

---

# SENATE COMMITTEE ON INSURANCE

Senator Stephen Padilla, Chair

2025 - 2026 Regular

---

<b>Bill No:</b>	AB 1559	<b>Hearing Date:</b>	June 10, 2026
<b>Author:</b>	Calderon		
<b>Version:</b>	April 13, 2026 Amended		
<b>Urgency:</b>	No	<b>Fiscal:</b>	No
<b>Consultant:</b>	Brandon Seto		

**SUBJECT:** Residential property insurance images

**DIGEST:** 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.

**ANALYSIS:**

*Existing law:*

- 1) Requires an insurer to provide policyholders with a notice of nonrenewal at least 75 days before policy expiration, including the reasoning for the nonrenewal, the telephone number of the insurer's representative who handles consumer inquiries or complaints, and a statement of the option of review by the California Department of Insurance (CDI).
- 2) Provides several rights to persons who are the subject of information collected, received, or maintained in connection with insurance transactions, and policyholders who engage in or seek to engage in these transactions. Among others, the goals of these rights are to maintain a balance between the need for information by those conducting the business of insurance and the public's need for fairness in insurance information practices, including the need to minimize intrusiveness, to enable persons to ascertain what information is being or has been collected about them in connection with insurance transactions, and to have access to such information for the purpose of verifying or disputing its accuracy.
- 3) Specifies standards for the collection, use, and disclosure of personal information gathered in connection with insurance transactions by insurance institutions, agents, or insurance support organizations.
- 4) Requires an insurance institution or agent to provide a notice of information practices to all applicants or policyholders at the time of delivery of the insurance policy when personal information is collected from the applicant, or at the time the collection of personal information is initiated when personal information is collected from a source other than the applicant. In the case of a policy renewal, requires that the notice be provided no later than the policy renewal date, but provides that no notice is required in connection with a policy renewal if personal information is only collected from the policyholder, an insured under the policy, or public records, or if a notice has been given within the previous 24 months.

- 5) Defines an “insurance transaction” as any interaction involving insurance primarily for personal, family, or household needs, rather than business or professional needs that entails either determinations of an individual’s eligibility for an insurance coverage, benefit, or payment, as well as service of an insurance application, policy, contract, or certificate.
- 6) Defines “personal information”, for purposes of these rights and standards, to mean, any individually identifiable information gathered in connection with an insurance transaction from which judgments can be made about an individual’s character, habits, avocations, finances, occupation, general reputation, credit, health, or any other personal characteristic.

*This bill:*

- 1) Requires an admitted insurer to provide a notice, as specified, to a residential property insurance policyholder at least annually, including with the initial policy issuance and upon each renewal, if any aerial images may be taken or obtained of the insured property.
- 2) Requires an admitted insurer to provide any aerial images taken or obtained of the insured property to the policyholder upon request within 30 days of receiving such requests, and along with any notice of a decision to cancel, non-renew, or reduce coverage based on the images.
- 3) Prohibits an admitted insurer from basing a decision to terminate insurance coverage in whole or in part on an aerial image taken more than 180 days prior to sending the notice of a decision to terminate coverage to the policyholder, unless the conditions pertaining to the decision have been verified as accurate, persistent, and valid by an in-person physical inspection of the insured property or an alternative verification process conducted no more than 180 days prior to sending the notice of the decision.
- 4) Stipulates that the provision above does not apply to an aerial image that solely contributed to the decision to terminate insurance coverage through its use in the development of a probabilistic or predictive risk model, reviewed by CDI and in compliance with all applicable statutory, regulatory, and other legal standards, to project annual aggregate losses due to low-frequency, high-severity events, or to project the likelihood of loss due to wildfire.
- 5) Provides a policyholder that has been subject to a decision to terminate insurance coverage based in whole or in part on an aerial image, with the right to request that the admitted insurer conduct an in-person physical inspection of the property to verify the accuracy, persistence, and validity of the conditions pertaining to the decision.
- 6) Requires that the policyholder be provided with the opportunity to dispute the accuracy of the image used in the decision to terminate coverage, and to verify remediation, before the effective date of the decision to terminate coverage. This may be verified by an in-person physical inspection or by a process made available by the insurer to verify the accuracy, persistence, and validity of the conditions pertaining to the decision.
- 7) Specifies that the bill’s provisions do not authorize aerial imaging that is otherwise prohibited under law.

- 8) Defines "aerial image" to mean an image or video collected by aircraft or satellite, whether or not that aircraft or satellite is operated with the possibility of direct human intervention.
- 9) States that a "termination of insurance coverage" means a cancellation or non-renewal of an insurance policy, in whole or in part, for any reason other than the failure to pay a premium as required by the policy.

## Background

*According to the author:*

As the California homeowners' insurance market tightens, insurers are desperate for ways to cut costs and reduce risk exposure. One way insurers are doing so is by conducting aerial inspections of properties using drone, aircraft, and satellite imaging as an alternative to traditional on-site property inspections to evaluate risk and insurability. Unfortunately, this practice has led to a spate of reports of homeowners who were blindsided when their insurance policies were not renewed based on purported evidence from aerial images that they didn't know were taken, and didn't have the opportunity to review. In many of these cases, after weeks or months of back-and-forth with insurers to review the evidence underlying their nonrenewal decision, the aerial images turned out to be inaccurate, outdated, or misleading.

By providing policyholders with notice before taking or obtaining aerial images of their property, granting access to those images, capping the age of images that can be used in non-renewals, and establishing a right to request an in-person inspection to verify the accuracy, timeliness, and validity of aerial images used in non-renewals, insurance companies can contain costs while providing policyholders with critical protections against invalid non-renewals.

## Related/Prior Legislation

*SB 260 (Wahab)* of the current legislative session, would establish new requirements on residential property insurers when using aerial images taken by a remotely unmanned aircraft system (UAS) to gather evidence when evaluating policies, as specified, and creates criminal penalties for the use of UASs in specified locations. *This bill is pending referral in the Assembly.*

*SB 354 (Limón)* of the current legislative session would (1) create standards, protections, and duties regarding the processing of consumers' personal information by insurance licensees and their third-party service providers. (2) Outline specific requirements regarding consumers' rights to know what personal information is being processed, how it is collected, stored, and shared, and how consumers can correct, amend, or delete such information. (3) Create a right for consumers to consent to the sharing of their personal information by licensees for various purposes. (4) Provide that consumers have a right to be made aware of the reasons for adverse underwriting decisions relating to insurance coverage. *This bill is pending in Assembly Insurance Committee.*

*AB 75 (Calderon, 2025)* was nearly identical to AB 1559. *This bill was held in Senate Appropriations Committee.*

**Double Referral**

Should this bill pass out of this committee, it will be heard in Senate Privacy, Digital Technologies, and Consumer Protection Committee, which will analyze the issues under its purview.

**ARGUMENTS IN SUPPORT:**

*According to Insurance Commissioner Ricardo Lara, sponsor of the bill:*

“This bill would provide additional consumer protection when aerial images are used to directly make decisions related to an insurance policy. Among other things, it requires an admitted insurer to let homeowners know that aerial images may be taken or collected of their property, requires insurers to provide copies of those images if the policy is terminated or at any time by policyholder request, ensures images used to make these decisions are not over 180 days old.

Media reports and consumer experiences have made it clear that insurers are increasingly relying on aerial imagery to inspect homes. These images can come from drones, satellites, and manned or unmanned aircraft. My Department continues to hear from policyholders who are worried about insurers using these images as a reason to deny issuing a policy or to cancel or nonrenew an existing one. Many consumers are also frustrated that they aren’t given advance notice when their insurer plans to capture or obtain aerial photos of their property, that they do not get to see what is on the images, and that they are often not given time to remedy any issues identified.

Insurers do have the authority to inspect properties and evaluate risk under their underwriting standards, but consumers equally have the right to understand what information is influencing decisions about their coverage. Right now, many homeowners have no idea when these images are being taken or gathered, and current law provides no process for them to request those images.

AB 1559 offers a practical solution by requiring insurers to notify policyholders ahead of time when they intend to take or obtain aerial images of a home, providing that images used must be recent, and by creating a clear process for consumers to request and receive those images. As aerial imaging becomes a more routine part of property underwriting, it’s reasonable for residential policyholders to know when their property is being observed and to have access to the images collected. Increasing transparency in property inspections should also help reduce adverse underwriting decisions from outdated or incorrect aerial photos.”

**ARGUMENTS IN OPPOSITION:**

None received.

**SUPPORT:**

Insurance Commissioner Ricardo Lara / California Department of Insurance (Sponsor)

AARP

California Association of Realtors

California State Association of Counties (CSAC)

League of California Cities

Near Space Labs, INC.

San Bernardino County

Southern California Rental Housing Association  
United Policyholders

**OPPOSITION:**

None.

**-- END --**