

THIRD READING

Bill No: AB 1798
Author: Wilson (D), et al.
Amended: 8/21/26 in Senate
Vote: 21

SENATE INSURANCE COMMITTEE: 5-0, 6/24/26
AYES: Padilla, Becker, Menjivar, Richardson, Rubio
NO VOTE RECORDED: Niello, Jones

SENATE PRIV., DIGITAL TECH. & CONS. PROT. COMMITTEE: 8-0, 6/29/26
AYES: Cabaldon, Gonzalez, McNerney, Ochoa Bogh, Padilla, Reyes, Umberg,
Wiener
NO VOTE RECORDED: Seyarto

SENATE APPROPRIATIONS COMMITTEE: 6-0, 8/13/26
AYES: Cervantes, Cabaldon, Dahle, Grayson, Richardson, Wahab
NO VOTE RECORDED: Seyarto

ASSEMBLY FLOOR: 57-18, 5/27/26 - See last page for vote

SUBJECT: Genetic testing for life and disability insurance

SOURCE: Insurance Commissioner Ricardo Lara / California Department of Insurance

DIGEST: This bill (1) prohibits a life or disability insurer from canceling, limiting, or denying coverage based on a test for a genetic characteristic, except as specified; (2) 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; (3) bans the use or disclosure of an individual's full genome.

Senate Floor Amendments of 8/21/26 address chaptering issues with SB 354 (Limón).

ANALYSIS:

Existing law:

- 1) Prohibits discrimination on the basis of genetic information under the Unruh Civil Rights Act and the Fair Employment and Housing Act (FEHA).
- 2) Prohibits, pursuant to federal law under the Genetic Information and Nondiscrimination Act (GINA), discrimination based on genetic information in group health plan coverage and employment.
- 3) Subjects any person who improperly discloses genetic test results contained in a health care service plan applicant or enrollee's medical records, or pursuant to a genetic test requested by an insurer, to civil and criminal penalties.
- 4) Prohibits a Direct-to-Consumer (DTC) genetic testing company from disclosing a consumer's genetic data to any entity that is responsible for administering or making decisions regarding health insurance, life insurance, long-term care insurance, disability insurance, or employment, or to any entity that provides advice to an entity that is responsible for performing those functions, except as specified.
- 5) Prohibits a life or disability insurer from requiring a test for the presence of a genetic characteristic for the purpose of determining insurability other than for those policies that are contingent on review or testing for other diseases or medical conditions.
- 6) Prohibits discrimination made in the fees or commissions of agents or brokers writing or renewing a life or disability income policy on the basis of a test of that person's genetic characteristics.
- 7) Prohibits life and disability insurers from failing or refusing to accept an application for insurance, from failing to issue insurance to an applicant, and from issuing insurance under conditions less favorable to the insured than in other comparable cases, except for reasons applicable alike to persons of every race, color, religion, sex, gender, gender identity, gender expression, national origin, ancestry, or sexual orientation; and prohibits considering race, color, religion, national origin, ancestry, and sexual orientation from, of itself, constituting a condition or risk for which a higher rate, premium, or charge may be required of the insured for that insurance, except as specified.
- 8) Prohibits life and disability insurers from refusing to issue/sell or renew a policy, or from requiring beneficiaries to accept less than the full sum of the

policy, solely because the person to be insured carries a gene which may, under some circumstances, be associated with disability in that person's offspring, but which causes no adverse effects to the carrier.

- 9) Defines "genetic characteristics" to mean any scientifically or medically identifiable gene or chromosome, or alteration thereof, that is known to be a cause of a disease or disorder, or that is determined to be associated with a statistically increased risk of development of a disease or disorder, and that is presently not associated with any symptoms of any disease or disorder.

This bill:

- 1) States the intent of the Legislature that the changes made by this bill should not be interpreted to authorize the use or disclosure of an individual's full genome.
- 2) Prohibits, as specified, an insurance institution, agent, or insurance-support organization from seeking information in connection with an insurance transaction concerning an individual's full genome or genetic information, including if the genetic information is for the purpose of ruling out an adverse finding based on the individual's medical record and the individual has provided informed, written consent for the release, disclosure, and use of the genetic test results or has provided the genetic test results to the insurer.
- 3) Prohibits, as specified, a life or disability insurer from cancelling, limiting, or denying coverage, establishing differentials in premium rates, conditions, or terms, or making an adverse underwriting decision based on a test for a genetic characteristic.
- 4) Prohibits, as specified, a life or disability insurer 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, except as necessary for the payment of benefits or for a therapeutic purpose.
- 5) Prohibits a life or disability insurer from requiring a person to undergo a test of the person's genetic characteristics to determine eligibility or insurability or for other insurance purposes.
- 6) Prohibits a life or disability insurer from asking a person if they or any member of their family have taken a genetic test, or asking about the result of a genetic test.

- 7) Specifies that, unless prohibited by law, the above provisions do not apply if the genetic information or test results are in the individual's medical record, are not derived from a DTC genetic test, and if the genetic information is for the purpose of ruling out an adverse finding based on the individual's medical record and the individual has provided informed, written consent for the release, disclosure, and use of the genetic test results or has provided the genetic test results to the insurer.
- 8) States that this bill does not limit an insurer's right to decline an application or enrollment request for a life or disability insurance policy, charge a higher rate or premium for such a policy, or place a limitation on coverage under such a policy, based on the manifestation, diagnosis, or treatment of any present disease or disorder. Furthermore, this bill does not prohibit a life insurer or disability insurer from considering a medical diagnosis included in an individual's medical record, even if the diagnosis was made based on the results of a genetic test.
- 9) Creates affiliated penalties for violations of this bill's provisions.

Related/Prior Legislation

SB 41 (Umberg, Chapter 596, Statutes of 2021). Provided several privacy and consumer protections for genetic information collected through DTC testing.

SB 559 (Padilla, Chapter 261, Statutes of 2011). Expanded the prohibited bases of discrimination under the Unruh Civil Rights Act and the California Fair Employment and Housing Act to include genetic information.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

According to the Senate Appropriations Committee:

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 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.

SUPPORT: (Verified 8/14/26)

Insurance Commissioner Ricardo Lara / California Department of Insurance
(source)

ALS Association

ALS Network

American Cancer Society Cancer Action Network INC.

American Kidney Fund

Ancestry

Angioma Alliance D/B/A Alliance to Cure Cavernous Malformation

Association of Northern California Oncologists

Biocom

Bleeding Disorders Council of California

California Alliance for Retired Americans

California Chronic Care Coalition

California Life Sciences Association

California Medical Association

Children's Specialty Care Coalition

Chronic Disease Coalition

Csnk2a1 Foundation
Cure Mapt Ftd
Curegrn
Dialysis Patient Citizens
Dysautonomia International
Eb Research Partnership
Equality California
Force: Facing Our Risk of Cancer Empowered
Gene Dx, LLC
Genedx
Genetic ALS & FTD: End the Legacy
Global Colon Cancer Association
Hypertrophic Cardiomyopathy Association
Natera, INC.
Medical Oncology Association of Southern California
National Urea Cycle Disorders Foundation
Oakland Privacy
Ovarian Cancer Research Alliance
Rare & Ready Coalition
RareRising
Rasopathies Network
The Association for Frontotemporal Degeneration
The Everylife Foundation for Rare Diseases
The International Pemphigus and Pemphigoid Foundation
Triage Cancer
U.S. Renal Care
Wilson Disease Association

OPPOSITION: (Verified 8/14/26)

American Council of Life Insurers
Association of California Life & Health Insurance Companies
National Association of Insurance and Financial Advisors - California

ARGUMENTS IN SUPPORT: Insurance Commissioner Ricardo Lara, sponsor of the bill states:

“AB 1798 ensures that proactive, at-risk individuals are not discouraged from or punished for obtaining this important information. When consumers fear adverse insurance consequences, they may avoid valuable genetic tests. A 2023 Centers for Disease Control and Prevention survey indicated that 60% of respondents were

concerned that the results of genetic testing for a higher risk of cancer would impact their life insurance. AB 1798 removes this barrier, promoting early detection, prevention, and better health outcomes.

Genetic information differs from traditional underwriting factors because it most often suggests a remote chance of future diseases rather than a reasonably anticipated risk. Medical experts emphasize that genetic tests cannot reliably predict if or when a disease will occur and should not be used to penalize healthy individuals. Sound underwriting does not require genetic testing of asymptomatic individuals. Insurers will continue to retain access to the full range of established underwriting tools that they use and have used effectively for decades prior to the advent of genetic testing.

A 2016 study reported that 28% of individuals who declined whole genome sequencing cited insurance discrimination as their primary reason. Participants expressed that including the genetic information in a medical record was like a “ticking time bomb.” AB 1798 would address these concerns by prohibiting insurance companies from using this information when it appears in the medical files of individuals without symptoms. This protection is expected to increase participation in whole genome sequencing, which supports efforts to find cures and therapies for rare diseases.

As more Californians use early genetic testing screenings to better understand their health, they should never have to worry that this deeply personal information will be turned against them. AB 1798 closes a dangerous gap in our laws by banning insurers from using genetic tests performed in the absence of symptoms or disease to deny coverage or raise premiums for most California consumers. Your DNA and your medical markers belong to you, not to an insurance company. Protecting consumer privacy and preventing discrimination ensures people can use the latest medical technology without putting their health, their coverage, or their most sensitive data at risk.”

ARGUMENTS IN OPPOSITION: A coalition representing the life insurance industry states:

“At a fundamental level, life insurance is about pricing risk, and medical testing that can inform a patient, doctor, or insurer about an individual’s risk needs to be accessible in underwriting. It should not matter whether that test is a CT scan, EKG, blood test, or doctor-ordered genetic test. The results are telling the insurer something material about the risk of insuring that individual.

We have heard often that most genetic markers do not guarantee an outcome, and therefore using the test is unfair. We agree that outcomes are rarely entirely determined by an individual's genes. But calling the use of genetic information unfair fundamentally misunderstands what we are insuring. We are insuring against the risk of the outcome, not the outcome itself. Genetic testing can provide meaningful information about the risk of developing a disease, and insurers should be able to consider that information.

That said, we have heard your concerns about direct-to-consumer genetic tests and tests an individual may take to participate in genetic research. We have offered amendments to your office and the sponsor that would take those tests off the table for underwriting consideration, even if they are in an applicant's medical file. In exchange, we simply ask that you accept our amendment to allow access to doctor-ordered, medical-grade genetic tests which reflects the statements made, and understandings developed in the Assembly Insurance Committee.

We believe the responsible path forward is to maintain balanced guardrails that preserve information symmetry, protect confidentiality, and maintain long-term affordability. Despite our strong opposition, we remain committed to working with you on this proposal. At this time, however, we respectfully continue to oppose AB 1798 in its current form.”

ASSEMBLY FLOOR: 57-18, 5/27/26

AYES: Addis, Aguiar-Curry, Ahrens, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Connolly, Elhawary, Fong, Gabriel, Gallagher, Garcia, Gipson, Mark González, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, McKinnor, Muratsuchi, Ortega, Pacheco, Papan, Patel, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ward, Wicks, Wilson, Zbur, Rivas

NOES: Alanis, Castillo, Chen, Davies, DeMaio, Ellis, Flora, Jeff Gonzalez, Hadwick, Hoover, Johnson, Macedo, Patterson, Sanchez, Ta, Tangipa, Valencia, Wallis

NO VOTE RECORDED: Dixon, Lackey, Nguyen, Celeste Rodriguez, Michelle Rodriguez

Prepared by: Brandon Seto / INS. / (916) 651-4110
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**** END ****