

Date of Hearing: May 6, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 2061 (Chen) – As Amended April 15, 2026

Policy Committee: Insurance

Vote: 16 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill requires the California Fair Access to Insurance Requirements (FAIR) Plan to post certain information quarterly on its website.

The required information is the number of policies issued by the FAIR Plan in each zip code, risk exposure of the FAIR Plan, and number of policyholders removed from the FAIR Plan's coverage through the clearinghouse program.

FISCAL EFFECT:

Negligible costs to CDI, which has regulatory authority over the FAIR Plan. However, since this bill requires certain information be reported online, which is akin to creating a report, this bill qualifies for this committee's suspense file pursuant to committee rules and custom and practice.

COMMENTS:

1) **Purpose.** According to the author:

AB 2061 increases transparency by requiring the FAIR Plan Association to publicly report key data on a quarterly basis. This includes the number of policies issued in each ZIP Code, total risk exposure, detailed claims activity, and the number of policyholders transitioned out of the FAIR Plan through the clearinghouse program. The FAIR Plan should be transparent with their data and make every effort to allow every Californian to be easily informed about the insurance market in the state.

This bill is supported by the Little Hoover Commission.

2) **Evolution of the FAIR Plan.** The FAIR Plan is a private association of all licensed insurance companies created by the Legislature in 1968 to serve as the "insurer of last resort" for basic property insurance in the event of a market failure. Although originally envisioned to cover urban commercial property following the Watts Riots, the FAIR Plan expanded to include homeowners' insurance across the state and, more recently, due to the continued risk of catastrophic wildfires and admitted market withdrawal, expanded to commercial coverage of farms, ranches, and other agricultural businesses. In many places, the FAIR Plan is the only insurer available to property owners. As of December 2025, the FAIR Plan's policies in force reached over 668,000, representing a 4% increase since September 2025, and a 146%

increase since September 2022. This bill requires the FAIR Plan to post information online quarterly regarding the FAIR Plan's policyholders and risk exposure.

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