CONCURRENCE IN SENATE AMENDMENTS
AB 1795 (Gipson)
As Amended August 28, 2026
Majority vote

SUMMARY

Establishes requirements pertaining to residential property insurance claims for smoke damage occurring within a wildfire impact zone, including requirements for restoring a property to preloss condition and clearing it for human occupancy in accordance with regulations and guidance for lead, asbestos, and other contaminants developed pursuant to Assembly Bill (AB) 1642 (Harabedian) of the current legislative session. AB 1795's enactment is contingent upon AB 1642's enactment, and vice versa. AB 1795 also establishes study and reporting requirements pertaining to the Lineage Logistics warehouse fire (Lineage Fire).

Senate Amendments
On residential property insurance claims for smoke damage:

1) Provide that AB 1795 shall only become operative if AB 1642 is enacted and takes effect on or before January 1, 2027.

2) Delete all of the following:

   a) Requirements for the California Environmental Protection Agency (CalEPA) to develop, on or before June 30, 2027, 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 wildfire, and to adopt regulations that implement these standards and requirements;

   b) A definition of "impact zone," meaning a ZIP Code that is either within the fire perimeter, as specified, or adjacent to the fire perimeter and downwind of the fire perimeter, based on maps generated by the National Oceanic and Atmospheric Administration;

   c) A definition of "restoration of the property to preloss condition," meaning the removal of smoke damage residues, combustion byproducts, chemicals, contaminants, and odor caused by wildfire smoke exposure through remediation and restoration of the property, to the same condition that existed before exposure;

   d) A definition of "smoke damage," meaning exposure of residential property or its contents to wildfire smoke, combustion byproducts, and the chemicals and contaminants contained within the wildfire smoke; and,

   e) Requirement for CalEPA to establish, as specified, 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 wildfire.

3) Define:

a) "Wildfire impact zone" to mean a ZIP code within or partially within the fire perimeter, as specified;

b) "Restored to preloss condition" to mean the removal of smoke damage residues, ash, soot, char, combustion byproducts, chemicals, contaminants, and odor caused by wildfire smoke exposure through remediation and restoration of a residential property to the same condition that existed before exposure; provides that restoration does not include improvements, upgrades, or betterments beyond the condition of the property immediately before the wildfire smoke exposure; and,

c) "Smoke damage" to mean exposure of residential property, as specified, to wildfire smoke, ash, soot, char, combustion byproducts, and the chemicals and contaminants contained within the wildfire smoke; provides that wildfire smoke damage does not include smoke, soot, ash, char, fumes, or particulate matter resulting from agricultural, industrial, or commercial operations or routine residential activities unrelated to a covered wildfire.

4) Establish a rebuttable presumption that if wildfire smoke, ash, soot, char, or combustion byproducts are present in a surviving residential property in the wildfire impact zone after a wildfire, then smoke damage in the property is the result of that wildfire.

5) Provide that the regulations and guidance for lead, asbestos, and other contaminants developed pursuant to AB 1642 shall apply to claims governed by AB 1795.

6) Prohibit an insurer from terminating coverage for additional living expenses for a covered smoke damage claim for a property within the wildfire impact zone, as specified, until the property has been restored to preloss condition and cleared for human occupancy, in accordance with regulations or guidance established pursuant to AB 1642, subject to the applicable policy limit.

7) Require an insurer to be responsible for covering the cost of the sampling and testing that is necessary to restore a damaged property to its preloss condition and render it cleared for human occupancy; requires the sampling and testing to be in accordance with the regulations or guidance issued pursuant to AB 1642, subject to the terms and provisions of the policy; provide that AB 1795 does not require continued additional living expense payments once the property has been restored to preloss condition and cleared for human occupancy.

8) Provide that if a residential property has been restored to preloss condition and cleared for human occupancy, in accordance with the regulations or guidance established pursuant to AB 1642, then the claim shall not be reopened due to recontamination, and a claim for recontamination shall be considered a new claim, subject to policy provisions and a new deductible.

9) Require the California Department of Insurance (CDI) to implement and enforce a licensee's responsibility to restore a residential property to preloss condition and render it cleared for human occupancy, in accordance with the regulations or guidance established pursuant to AB 1642.

10) Provide that the above apply to all residential property insurance claims that occur on or after January 1, 2027 (AB 1795's operative date).

11) Require CDI to develop training and certification programs for insurance and public insurance adjusters, as specified, on or before January 1, 2029, instead of January 1, 2028, and to base the training and certification on the residential property being restored to preloss condition and cleared for human occupancy, in accordance with the regulations or guidance issued pursuant to AB 1642.

12) Require, on or before July 1, 2029, the Division of Occupational Safety and Health (i.e., Cal/OSHA) to propose regulations to protect the health and safety of employees performing work on residential properties that have sustained smoke or fire damage as a result of a wildfire to the state's Occupational Safety and Health Standards Board, for its consideration and possible adoption; requires these regulations to include requirements for the certification of individuals who perform this work.

On the Lineage Fire:

13) Require, on or before December 31, 2027, the Office of Emergency Services (CalOES) to coordinate with state and local agencies and other entities, as specified, to conduct a study to identify the various entities involved in the Lineage Fire incident response and recovery operations, the coordination of entities involved in the incident response and recovery operations, and the various jurisdictional oversight authorities, to determine if enactment of further laws and regulations would prevent or mitigate these problems for potential future events; require, on or before July 31, 2028, CalOES to submit a final written report detailing the study's findings and recommendations to the Governor and Legislature and to post the report on its internet website.

14) Require, on or before July 1, 2027, CDI to conduct a study that identifies the gaps in insurance coverage exposed by the Lineage Fire, identify potential new triggers for insurance coverage, and determine if the enactment of further laws and regulations should be considered to close the gaps; require, on or before December 1, 2027, CDI to submit a final written report detailing the study's findings and recommendations to the Governor and Legislature, and to post the report on CDI's internet website.

COMMENTS

This bill and harmonizing amendments with AB 1642: As noted below, there are no pre-existing state or federal standards for indoor contaminants from smoke damage. With the rise in destructive wildfires, there is an urgent need to protect public health by developing health-based standards for these contaminants. There is also an urgent need for a regulatory framework that articulates how these standards will apply to residential property insurance claims for smoke damage.

This year, AB 1795 and AB 1642 took up the challenge of tackling these issues and advancing critical conversations about how to approach them. Amendments taken in the Senate harmonize the two bills, such that they now each hold a critical piece of California's—and the nation's—first wildfire smoke damage policy. AB 1642 requires DTSC to establish standards for lead, asbestos, and several other post-wildfire contaminants, and AB 1795 articulates how these standards will apply to residential property insurance claims.

Indoor contaminants after wildfires: The frequency and severity of wildfires have been increasing, both in the state and all over the world. When these fires burn into densely populated areas, they can transition into urban conflagrations, in which fires spread rapidly from structure-to-structure. In the wake of these fires, both the interiors and exteriors of structures can become polluted by smoke residue, ash, and debris, which in turn can contain toxic chemicals. For homes that remain standing, but have been impacted by wildfire smoke and debris, there are no uniform state or federal standards pertaining to investigation, testing, and remediation for indoor chemical hazards.

The Smoke Claims and Remediation Task Force: Recognizing the need for statewide standards, in May 2025, CDI established the Smoke Claims and Remediation Task Force (Task Force). The Task Force's final report highlights areas of agreement and disagreement on how to address smoke damage. There was general consensus regarding the relatively greater potential for harm from toxins resulting from wildfires; the need for standards for contaminants of concern; the utility of a tiered classification system for smoke damage claims with varying protocols; and the importance of training and certification programs for personnel involved in the insurance claim and remediation process, including, but not limited to insurance adjusters, industrial hygienists, remediation experts, and testing laboratories.

The Lineage Fire: On June 17, 2026, a fire ignited at the Lineage, Inc. storage facility in the Boyle Heights neighborhood in the city of Los Angeles. According to the City of Los Angeles' Emergency Management Department, the fire burned within a heavily insulated, 491,000 square foot cold storage structure that stored an estimated 85 million pounds of frozen food product. Although clean-up efforts have progressed since the fire, local frustrations have emerged with the pace of the clean-up and serious pest and air quality problems associated with rotting food in the warehouse. According to the *Los Angeles Times* article, "Millions of pounds of rotting food have finally been removed from burned warehouse in Boyle Heights," more than 4,900 odor complaints have been submitted to the South Coast Air Quality Management District for "persistent rotten, sour and garbage-like odors."

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 Eaton Fire Residents United (EFRU):

> "Many of us signed a letter supporting AB 1642 in June and many also signed a letter opposing AB 1795 unless it was amended. Both bills have harmonized since then. We urge you to vote yes on both bills when they come to you on the floor.

The two bills now travel together. Neither one takes effect unless both are enacted. AB 1642 writes the science. It creates the first standards in the nation for testing and remediating homes of toxic contaminants after a wildfire. AB 1795 requires insurance companies to follow them within the impact zone. Apart, each bill is half an answer. Together they are the first real wildfire smoke damage standards this country has.

Currently, a family is told their home is clean when an insurance adjuster says it is clean. As reported by the *New York Times*, that gap has allowed insurance companies to deny testing, insufficiently clean homes, prematurely terminate smoke damage claims, and force survivors back into homes that were never cleared for occupancy…EFRU's own testing found lead in every standing home we tested for it. In a separate group of homes tested after professional cleaning, most still came back above the federal threshold for lead. Cleaning a home without a standard to sample and test against does not reliably produce a clean home.

California has the chance to write the rules the rest of the country will use as their north star. Wildfires are not going away. They are only increasing in severity and geographic diversity. Yet, no state has put standards in place to ensure there is clarity on when it is safe to return to a smoke damaged home. We have spent a year and a half learning what happens when there is no standard. Now is the time to lean into scientific advances in the identification, measurement, and remediation of toxic contaminants in smoke damaged homes."

Arguments in Opposition

Writing in an opposed-unless-amended position on a prior version of AB 1795, a coalition of insurance industry groups comprised of the American Property Casualty Insurance Association, the National Association of Mutual Insurance Companies, Pacific Association of Domestic Insurance Companies, and the Personal Insurance Federation of California states:

"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 [the wildland urban interface] or high smoke risk areas, while providing sufficient protection for homeowners and predictability to insurers."

FISCAL COMMENTS

According to the Senate Appropriations Committee, writing on a prior version of AB 1795, enactment of this bill would result in one-time costs to CDI of $91,000; ongoing annual costs of $6 million to CalEPA, as well as substantial, yet undetermined annual contracting costs; ongoing annual costs of $1.024 million to the Office of Environmental Health Hazard Assessment; ongoing annual costs of $545,000 to the California Department of Public Health; minor and absorbable costs to the Department of Industrial Relations; and unknown costs that could range from absorbable to the high hundreds of thousands of dollars for other state agencies required to consult with CalEPA during the development of testing standards.

VOTES:

ASM ENVIRONMENTAL SAFETY AND TOXIC MATERIALS: 5-1-1
YES: Connolly, Bauer-Kahan, Lee, McKinnor, Papan
NO: Castillo
ABS, ABST OR NV: Ellis

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

ASM APPROPRIATIONS: 11-4-0
YES: Wicks, Aguiar-Curry, Calderon, Caloza, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache
NO: Hoover, Dixon, Ta, Tangipa

ASSEMBLY FLOOR: 56-7-17
YES: Addis, Aguiar-Curry, Ahrens, Alvarez, Arambula, Ávila Farías, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Chen, Connolly, Elhawary, Flora, Fong, Gabriel, Gipson, Mark González, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Krell, Lee, Lowenthal, McKinnor, Nguyen, Ortega, Pacheco, Papan, Patel, Pellerin, Quirk-Silva, Ramos, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Sharp-Collins, Solache, Soria, Stefani, Valencia, Ward, Wicks, Wilson, Zbur, Rivas
NO: Castillo, DeMaio, Hadwick, Macedo, Patterson, Sanchez, Tangipa
ABS, ABST OR NV: Alanis, Bains, Davies, Dixon, Ellis, Gallagher, Garcia, Jeff Gonzalez, Haney, Kalra, Lackey, Muratsuchi, Petrie-Norris, Celeste Rodriguez, Schultz, Ta, Wallis

UPDATED

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