Date of Hearing: May 6, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Buffy Wicks, Chair
AB 1798 (Wilson) – As Amended April 16, 2026

Policy Committee:	Insurance	Vote:	11 - 5
	Privacy and Consumer Protection		11 - 4

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill prohibits a life or disability insurer from canceling, limiting, or denying coverage based on a test for a genetic characteristic, except as specified. The bill also prohibits a life or disability insurance institution, agent, or insurance-support organization from requiring, requesting, or soliciting genetic information; using genetic test results; or considering a person's decisions or actions relating to genetic testing in any manner for an insurance purpose, with certain exemptions. The bill imposes civil penalties for violations of these provisions, to be paid to the subject of the genetic test.

FISCAL EFFECT:

The Department of Insurance (CDI) reports it anticipates no costs. CDI does not anticipate needing to promulgate regulations. However, if regulations are needed, CDI would incur costs of an unknown amount, potentially in the tens of thousands of dollars (Insurance Fund).

Cost pressures (Trial Court Trust Fund, General Fund) of an unknown but potentially significant amount to the courts to adjudicate any additional filings. Actual costs will depend on the number of cases filed and the amount of court time needed to resolve each case. It generally costs approximately $1,000 to operate a courtroom for one hour. Although courts are not funded on the basis of workload, increased pressure on the Trial Court Trust Fund may create a demand for increased funding for courts from the General Fund. The state budget provides annual General Fund backfills to the Trial Court Trust Fund to offset revenue reductions, totaling approximately $117.3 million in 2025-26.

The Legislative Analyst's Office recently warned of General Fund structural deficits of around $35 billion per year in the 2027-28 fiscal year and ongoing.

COMMENTS:

1) **Author's statement**. This bill is sponsored by Insurance Commissioner Ricardo Lara. According to the author:

> California has a responsibility to lead when it comes to protecting patients and advancing health equity. As genetic testing and biomarker screening become more widely used, we must ensure that these innovations don't deepen existing disparities or create new barriers to coverage. [This bill] ensures that Californians are not penalized for

> taking proactive steps to understand their health. Genetic testing and biomarker screening should lead to better health, not to higher premiums, reduced benefits, or denial of coverage.

2) **Background.** As genetic sequencing becomes increasingly inexpensive and accessible, it is also becoming more ubiquitous. Direct-to-consumer (DTC) genetic testing products provide a kit through which a sample, typically saliva, can be collected and mailed to the company for analysis. The company then provides results to the consumer, generally online, through landing pages where consumers can access their raw genetic data as well as inferences drawn from those analyses. The information that can be extrapolated or inferred from these data continues to grow, as the scientific understanding of genetics and genomics improves, and new uses for such genetic information continue to emerge.

   California's Genetic Information Privacy Act (GIPA) mandates companies receive customers' affirmative consent regarding the collection, use, maintenance, and disclosure of their genetic data; implement privacy and security practices to protect customers' DNA from hackers; and enable consumers to access and destroy their genetic data. However, GIPA is specific to DTC genetic testing companies and does not account for individuals and private entities that may seek to use genetic data without the consent of the person whose genetic data is being used. The federal Genetic Information Nondiscrimination Act (GINA) prohibits discrimination based on genetic information in group health plan coverage and employment, but GINA does not address discrimination based on genetic information in life and non-health disability insurance.

3) **Opposition.** In opposition to the bill, the American Council of Life Insurers, the Association of California Life & Health Insurance Companies, and National Association of Insurance and Financial Advisors - California argue, in part:

   > Restricting the ability of life and disability insurers to consider genetic test or biomarker results in underwriting goes far beyond encouraging testing. It fundamentally alters how these voluntary, individually underwritten financial products function. Under California law, insurers may not engage in unfair discrimination and may vary rates or eligibility only when supported by objective, valid, and up-to-date statistical and actuarial data. Risk classification based on medically relevant information is not discrimination. It is how life and disability insurance are priced. Removing one category of relevant medical information does not eliminate risk. It shifts that risk to other policyholders.

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