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

AB 1929 (Ortega) - Health care coverage: investments: disclosure

Version: June 15, 2026
Urgency: No
Hearing Date: August 3, 2026

Policy Vote: HEALTH 6 - 2
Mandate: No
Consultant: Agnes Lee

Bill Summary: AB 1929 would require a carrier participating in Covered California to annually disclose its material investment holdings to Covered California.

Fiscal Impact: Covered California estimates annual ongoing costs in the low hundreds of thousands for state administration (California Health Trust Fund) and unknown collections related to penalties for noncompliant plans.

Background: The Department of Managed Health Care (DMHC) regulates health plans under the Knox-Keene Act. Current law gives the Director of the DMHC the power to determine that investments of a plan's assets are acceptable to meet specified financial requirements and requires all other assets to be invested in a prudent manner.

The California Department of Insurance (CDI) regulates health insurance. Current law requires every domestic incorporated insurer to file a report with the Insurance Commissioner disclosing material acquisitions and dispositions of assets or material nonrenewals, cancellations, or revisions of ceded reinsurance agreements, as specified.

State law establishes Covered California which selects participating carriers to make health insurance available to individuals and small businesses, as authorized under the federal Affordable Care Act. The Covered California board is responsible for implementing procedures for the certification of qualified health plans. Certified qualified health plans participating in Covered California must make available to the Covered California board and to the public, accurate and timely disclosure of specified information, including periodic financial disclosures.

Proposed Law: Specific provisions of the bill would:

- Require a carrier participating in Covered California to annually disclose its material investment holdings, as defined, to Covered California.

- Require the disclosure to include both of the following:

  - The 25 largest investment holdings of the carrier, regardless of whether or not those holdings are reported through a Form 5500 filed with the United States Department of Labor, other regulatory filing, subsidiary, affiliate, pooled investment vehicle, or other investment structure.

  - A copy of the carrier's Form 5500 filed with the United States Department of Labor.

- Require Covered California to prominently display, and make accessible to the public, the disclosures and the carrier's Form 5500 on the Exchange's internet website.

- Require that if a carrier fails to comply with the disclosure requirements within 30 days of the reporting deadline, the Covered California must assess an administrative penalty against the carrier; specify the administrative penalty to be $1,000 per day for each day the carrier remains out of compliance following the 30-day grace period; require a carrier that fails to comply with the disclosure requirements to prominently post a notice on its public internet website stating that the carrier is not in compliance with California law requiring disclosure of investment holdings; and require Covered California to prominently post the carrier's noncompliance status on its internet website until compliance is achieved.

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