CONCURRENCE IN SENATE AMENDMENTS
AB 1680 (Calderon)
As Amended August 19, 2026
Majority vote

SUMMARY

Establishes the "Make it Fair" Access to Insurance Requirements (FAIR) Act.

Major Provisions

1) Authorizes the Insurance Commissioner (IC) to require the FAIR Plan adjust the policy limits available under programs underwritten by the FAIR Plan and make additional coverage offerings available for fair rental value coverage under the FAIR Plan's renters' property insurance program.

2) Provides for civil penalties not to exceed $10,000 for each act in violation or not to exceed $20,000 if the act was willful and would require the IC to impose those penalties.

3) Requires the FAIR Plan to take corrective actions, as specified by the IC or their designee, to correct violations of applicable statutes, regulations, accounting principles, the plan of operation, or other legally binding applicable rules and identified in a report of examination or other operational report. Failure to take these actions will subject the FAIR Pan to up to $20,000 for each unaddressed violation.

4) Allows the FAIR Plan to request additional extensions of 30 calendar days, or other greater extensions approved by the IC, for good cause, to comply. The IC or their designee may deny a request for an extension of time if it is determined the request is not made in good faith or there has not been a good faith effort to comply, as specified.

5) Includes the provisions of AB 69 (Calderon), of the current legislative session, to address chaptering issues with that bill.

Senate Amendments

1) Add the provisions of AB 69 (Calderon) to address chaptering issues with that bill.

2) Allow the FAIR Plan to request additional extensions of 30 calendar days, or other greater extensions approved by the IC, for good cause, to comply. The IC or their designee may deny a request for an extension of time if it is determined the request is not made in good faith or there has not been a good faith effort to comply, as specified.

3) Make non-substantive and clarifying changes.

COMMENTS

AB 1680 provides additional coverage options and improves claims handling by the California FAIR Plan. The legislation would enact reforms outlined in the comprehensive Report of Examination completed by the California Department of Insurance. The comprehensive examination evaluated the FAIR Plan's financial conditions, corporate governance, and controls to protect policyholders across 32 areas – finding that in more than half of them, the FAIR Plan had not started or fully implemented the recommendations. The legislation would require the FAIR Plan to make significant operational and governance changes to meet Californians' needs, while market improvements take hold, such as:

1) Implementing a more comprehensive homeowners coverage option like other insurance companies. Current FAIR Plan residential policyholders must buy a separate insurance policy – at an additional cost – to have coverage for water damage, liability if someone is injured on their property, and other standard coverages.

2) Hiring more staff to manage its increasing operational needs and workload as well as expeditiously address consumer claims and complaints.

3) Expediting policyholders in returning to the regular market by improving clearinghouse programs.

4) Improving transparency by providing public access to meetings and documents of the FAIR Plan to enhance and improve policyholder service and related metrics.

5) Prioritizing policyholders' resilience from climate change by adopting a formal climate risk assessment, while reporting climate-related financial risks in line with how more than 85% of the national insurance markets report risks based on the standards established through the National Association of Insurance Commissioners.

6) Creating a formal capital and liquidity management plan like other insurance companies to protect from unexpected events such as major wildfires or storms.

According to the Author
"The California FAIR Plan is our property insurance safety net and we need this association to work for all Californians. As market conditions change, the FAIR Plan needs to evolve to meet these needs. This measure tackles accountability and oversight of the FAIR Plan as California's insurance market continues to recover."

Arguments in Support
The sponsor of the measure, Insurance Commissioner Ricardo Lara states "this measure modernizes governance, establishes meaningful enforcement tools, and authorizes additional coverage options to better serve homeowners and renters in high-risk areas."

Arguments in Opposition
None on file.

FISCAL COMMENTS

According to the Assembly Appropriations Committee, CDI anticipates no fiscal impact from this bill. However, it is possible for this bill to result in significant costs, in excess of $150,000, if the IC hires additional staff to pursue enhanced enforcement of FAIR Plan statutes, regulations, and rules, partially offset by increased civil penalty revenue (Insurance Fund). The magnitude of costs depends on the number of violations and the staff workload required to agree upon a corrective action timeframe and follow other adjudication procedures. If the IC does not pursue such enforcement, CDI would likely not incur any costs.

VOTES:

ASM INSURANCE: 14-1-2
YES: Calderon, Wallis, Addis, Alvarez, Ávila Farías, Berman, Gipson, Harabedian, Krell, Nguyen, Ortega, Petrie-Norris, Michelle Rodriguez, Valencia
NO: Hadwick
ABS, ABST OR NV: Chen, Ellis

ASM APPROPRIATIONS: 12-1-2
YES: Wicks, Aguiar-Curry, Calderon, Caloza, Dixon, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache
NO: Tangipa
ABS, ABST OR NV: Hoover, Ta

ASSEMBLY FLOOR: 62-8-10
YES: Addis, Aguiar-Curry, Ahrens, Alvarez, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Connolly, Davies, Dixon, Elhawary, Fong, Gabriel, Gallagher, Gipson, Mark González, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Pellerin, Petrie-Norris, Quirk-Silva, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
NO: Alanis, DeMaio, Ellis, Jeff Gonzalez, Hadwick, Johnson, Patterson, Tangipa
ABS, ABST OR NV: Arambula, Chen, Flora, Garcia, Hoover, Lackey, Macedo, Ramos, Celeste Rodriguez, Ta

UPDATED

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