Office of Senate Floor Analyses
(916) 651-4171

THIRD READING

Bill No: AB 69
Author: Calderon (D)
Amended: 6/22/26 in Senate
Vote: 21

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

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

ASSEMBLY FLOOR: 78-0, 6/5/25 - See last page for vote

SUBJECT: FAIR Plan policy notices and renewals

SOURCE: Author

DIGEST: This bill enacts various provisions to assist California Fair Access to Insurance Requirements Plan Association (FAIR Plan) policyholders in securing coverage outside of the FAIR Plan. These provisions include providing policyholder information to interested insurers and agents or brokers of record simultaneously, while also making policyholders aware of additional coverage options.

ANALYSIS:

Existing law:

1) Establishes the FAIR Plan to assure the stability of the property insurance market, to assure the availability of basic property insurance, as defined, to encourage maximum use of the normal insurance market in obtaining basic property insurance provided by admitted insurers and licensed surplus line brokers.

2) Provides, as part of the FAIR Plan, for the equitable distribution among admitted insurers of the responsibility for insuring qualified property for which basic property insurance cannot be obtained through the normal insurance market.

3) Specifies that rates for the FAIR Plan shall not be excessive, inadequate, or unfairly discriminatory, shall be actuarially sound so that premiums are adequate to cover expected losses, expenses and taxes, and shall reflect investment income of the plan.

4) Requires the FAIR Plan to develop and implement a residential clearinghouse program and a commercial clearinghouse program.

This bill:

1) Allows, commencing January 1, 2028, the FAIR Plan to share its policyholder information with insurers participating in its clearinghouse programs, with the goal of allowing such an insurer to offer their policies to FAIR Plan policyholders, enabling them to find insurance in the admitted market.

2) Requires under the provisions above, that if there is an agent or broker of record listed on a FAIR Plan policy, the interested insurer must make such a coverage offer simultaneously to both the FAIR Plan policyholder as well as the affiliated agent or broker of record.

3) Requires, beginning May 1, 2027, every admitted and non-admitted insurer that participates in the FAIR Plan clearinghouse programs to report to the FAIR Plan on a quarterly basis the number of policies the insurer has issued to its policyholders. The FAIR Plan must then report aggregated numbers within 30 days to the Insurance Commissioner, the Assembly Committee on Insurance, and the Senate Committee on Insurance, and post the aggregated numbers on its website.

4) States the FAIR Plan must provide its policyholders with annual notice, as specified, that policyholders should consider contacting their broker to determine if other coverage is available.

5) Specifies that the FAIR Plan must require registered agents and brokers to complete its Brokers and FAIR Plan course, which provides training on the FAIR Plan's and the broker's responsibility to advise policyholders on the voluntary market options.

6) Adds the requirement that an agent or broker must assist a person seeking their help in obtaining basic property insurance coverage by providing information on the FAIR Plan's clearinghouse programs.

7) Requires that the FAIR Plan must post a list of admitted and nonadmitted insurers that participate in its clearinghouse programs on its website, and update that list quarterly.

Related/Prior Legislation

AB 1680 (Calderon). Creates greater ability for the California Department of Insurance to ensure accountability and coverage options in the FAIR Plan. Pending on the Senate Floor.

AB 226 (Calderon, Chapter 473, Statutes of 2025). Authorized the California Infrastructure and Economic Development Bank (IBank), upon the request of the California Fair Access to Insurance Requirements Plan Association (FAIR Plan) to issue bonds to finance the costs of claims, to increase liquidity, and claims-paying capacity of the FAIR Plan, and to refund bonds previously issued for that purpose. Required the FAIR Plan, with the approval of the Insurance Commissioner, to assess all members to pay all loan payments and the costs and expenses relating to a loan agreement with IBank, as well as to assess all members to repay a line of credit and its related costs and expenses.

AB 2260 (Calderon, 2024). Would have required the FAIR Plan, until December 31, 2027, to quarterly provide specified information about policies and clearinghouse program progress to the Insurance Commissioner, the Assembly Committee on Insurance, and the Senate Committee on Insurance, and to post the information on the association's public internet website. The bill would have also required the broker of record of an insurance policy that has been placed in the FAIR Plan to determine, prior to the renewal of the policy, whether the policy can be moved to a voluntary market insurance company. Not heard in Senate Insurance Committee.

SB 505 (Rubio, Chapter 180, Statutes of 2023). Required, by July 1, 2024, the FAIR Plan to establish a clearinghouse program for commercial insurance policies.

AB 3012 (Wood and Daly, Chapter 258, Statutes of 2020). Directed the Fair Plan to implement a clearinghouse program whereby property insurers will be provided information about FAIR Plan policies, for the purpose of encouraging those insurers to offer regular private insurance to FAIR Plan policyholders.

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

SUPPORT: (Verified 8/13/26)

Insurance Commissioner Ricardo Lara / California Department of Insurance
California Apartment Association
California Building Industry Association
California FAIR Plan Association
Community Associations Institute - California Legislative Action Committee
Emeryville; City of
Orange County Business Council
Surplus Line Association of California

OPPOSITION: (Verified 8/13/26)

None received

ARGUMENTS IN SUPPORT:

The California Apartment Association states:

"The California FAIR Plan was created in 1968, with the purpose to be the "insurer of last resort" for "basic" property insurance in the event of a market failure. At its inception, it was essentially for urban commercial property. Ultimately, it has expanded to include residential insurance anywhere in the state, provided that the insurance "cannot be obtained" in the normal manner in the market. At origination, the FAIR Plan was not intended to compete with the market. Under the current climate of the California insurance market, the FAIR Plan is under pressure as the "take-all" insurer of last resort. AB 69's goal is to make sure that once policies are part of the FAIR Plan they don't stay there if, and only and if, they can transition to a market plan. This will help maintain the solvency of the FAIR Plan – which is a critical step to stabilizes the state's insurance market."

ASSEMBLY FLOOR: 78-0, 6/5/25
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NO VOTE RECORDED: Ortega

Prepared by: Brandon Seto / INS. / (916) 651-4110
8/17/26 9:15:31

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