SENATE COMMITTEE ON APPROPRIATIONS
Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 1798 (Wilson) - Genetic testing for life and disability insurance

Version: April 16, 2026
Policy Vote: INS. 5 - 0, P., D.T., & C.P. 8 - 0
Urgency: No
Mandate: No
Hearing Date: August 3, 2026
Consultant: Janelle Miyashiro

Bill Summary: AB 1798 prohibits life and non-health disability insurers, agents, and insurance-support organizations from canceling, limiting, denying coverage, or making underwriting decisions based on genetic test results, characteristics, or an individual's testing decisions, except under specified exemptions. AB 1798 also prohibits these entities from requiring, requesting, or soliciting genetic information for insurance purposes unless certain criteria are met.

Fiscal Impact:

- Unknown, potentially significant workload cost pressures to the state funded trial court system to adjudicate any violations resulting from this bill (Trial Court Trust Fund, General Fund). The fiscal impact of this bill to the courts will depend on many unknowns, including the number of cases filed and the factors unique to each case. An eight-hour court day costs approximately $8,000 in staff in workload. If court days exceed 10, costs to the trial courts could reach hundreds of thousands of dollars. While the courts are not funded on a workload basis, an increase in workload could result in delayed court services and would put pressure on the General Fund to fund additional staff and resources and to increase the amount appropriated to backfill for trial court operations.

- Unknown local county costs to the extent that a one-year misdemeanor jail sentence is imposed, though incarceration for this offense appears unlikely. The average annual cost to incarcerate one person in county jail is approximately $80,000. For historical context, Los Angeles County budgeted $1.3 billion for jail costs in 2021, averaging roughly $90,000 per incarcerated person. Actual county incarceration costs will depend on the number of convictions and the length of each sentence. Generally, county incarceration costs are not reimbursable state mandates pursuant to Proposition 30 (2012).

- The California Department of Insurance (CDI) does not anticipate a fiscal impact from the bill (Insurance Fund).

Staff notes there may be an unknown potential increase in enforcement workload for CDI to address violations of this bill, which may be offset to some extent by penalty revenue (Insurance Fund). It is possible that higher aggregate penalties may incentivize insurers to contest enforcement actions through the administrative hearing process rather than opting for immediate compliance, which may increase administrative and adjudicatory workload. The magnitude of this workload would depend on the number and scope of violations, as well as any attached penalties.

Background: California law outlines specific prohibitions against genetic discrimination across commercial, employment, and housing sectors. Under the Unruh Civil Rights Act, business establishments are prohibited from discriminating on the basis of genetic information regarding the provision of accommodations, advantages, facilities, privileges, or services. Similarly, the Fair Employment and Housing Act prohibits discrimination based on genetic information in both housing and employment contexts.

In the insurance sector, state law restricts how life and disability insurers can use genetic information for underwriting. Insurers are prohibited from refusing to issue or renew a policy, or from reducing a policy's payout, solely because an applicant is an asymptomatic carrier of a genetic trait that could affect their offspring, such as the Tay-Sachs, sickle cell, thalassemia, or X-linked hemophilia A traits. The Insurance Code also establishes criteria for underwriting based on genetic characteristics. The stated purposes of these provisions are to establish minimum standards for reliable risk classification, mandate informed consent before genetic tests are used, and require confidentiality for personal genetic information obtained during the process.

While current law allows life and disability insurers to use genetic testing with an applicant's consent, CDI has identified regulatory limitations regarding inadvertent disclosure. According to CDI and the Commissioner, statutory privacy safeguards are bypassed when insurers obtain genetic test results unintentionally, such as through standard medical records. CDI notes that this circumstance has led some Californians to decline preventative genetic testing due to concerns that insurers might use unconsented test results to reduce coverage or increase premiums

Proposed Law:

- Prohibits an insurance institution, agent, or insurance-support organization from preparing or requesting an investigative consumer report that seeks an individual’s genetic information or full genome.

- Prohibits an insurance institution, agent, or insurance-support organization from seeking information in connection with an insurance transaction or making an adverse underwriting decision about an individual’s genetic information or full genome, unless all of the following are true:

    - The genetic information is included in the medical record of the individual and is not sought from any other source or record.

    - The genetic information is not derived from a direct-to-consumer test.

    - The insurance transaction pertains to a life or disability insurance policy with a face value in excess of $1,500,000.

- Prohibits a life or disability insurer from canceling, limiting, or denying coverage; establishing differentials in premium rates, conditions, or terms; or making an adverse underwriting decision based on a test for the presence or absence of genetic characteristics, unless all of the following are true:

  - The genetic information is included in the medical record of the individual and is only accessed by the life or disability insurer through authorized access to the medical record.
  - The test is not a direct-to-consumer test.
  - The cancellation, limitation, or denial of coverage, differential premium rates, conditions, or terms, or adverse underwriting decision pertains to a life or disability insurance policy requested by the individual with a face value in excess of $1,500,000.

- Prohibits a life or disability insurer from requiring, requesting, or soliciting genetic information or considering a person's decisions or actions relating to genetic testing in any manner for an insurance purpose. Provides that this provision does not apply to records necessary solely for the payment of benefits or for a therapeutic purpose.

- Prohibits a life or disability insurer from using genetic test results for any insurance purpose and from directly or indirectly considering or using genetic information or genetic test results of the individual or the individual's family in underwriting unless all of the following are true:

  - The genetic information is included in the medical record of the individual and is only accessed by the life or disability insurer through authorized access to the medical record.
  - The test is not a direct-to-consumer test.
  - The insurance purpose pertains to a life or disability insurance policy with a face value in excess of $1,500,000.

- Prohibits a life or disability insurer from asking a person if they or any family member has taken a genetic test or asking about the results of a genetic test.

- Provides that the above provisions do not prevent a life or disability insurer from accessing an individual's medical record as part of an application for insurance.

- Provides that the Commissioner may promulgate reasonable rules and regulations as necessary to administer the above provisions.

- Clarifies that an insurer does not violate the bill by receiving genetic information or the results of a genetic test, provided it does not directly or indirectly use the information or results in its underwriting or rating, and does not disclose the genetic information or genetic test in a way that violates the bill's provisions.

- Increases the penalty for a person who either uses genetic information or genetic characteristics in a manner inconsistent with the bill's provisions, or negligently discloses genetic information or characteristics, to any third party in a manner that identifies the person to whom the test results apply from a maximum of $1,000 per violation plus court costs to a maximum of $5,000, to be paid to the subject of the test.

- Specifies that a person who either knowingly or with such frequency as to indicate a general business practice commits an act specified above shall be assessed a civil penalty in an amount not less than $1,000 and no more than $10,000 per violation.

- In addition to the penalties specified above, it specifies that any life or disability insurer who violates the bill’s provisions is liable for administrative penalties of not less than $1,500 and not more than $2,500 for the first violation, and not less than $2,500 or more than $5,000 for each subsequent violation.

- Provides that any life or disability insurer that violates the bill’s provisions with a frequency that indicates a general business practice or commits a knowing violation is liable for administrative penalties of not less than $15,000 and not more than $100,000 for each violation.

- Specifies that an act or omission that is inadvertent and results in incorrect premium rates being charged to more than one insured shall be a single violation for the purposes of the section and provides the Commissioner with the discretion to establish what constitutes an “act.”

- Provides the Commissioner with the authority to assess penalties in accordance with the bill’s provisions, in addition to any other fine, penalty, or remedy permitted by law, against life and disability insurers.

- Defines “genetic information” as information derived from genetic testing to determine the presence or absence of variations or mutations, including carrier status, in an individual’s genetic material or genes that are scientifically or medically believed to cause a disease, disorder, or syndrome, or are associated with a statistically increased risk of developing a disease, disorder, or syndrome, which is asymptomatic at the time of testing. Provides that testing does not include routine physical examinations or chemical, blood, or urine analysis, unless conducted purposefully to obtain genetic information, or questions regarding family history.

- Makes technical and conforming changes.

Related Legislation: >

Staff Comments: >

Proposed Author Amendments: >

Recommended Amendments: >

-- END --