposure and reduce climate risks to public safety, property, utilities and infrastructure.

ARGUMENTS IN SUPPORT:

None received.

ARGUMENTS IN OPPOSITION:

None received.

SUPPORT:

None.

OPPOSITION:

None.

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