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

AB 1931 (Papan) - Insurance: home protection companies

Version: June 18, 2026
Urgency: No
Hearing Date: August 13, 2026

Policy Vote: INS. 6 - 0
Mandate: No
Consultant: Janelle Miyashiro

Bill Summary: AB 1931 creates a home protection contract limited lines agent license, and affiliated regulatory requirements and structure to allow utilities, acting as a home protection contract vendor, to transact home protection contracts on behalf of and under the authority of a home protection company (HPC).

*********** ANALYSIS ADDENDUM – SUSPENSE FILE ***********
The following information is revised to reflect amendments adopted by the committee on August 13, 2026

Fiscal Impact: The California Department of Insurance (CDI) estimates costs of $400,000 (Insurance Fund) to establish the new licensing program. While anticipated fee revenue will partially offset these regulatory expenses, CDI does not expect it to fully cover the program's initial implementation.

Author Amendments:

- Prohibit an HPC from paying an override commission or marketing fee to its employee.
- Specify restrictions on HPC employee activities.
- Revise requirements for marketing materials distributed by an HPC vendor.
- Expand CDI enforcement authority to impose penalties.
- Require an HPC to maintain a single liability policy, as specified.
- Make other clarifying changes.

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