

5SENATE JUDICIARY COMMITTEE
Senator Thomas Umberg, Chair
2025-2026 Regular Session

AB 75 (Calderon)
Version: July 1, 2025
Hearing Date: July 15, 2025
Fiscal: Yes
Urgency: No
AM

SUBJECT

Residential property insurance images

DIGEST

This bill requires an admitted insurer to: notify a residential property insurance policyholder that aerial images may be taken or obtained of the insured property; provide the aerial images upon request; and include instructions regarding how a policyholder may make that request in the notice, as specified and with limited exceptions. The bill prohibits an admitted insurer from basing a decision to terminate insurance coverage on an aerial image taken more than 180 days prior to sending notice of that decision to the policyholder, except as specified; and requires an admitted insurer that bases a decision to terminate on an aerial image to provide that image to the policyholder with the notice of the decision to terminate. The bill requires the policyholder to have an opportunity to dispute the accuracy of the image, and to verify remediation, before the effective date of the decision to terminate insurance coverage. The bill makes these provisions operative on July 1, 2026.

EXECUTIVE SUMMARY

California insurers have begun using drones and other aerial surveillance to inspect homes and making determination of nonrenewal of policies, and in many cases denying insureds access to the photos used to make those determinations.¹ California is facing an insurance crisis due to the issues of wildfires,² which has resulted in increased prices with many homeowners finding it difficult or impossible to find any insurance besides

¹ Megan Fan Munce, *Insurers are using satellite images to inspect homes in California – and dropping policies in the process*, San Francisco Chronicle (Oct. 26, 2024), available at

<https://www.sfchronicle.com/california/article/home-insurance-satellite-photo-19497336.php>.

² David Gelles, *The Home Insurance Crisis Is Getting Even More Expensive*, The New York Times (May 15, 2025), available at <https://www.nytimes.com/2025/05/15/climate/climate-change-home-insurance-costs.html>.

the California FAIR Plan.³ The author argues that lack of awareness that images were taken, and lack of access to those images, makes it difficult to rectify potential problems that could otherwise reduce risk and maintain insurability, and even more difficult to contest the grounds for nonrenewal. The bill is author sponsored. The bill is supported by the California Association of Realtors, the City of Laguna Niguel, the League of California Cities. The bill is opposed by the Consumer Federation of California, Cotality, Karen Clark & Company, Oakland Privacy, and Privacy Rights Clearinghouse. This bill passed the Senate Insurance Committee on a vote of 7 to 0.

PROPOSED CHANGES TO THE LAW

Existing law:

- 1) Provides for the regulation of insurance by the California Department of Insurance (CDI), which is under the control of the Insurance Commissioner (Commissioner). (Ins. Code § 12921.)
- 2) Requires an insurer to provide a notice of nonrenewal at least 75 days before policy expiration that includes the specific reason or reasons for the nonrenewal, the telephone number of the insurer's representative who handles consumer inquiries or complaints, and a statement pertaining to availability of review by the Department of Insurance (CDI). (Ins. Code § 678.)
- 3) Establishes the Insurance Information and Privacy Protection Act, which provides various rights to natural persons who are the subject of information collected, received, or maintained in connection with insurance transactions, and policyholders who engage in or seek to engage in these transactions. Prescribes standards for the collection, use, and disclosure of personal information gathered in connection with insurance transactions by insurance institutions, agents, or insurance-support organizations. (Ins. Code §§ 791.01 et seq.)
- 4) Requires an insurance institution or agent to provide a notice of information practices to all applicants or policyholders at the time of delivery of the insurance policy when personal information is collected from the applicant, or at the time the collection of personal information is initiated when personal information is collected from a source other than the applicant. In the case of a policy renewal, requires that the notice be provided no later than the policy renewal date; however, no notice is required in connection with a policy renewal if personal information is collected only from the policyholder, an insured under the policy, or public records, or if a notice has been given within the previous 24 months. (Ins. Code § 791.04.)

³ The California FAIR Plan is the insurer of last resort when basic fire coverage is not available from a traditional carrier.

- 5) Defines “personal information,” for purposes of these rights and standards, to mean, any individually identifiable information gathered in connection with an insurance transaction from which judgements can be made about an individual’s character, habits, avocations, finances, occupation, general reputation, credit, health, or any other personal characteristic. (Ins. Code § 791.01(s).)
- 6) Provides that a person is liable for physical invasion of privacy when the person knowingly enters onto the land or into the airspace above the land of another person without permission or otherwise commits a trespass in order to capture any type of visual image, sound recording, or other physical impression of the plaintiff engaging in a private, personal, or familial activity and the invasion occurs in a manner that is offensive to a reasonable person. (Civ. Code § 1708.8.)
- 7) Establishes the California Consumer Privacy Act (CCPA), which grants consumers certain rights with regard to their personal information, including enhanced notice, access, and disclosure; the right to deletion; the right to restrict the sale of information; and protection from discrimination for exercising these rights. Places attendant obligations on businesses to respect those rights. (Civ. Code § 1798.100 et seq.)

This bill:

- 1) Requires an admitted insurer to notify a residential property insurance policyholder if any aerial images will be taken or obtained of the insured property during the policy period by, on behalf of, or in service of, the insurer.
 - a) Defines “aerial image” to mean an image or video collected by aircraft or satellite, whether or not that aircraft or satellite is operated with the possibility of direct human intervention.
- 2) Requires the notice to include certain information and be provided at least annually, at the initial policy issuance and upon each renewal, and that the notice be on a separate page from any other notice, information, or disclosure.
- 3) Requires admitted insurer to provide any aerial images taken or obtained of the insured property to the policyholder upon request within 30 days of receiving that request.
- 4) Prohibits an admitted insurer from basing an adverse underwriting decision in whole, or in part, on an aerial image taken more than 45 days prior to sending notice of that adverse underwriting decision to the policyholder unless the conditions pertaining to the adverse underwriting decision have been verified as accurate, persistent, and valid by an in-person physical inspection of the insured property conducted no more than 45 days prior to sending the notice of the adverse underwriting decision.

- 5) Requires the aerial image to be provided to the policyholder concurrent with the notice of that adverse underwriting decision if an admitted insurer bases an adverse underwriting decision in whole, or in part, on an aerial image.
- 6) Authorizes a policyholder that has been subject to an adverse underwriting decision based in whole, or in part, on an aerial image to request that the admitted insurer conduct an in-person physical inspection of the property to verify the accuracy, persistence, and validity of the conditions pertaining to the adverse underwriting decision as depicted in the aerial image. Authorizes a policyholder, at their sole discretion, to use a process made available by the insurer other than an in-person physical inspection to verify the accuracy, persistence, and validity of the conditions pertaining to the decision to terminate coverage.
- 7) Requires an admitted insurer that bases an adverse underwriting decision in whole, or in part, on an aerial image to provide the policyholder with the opportunity to remedy the conditions pertaining to the adverse underwriting decision to the extent possible, and to verify remediation, before the effective date of the adverse underwriting decision. The policyholder may verify remediation by in-person physical inspection pursuant to 6), above, or by otherwise providing evidence of remediation in a manner set forth by the admitted insurer.
- 8) Makes these provisions operative on July 1, 2026.

COMMENTS

1. Stated need for the bill

The author writes:

As the California homeowners' insurance market tightens, insurers are desperate for ways to cut costs and reduce risk exposure. One way insurers are doing so is by conducting aerial inspections of properties using drone, aircraft, and satellite imaging as an alternative to traditional on-site property inspections to evaluate risk and insurability. Unfortunately, this practice has led to a spate of reports of homeowners who were blindsided when their insurance policies were not renewed based on purported evidence from aerial images that they didn't know were taken, and didn't have the opportunity to review. In many of these cases, after weeks or months of back-and-forth with insurers to review the evidence underlying their nonrenewal decision, the aerial images turned out to be inaccurate, outdated, or misleading.

By providing policyholders with notice before taking or obtaining aerial images of their property, granting access to those images, capping the age of images that can be used in non-renewals, and establishing a right to request an in-person inspection to

verify the accuracy, timeliness, and validity of aerial images used in non-renewals, insurance companies can contain costs while providing policyholders with critical protections against invalid non-renewals.

2. Insurers are using satellite and other aerial images to inspect homes and using those images to deny renewal of coverage

California and many other states have been facing an insurance crisis for many years now driven by the more frequent and severe natural disasters. In California, wildfires are the main issues but other states are experiencing issues with tornadoes, hurricanes, floods, and sea level rise. There are several components to the insurance crisis in California, with insurers refusing to write policies in the wildland urban interface zones, which are fire prone areas where development abuts wetlands⁴, and others refusing to write any new policies at all in the state.⁵ This has forced many homeowners to get insurance from surplus lines carriers, which are not regulated in the same manner by CDI as admitted insurers and generally cost more, or the California FAIR plan, which is the insurer of last resort. To highlight this issue, in 2024 State Farm announced that it would nonrenew “30,000 property insurance and 42,000 commercial apartment policies” and in 2023 it announced it would no longer accept applications for any kind of insurance in California except for because of personal vehicle insurance citing large increases in construction costs and inflation.”⁶

The author of the bill reports to this Committee that California homeowners have been “blindsided” by notices of nonrenewal for a range of issues including “a small branch touching the house,” “mold, algae on roof,” and “outdated paint [and/or] discoloration which means deterioration.” Many of these nonrenewal notices are relying on alleged evidence obtained from aerial images taken of the homes prior to the notice, which the homeowners were not informed about prior to receiving said notice of nonrenewal.

According to a Wall Street Journal article from April 6, 2024:

Across the U.S., insurance companies are using aerial images of homes as a tool to ditch properties seen as higher risk.

⁴ Glen Marin, *Here's why you can't get home insurance in California*, California Magazine, (Sept. 19, 2024), available at <https://www.universityofcalifornia.edu/news/heres-why-you-cant-get-home-insurance-california>.

⁵ Tiffany Olin, *California Insurance Crisis: Non-renewals and the CA FAIR Plan*, ABC 30 News, (Apr. 9, 2025), available at <https://abc30.com/post/california-insurance-crisis-renewals-ca-fair-plan/16145021/>.

⁶ Evan Symon, *State Farm Announces Non-Renewal Of 72,000 Insurance Policies In California*, California Globe, (Mar. 22, 2024), available at [https://californiaglobe.com/fr/state-farm-announces-non-renewal-of-72000-insurance-policies-in-california/#:~:text=%60%60These%20actions%20are%20California%2Dspecific%20and%20will%20occur,apartment%20policies%2C"%20said%20State%20Farm%20on%20Thursday](https://californiaglobe.com/fr/state-farm-announces-non-renewal-of-72000-insurance-policies-in-california/#:~:text=%60%60These%20actions%20are%20California%2Dspecific%20and%20will%20occur,apartment%20policies%2C).

Nearly every building in the country is being photographed, often without the owner's knowledge. Companies are deploying drones, manned airplanes and high-altitude balloons to take images of properties. [...]

The array of photos is being sorted by computer models to spy out underwriting no-nos such as damaged roof shingles, yard debris, overhanging tree branches and undeclared swimming pools or trampolines. The red-flagged images are providing insurers with ammunition for nonrenewal notices nationwide.

In many cases, the reports indicate that the policyholder was not aware the images were taken, and that the images were used erroneously. Nichole Brink, a former Farmers Insurance agent whose departure from the company was spurred by opposition to their aerial imaging policies, told the Wall Street Journal that 'the insurer was dropping customers over aerial images that were 2 or 3 years old, and in one case even flagged a house for overhanging tree branches that turned out to be shadows.'⁷

This bill seeks to address this issue by providing enhanced consumer protections for insureds. The bill requires an admitted insurer to notify a residential property insurance policyholder that aerial images may be taken or obtained of the insured property during the policy period by, on behalf of, or in service of, the insurer. An insured must provide the aerial images upon request and include instructions regarding how a policyholder may make that request in the notice. The bill provides that this provision does not apply if a claim has been submitted or is pending on the property, provided any aerial images taken or obtained of the insured property are used only for the purpose of evaluating the submitted or pending claim.

Additionally, the bill prohibits an admitted insurer from basing a decision to terminate insurance coverage on an aerial image taken more than 180 days prior to sending notice of that decision to the policyholder unless the conditions pertaining to that decision have been verified as accurate, persistent, and valid by an in-person physical inspection of the insured property or alternative verification process conducted no more than 180 days prior to sending the notice of the decision. The bill requires an admitted insurer that bases a decision to terminate on an aerial image to provide that image to the policyholder with the notice of the decision to terminate. This will allow the insured to confirm if the aerial photos are accurate and provide a better idea of how they can potentially remediate the issue. Under the bill, a policyholder is required to have an opportunity to dispute the accuracy of the image, and to verify remediation, before the

⁷ Jean Eaglesham, *Insurers Are Spying on Your Home From the Sky: Companies are using drones to check out roofs or to spot yard debris and undeclared trampolines*, Wall Street Journal, (Apr. 6, 2024), available at https://www.wsj.com/real-estate/home-insurance-aerial-images-37a18b16?gaa_at=eafs&gaa_n=ASWzDAGb_8ZnDHP2lpGVQoIrUIVNXhunJ6a-oQRRDe8cor9fnEaajFOLSdvfvhX4xXY%3D&gaa_ts=68699482&gaa_sig=VA_p0wAIR6aQFJ66GXYfEBQra7DXeTHkNyvyxihAIXbbJPi5vJMq5WKpTgdax3mNQMYq_x82tXhemW3TTVzyDw%3D%3D.

effective date of the decision to terminate insurance coverage. A policyholder is also allowed to request that the insurer conduct an in-person physical inspection of the property to verify the accuracy, persistence, and validity of the conditions pertaining to the decision to terminate insurance coverage as depicted in the aerial image, and may, at their sole discretion, use a process made available by the insurer other than an in-person physical inspection to verify the accuracy, persistence, and validity of the conditions pertaining to the decision to terminate coverage.

3. Statements in support

The League of California Cities writes in support, stating:

California has the highest wildfire risk in the US. In recent years, the state has experienced a growing number of highly destructive wildfires due to climate change and over a century of logging and fire suppression. The devastating impacts of these wildfires has unfortunately resulted in the destruction of over 57,000 structures in the last decade. The insurance crisis in California continues to plague homeowners, businesses and many are forced to obtain insurance from the FAIR plan due to the lack of insurance available in high fire severity zones. Often when a homeowner receives a cancellation the insurance company has used drone footage to request various changes, including roof hardening and wildfire mitigation or the homeowner will be cancelled.

AB 75 (Calderon) would prohibit insurers from basing a decision to terminate insurance coverage off the aerial images taken more than 180 days prior to sending notice to the policyholder. If a policy is cancelled based on the aerial images the policyholder must be provided with the images, notice of the decision, and provided an opportunity to dispute the accuracy of the image and verify remediation before the effective date of the policy cancellation. This measure would go into effect starting July 1, 2026.

AB 75 would hold insurance companies accountable and provide transparency to consumers which will improve the process by which individuals lose coverage or are cancelled.

4. Statements in opposition

The Consumer Federation of California (CFC) writes in opposition unless amended, stating:

Insurance companies have increasingly been using aerial images to assist them in making decisions about whether to insure, renew or cancel their potential and existing policyholders. These images are often taken by unmanned drones or satellite images, either by the insurance company itself or by one of their private

for-profit vendors that they contract with to assist them in making coverage decisions. Sadly, the days of a personal inspection or review of all properties are long gone and such visits are increasingly rare in our home insurance marketplace.

However, there have been far too many cases in recent years where these images taken by or on behalf of insurance companies have been incorrect or of the wrong property. Generally speaking there has been a lack of transparency and consumer protections in this area. So while CFC is pleased to see some effort being taken to increase the currently low bar in this area, AB 75 falls significantly short of what is necessary to truly begin to protect consumers.

CFC would like to see a number of amendments taken to the bill and would be pleased to work with the author and committee on such amendments.[...]

SUPPORT

California Association of Realtors
City of Laguna Niguel
League of California Cities

OPPOSITION

Consumer Federation of California
Cotality
Karen Clark & Company
Oakland Privacy
Privacy Rights Clearinghouse

RELATED LEGISLATION

Pending Legislation:

SB 495 (Allen, 2025), among other things, requires insurers to offer 100% of the personal property policy coverage limit without an itemized claim from the policyholder in the event of a covered total loss of a dwelling resulting from a state of emergency. AB 495 is currently pending in the Assembly Judiciary Committee.

SB 616 (Rubio, 2025) creates an independent Community Hardening Commission within the Department of Insurance, with the goals of developing a unified and centralized fire mitigation standard for all levels of government across the state, as well as generating guidelines to enable the creation of a wildfire data sharing platform. SB 616 is currently pending in the Assembly Insurance Committee.

Prior Legislation: None known.

PRIOR VOTES

Senate Insurance Committee (Ayes 7, Noes 0)

Assembly Floor (Ayes 76, Noes 1)

Assembly Appropriations Committee (Ayes 11, Noes 0)

Assembly Privacy and Consumer Protection Committee (Ayes 13, Noes 0)

Assembly Insurance Committee (Ayes 15, Noes 0)
