
SENATE COMMITTEE ON INSURANCE

Senator Stephen Padilla, Chair

2025 - 2026 Regular

Bill No:	AB 1795	Hearing Date:	June 24, 2026
Author:	Gipson		
Version:	May 18, 2026 Amended		
Urgency:	Yes	Fiscal:	Yes
Consultant:	Brandon Seto		

SUBJECT: Smoke Damage Recovery Act

DIGEST: 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 from a wildland-urban interface (WUI) fire or urban conflagration. Establishes a framework for the application and implementation of these standards, including the development of training and certification requirements for insurance adjusters and those who sample, test, or restore residential properties. Further sets down affiliated requirements for insurers, and responsibilities for the California Department of Insurance (CDI).

ANALYSIS:

Existing law:

- 1) Provides that a fire perimeter is determined by the Department of Forestry and Fire Protection (CAL FIRE) in consultation with the Office of Emergency Services (CalOES). Subsequently, CAL FIRE must provide the Insurance Commissioner (Commissioner) with data describing the fire perimeter so that the Commissioner may determine which ZIP Codes are within or adjacent to the fire perimeter. The Commissioner must then issue a bulletin to inform insurers which ZIP Codes are subject to a one-year moratorium.
- 2) Defines a “state of emergency” as the duly proclaimed existence of conditions of disaster or extreme peril to the safety of persons and property within the state, caused by conditions such as air pollution, fire, flood, storm, epidemic, riot, drought, cyberterrorism, sudden and severe energy shortage, electromagnetic pulse attack, plant or animal infestation or disease, among other conditions.
- 3) Regulates the licensing including exam, education, and background check requirements for insurance adjusters, who engage in investigation for the purpose of obtaining information while adjusting or participating in the disposal of any claim in connection with a policy of insurance.
- 4) Regulates the licensing including exam, education, and background check requirements of public insurance adjusters who act on behalf of an insured in negotiating for or effecting the settlement of a claim or claims for loss or damage under a policy of insurance.
- 5) Establishes the Hazardous Waste Control Law (HWCL) to authorize the Department of Toxic Substances Control (DTSC) to regulate the management of hazardous wastes in California.

- 6) Defines "hazardous waste" as waste, that, because of its quantity, concentration, or physical, chemical, or infectious characteristics:
 - a) Causes, or significantly contributes to, an increase in mortality or an increase in serious irreversible, or incapacitating reversible, illness.
 - b) Poses a substantial present or potential hazard to human health or the environment, due to factors including, but not limited to, carcinogenicity, acute toxicity, chronic toxicity, bio accumulative properties, or persistence in the environment, when improperly treated, stored, transported, disposed of, or otherwise managed.
- 7) Requires DTSC, under the HWCL, to adopt, and revise when appropriate, standards and regulations for the management of hazardous waste to protect against hazards to public health, domestic livestock, wildlife, or the environment.

This bill:

- 1) Requires CalEPA, on or before June 30, 2027, to develop 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 WUI fire or urban conflagration.
- 2) Stipulates that the standards and requirements mentioned above must include protocols, parameters, and thresholds for pre-remediation testing, post-remediation testing, and clearance of a residential property for habitation after remediation is completed.
- 3) Requires, in creating these standards, CalEPA to consult with agencies including DTSC, Office of Environmental Health Hazard Assessment (OEHHA), California Air Resources Board (CARB), California Department of Public Health (CDPH), air pollution control districts, and local public health departments, as necessary. Requires CalEPA to adopt regulations to implement or make the above provisions more specific.
- 4) States that CalEPA may create additional standards and requirements pertaining to a particular wildfire, including requirements for the identification of contaminants, supplementary minimum sampling and testing recommendations or requirements, or chemical screening levels for residential properties that have sustained smoke damage. Further states that these requirements, relating to a particular wildfire, shall be exempt from specified state laws that govern rulemaking.
- 5) Creates related definitions, including that "impact zone" means a ZIP Code that is either within the fire perimeter or adjacent to the fire perimeter, as specified, and downwind of the fire perimeter based on maps generated by the National Oceanic and Atmospheric Administration.
- 6) Requires CalEPA, by January 1, 2028, to consult with CDI, CDPH, the Department of Industrial Relations (DIR), Contractors State License Board (CSLB), State Water Resources Control Board (State Water Board), and any other state or local government agency, as may be necessary, to establish training and certification requirements for a person who inspects, evaluates, samples, tests, analyzes, remediates, or restores residential properties that have sustained smoke damage as a result of a WUI fire or urban conflagration, including industrial hygienists, restoration professionals, and laboratories.

- 7) Prohibits an insurer from terminating coverage for additional living expenses for a covered smoke damage claim submitted under a policy of residential property insurance, as a result of a WUI fire or urban conflagration until the property has been cleared for habitation pursuant to CalEPA's standards and requirements, subject to the applicable policy limit.
- 8) States that CalEPA's standards and requirements apply to all covered smoke damage claims within the impact zone submitted under policies of residential property insurance due to a WUI fire or urban conflagration.
- 9) Requires that, if a smoke damage insurance claim is settled on the basis of a written scope or estimate prepared by or for the insurer, the insurer must supply the claimant with a copy of each document upon which the settlement is based.
- 10) Stipulates that the estimate be for an amount that will restore the damaged property to at least its pre-loss condition and allow for restoration to meet or exceed CalEPA's standards and requirements, other relevant laws and regulations, and accepted trade and industry standards that do not conflict with CalEPA's standards and requirements.
- 11) Requires CDI, by January 1, 2028, to develop, implement, and enforce training and certification programs, as specified, for insurance adjusters and public insurance adjusters in inspecting, evaluating, sampling, or testing smoke damage caused by a WUI fire or urban conflagration involving residential properties.
- 12) Makes related findings and declarations.
- 13) Contains an urgency clause.

Background

According to the author:

“AB 1795 creates a consistent statewide framework for handling wildfire smoke damage insurance claims which would be the first in the nation. This bill would require that homes contaminated after a wildfire are properly evaluated and restored to a safe and habitable condition – and hold insurance companies accountable when standards are not met. Right now, the absence of statewide standards has created confusion, unfair claims handling, and uncertainty for families already coping with unimaginable losses. Consumer protection is my number one priority, and establishing clear rules will ensure that homeowners are protected and survivors can safely move back into their restored homes knowing they do not face life-long health risks. After a wildfire, recovery should not depend on a homeowner’s ability to navigate complex insurance disputes while their life is already turned upside down. More than a year after the most devastating fires Los Angeles has ever seen, there is no reason to delay. I am dedicated to swift passage of AB 1795, the Smoke Damage Recovery Act, to pave the way for a better process that insurance policyholders can rely upon.”

ARGUMENTS IN SUPPORT:

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

“California has experienced record-breaking wildfires, including the January 2025 Eaton and Palisades Fires, which destroyed thousands of homes and left many more contaminated by smoke, soot, ash, char, and other hazardous substances. Thousands of smoke-damage insurance claims have since been filed. Because no authoritative, enforceable standards exist for testing or remediating smoke damage, survivors report inconsistent claims handling, partial or total denials, and refusals by insurers to pay for pre- or post-remediation testing. CDI has taken executive actions—including consumer bulletins, enforcement actions, and investigations—but the absence of standards has resulted in a patchwork of insurer practices. In response to the January 2025 fires, I convened a Smoke Claims and Remediation Task Force to develop recommendations for statewide standards and insurance coverage expectations.

Residential property insurance policies that cover the peril of fire also cover smoke damage caused by fire, and insurers are required to cover restoration of properties to pre-loss condition. However, California has no statewide standards governing the inspection or testing of smoke-damaged homes, no minimum sampling or clearance protocols, no mandated remediation methods, and no training or certification requirements for professionals who assess or remediate smoke damage. No state agency is currently designated to enforce uniform smoke-damage remediation standards, and existing claims-handling requirements lack the specificity needed for consistent enforcement.

The absence of enforceable standards has resulted in inconsistent insurer practices, including denials of testing, partial claim denials, and refusals to reimburse for pre- or post-remediation testing. Homeowners and tenants face uncertainty about whether their homes are safe to reenter, and many have been forced to pay for testing or remediation out of pocket. Without statewide standards, neither insurers nor regulators have a clear framework to ensure that smoke-damaged homes are restored to safe, habitable, pre-loss condition, and the resulting instability contributes to rising costs in the residential property insurance market

AB 1795 would create a comprehensive statewide framework for residential property insurance policies to ensure consistent, science-based handling of smoke-damage claims. This bill will mandate insurer compliance with remediation protocols and clarify their obligation to cover the cost of restoring properties to a pre-loss condition. Finally, AB 1795 also identifies the appropriate state agencies responsible for implementing and enforcing the standards and creates penalties for noncompliance.”

ARGUMENTS IN OPPOSITION:

According to the insurance associations known as the “Trades”:

“The insurance industry supports standards on the testing and remediation of smoke claims and actively participated in the Smoke Claims and Remediation Task Force established by the California Department of Insurance (CDI). Clear and credible standards benefit homeowners, regulators, and insurers. However, standards must be grounded in defensible science and structured in a way that is operationally feasible and legally durable.

AB 1795 introduces a comprehensive new framework governing wildfire smoke testing, remediation, and insurance claims handling. While intended to improve consistency and consumer outcomes, several provisions raise significant concerns for insurers related to contract certainty, retroactive application, operational feasibility, and cost escalation.

The bill was improved in Assembly Insurance Committee; however we do remain concerned with certain provisions of the bill. Most importantly the cost. In recent years we have seen the costs for smoke claims grow exponentially. These are claims where a home does not have a single ember touch the home, and in some cases are exhausting million-dollar policies. These are unpredictable costs that fall well outside underwriting expectations and the pricing of smoke coverage. If AB 1795 moves forward as drafted companies will have to anticipate that the entirety of a homeowner's policy could be exhausted through smoke claims, thus undermining the affordability and availability benefits of mitigation.

To address this concern and continue towards greater market availability and affordability we have suggested to the author and sponsor that a sublimit on smoke should be included. This would cap smoke coverage at a percentage of the total policy coverage, such that cleaning, remediation, and testing are available without increasing the amount needed in claims paying capacity. This sublimit would be available with optional higher limits for those desiring higher coverage protection for smoke. This will contain the costs for those not in WUI or high smoke risk areas, while providing sufficient protection for homeowners and predictability to insurers. We appreciate the commitments made by the author to address this concern and are in active discussion with his office and the CDI to determine the best way to proceed.”

SUPPORT:

Insurance Commissioner Ricardo Lara / California Department of Insurance (Sponsor)
City of Los Alamitos

OPPOSITION:

301 Organics
350 Conejo
350 Conejo / San Fernando Valley
350 South Bay LA
350 South Bay Los Angeles
350 Southland Legislative Alliance
After the Fire
Altadena Arts
Altadena Colab
Altogether
American Property Casualty Insurance Association
Ban Sup
Biomax Environmental
California Community Foundation
Civic Sundays
Clergy Community Coalition
Consumer Attorneys of California
Consumer Watchdog
Dena Rise Up
Eaton Fire Collaborative
Eaton Fire Renters Coalition
Eaton Fire Residents United
End Child Poverty CA
Glendale Environmental Coalition

Greenfaith
Hello Claire
Holly Wyman Design
Indivisible Alta Pasadena
Joan Collaborative
LA Voice
LA Standing Homes
Leap of Faith Family to Family Support
Little Tokyo Service Center
Long Beach Alliance for Clean Energy
Maev Mt. Washington Glassell Park
McClain Consulting Services
My Tribe Rise
National Association of Mutual Insurance Companies
Pacific Association of Domestic Insurance Companies
Pacific Film Foundation
Pasadenans Organizing for Progress
Personal Insurance Federation of California
Resilient Palisades
San Diego 350
San Diego350
Sonoma County Climate Activist Network

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