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# SENATE COMMITTEE ON INSURANCE

Senator Stephen Padilla, Chair

2025 - 2026 Regular

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<b>Bill No:</b>	SB 1301	<b>Hearing Date:</b>	April 22, 2026
<b>Author:</b>	Allen		
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<b>Urgency:</b>	No	<b>Fiscal:</b>	Yes
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**SUBJECT:** Residential property insurance: nonrenewals

**DIGEST:** Beginning July 1, 2027, specifies that insurers must provide specific rationale for nonrenewal, cancellation, or elimination of residential property insurance coverage within certain timeframes. Creates an annual reporting requirement for insurers to submit information to the Department of Insurance regarding policies written in the state. Lengthens the amount of time before policy expiration when insurers must inform policyholders that their coverage has been renewed, nonrenewed, or reduced, and requires that the policyholder be given the reasons for the decision. Provides policyholders with a chance to remedy or dispute these issues, and retain their current coverage.

## **ANALYSIS:**

### *Existing law:*

- 1) Creates the California Department of Insurance (CDI), led by the Insurance Commissioner (Commissioner), for the regulation of insurers, agents and brokers, and other insurance-like organizations, as well as classes of insurance, including residential property insurance.
- 2) Defines a “policy of residential property insurance” to mean a policy insuring individually owned residential structures of not more than four dwelling units, individually owned condominium units, or individually owned mobile homes, and their contents, and used exclusively for residential purposes, or a tenant’s policy insuring personal contents of a residential unit.
- 3) States in Insurance Code Section 675 the nature and scope of property and liability policies relevant to law pertaining to renewal and nonrenewal. The applicable policies cover insurance on residential property for up to four units, personal property, and personal liability. These provisions do not apply to auto insurance, workers' compensation, or commercial insurance.
- 4) Requires in Insurance Code Section 678 insurers to deliver or mail to a policyholder an offer of renewal, as specified, at least 45 days before policy expiration. If an insurer fails to give the policyholder an offer of renewal, the existing policy, with no change in its terms and conditions, will remain in effect for 45 days from the date that the offer to renew is delivered or mailed to the policyholder.
- 5) Requires in Insurance Code Section 678 insurers to deliver or mail to a policyholder a notice of nonrenewal, as specified, at least 75 days before policy expiration. If an insurer fails to give the policyholder a notice of nonrenewal, the existing policy, with no change in its terms

and conditions, will remain in effect for 75 days from the date that the notice of nonrenewal is delivered or mailed to the policyholder.

*This bill:*

- 1) States that its provisions apply only to residential property insurance policies specified in Insurance Code Section 675, as described above.
- 2) Specifies that an insurer that refuses to renew a policy or imposes a reduction of limits or an elimination of coverage must provide the policyholder with all the following:
  - a) A clear explanation of the grounds for the nonrenewal, reduction of limits, or elimination of coverage, including a reference to the specific provision or provisions in the insurer's underwriting guidelines upon which the decision is based.
  - b) All information relating to the decision of nonrenewal, reduction of limits, or elimination of coverage, including, all imagery or other documentation relating to the decision and all sources of such information, imagery, and documentation.
- 3) States that if the nonrenewal is due in whole or in part to an assessment of the wildfire risk associated with the property, the insurer must provide the policyholder with their wildfire risk score or other wildfire risk classification, including the following, as applicable:
  - a) A plain-language description of each property-specific characteristic that led to the determination.
  - b) A plain-language description of each surrounding area characteristic that led to the determination, including a map of those characteristics in any parcel larger than the property size used to assess the property's wildfire risk and the property's placement within it.
- 4) Specifies that if an insurer issues a notice of nonrenewal, notice of reduction of limits, or elimination of coverage, the insurer must provide the policyholder with both of the following:
  - a) A clear explanation of any remediation, additional information, or other change to the property that is consistent with the insurer's underwriting guidelines that would qualify the policyholder to obtain renewal of the policy, or to maintain the existing limits or coverage of the policy.
  - b) At least 90 days to perform the necessary remediation, or other change to the property, or to provide additional information. Upon request of the policyholder, the insurer must provide an extension of time of up to 180 days beyond the date of the notice of nonrenewal, notice of reduction of limits, or elimination of coverage, if the policyholder encounters a delay beyond their control, as specified.
- 5) Requires the policyholder to furnish the insurer with evidence of remediation, after any such efforts. If the insurer seeks additional verification, they may perform an onsite physical inspection of the property at the insurer's expense. Verified remediation, additional

information, or other change to the property qualifies the policyholder for renewal of the policy or to maintain existing limits or coverage.

- 6) Requires an insurer to acknowledge receipt of additional information or evidence of any remediation or other change to the property within 10 days and issue a written determination within 30 days of the acknowledgment of receipt. The 30-day period may be extended by 15 days if the policyholder furnishes the insurer with additional information or evidence of remediation or other change to the property during the 30-day period.
- 7) Stipulates that an insurer provide a policyholder a reasonable opportunity to dispute, or to correct or amend any inaccurate or incomplete information used by the insurer in connection with a decision not to renew, to impose a reduction of limits, or eliminate coverage on a policy.
- 8) States that policyholder may request that the insurer conduct an onsite physical inspection of the property to verify the information relied upon by the insurer in connection with a decision not to renew or to impose a reduction of limits, or eliminate of coverage on a policy.
- 9) Requires an insurer to acknowledge receipt of any dispute, correction, or amendment within 10 days and issue a written determination within 30 days of the acknowledgment of receipt. The 30-day period may be extended by 15 days if the policyholder furnishes the insurer additional information regarding the dispute, correction, or amendment during the 30-day period.
- 10) States that a nonrenewal or a reduction of limits or elimination of coverage of a policy cannot occur during a period of remediation, dispute, correction, or amendment.
- 11) Specifies that on or before April 1, 2028, and annually thereafter, an insurer must submit to the Commissioner a report, as specified, for the previous calendar year containing the following information and number and ZIP Code of related policies written in California:
  - a) New policies.
  - b) Renewed policies.
  - c) Policies for which the policyholder elected not to renew.
  - d) Policies for which the insurer elected not to renew or imposed a reduction of limits or an elimination of coverage.
  - e) Canceled policies.
- 12) States that for policies the insurer elected not to renew or imposed a reduction of limits or an elimination of coverage, the reason or reasons for this decision must be included, along with whether the policyholder performed any remediation or other change to the property or provided additional information in response to the decision, and whether the policyholder disputed, corrected, or amended any inaccurate or incomplete information, and the outcome of those actions, as specified.

- 13) States that by July 1, 2028, and annually thereafter, the Commissioner must prepare and publish on CDI's website an aggregated report for the previous calendar year of all information described above as reported by insurers.
- 14) Prohibits an insurer from refusing to issue or renew, or determine eligibility for, a residential property insurance policy on the basis of certain claims by the applicant or policyholder or any previous owner or occupant of the property to be insured, or based on whether a policyholder has previously inquired about the policy, including an inquiry concerning the scope or nature of coverage available under the policy.
- 15) States that beginning July 1, 2027, an insurer cannot refuse to issue or renew, or determine eligibility for, a residential property insurance policy based solely the age of the roof if the policyholder obtains an independent inspection that confirms the roof has at least five years of useful life remaining.
- 16) Specifies that all provisions detailed above take effect on July 1, 2027.
- 17) Repeals, on July 1, 2027, Insurance Code Section 678, which deals with policyholder notification of renewal or nonrenewal and associated timelines.
- 18) Enacts on July 1, 2027 a replacement Section 678 of the Insurance Code with extended timelines and associated requirements. At least 90 days before the policy expiration, an insurer shall deliver to the policyholder an offer of renewal, as specified, of the policy contingent upon payment of premium. Alternatively, insurers must deliver notices of nonrenewal of the policy or a notice of renewal with a reduction of limits or an elimination of coverage at least 180 days before the policy expiration.
- 19) States that a notice of nonrenewal of the policy, a notice of renewal with a reduction of limits, or an elimination of coverage must contain all information the decision was based upon, explanation of corrections that can help renew or retain the coverage limits of the policy, explanation of the policyholders rights as established by the provisions described above, and description of the right to dispute or correct the information leading to this decision.
- 20) Stipulates that in a notice of nonrenewal, policyholders receive information about how to file an inquiry or complaint with the insurer, as well as how to have such a matter reviewed by CDI if they are not satisfied.
- 21) States that if an insurer fails to give the policyholder an offer of renewal, the existing policy, with no change in its terms and conditions, will remain in effect for 90 days from the date that the offer to renew is delivered or mailed to the policyholder. A notice to this effect must be provided by the insurer to the policyholder with the offer to renew.
- 22) States that if an insurer fails to give the policyholder a notice of nonrenewal, a notice of renewal with a reduction of limits, or an elimination of coverage, the existing policy with no change in its terms and conditions, will remain in effect for 180 days from the date that the notice is delivered or mailed to the named policyholder. A notice to this effect must be provided by the insurer to the policyholder with the notice of the coverage decision.

- 23) Retains informational requirements in existing law for a notice of nonrenewal regarding finding home insurance coverage, including through the California FAIR Plan.
- 24) Specifies that the provisions of the new section apply only to residential property insurance policies specified in Insurance Code Section 675, as described above.

## Background

*According to the author:*

“California policyholders receive a nonrenewal notice from their insurers at the fourth highest rate in the nation. Losing insurance coverage unnecessarily risks the livelihood of families and increases reliance on our FAIR Plan which has increased policy underwriting by 146 percent since 2022. These nonrenewal notices are often opaque and do not sufficiently specify why a policyholder is being dropped. Increased transparency would allow policyholders to appropriately repair or adjust their property to reduce risk of damage, improve insurability and affordability, and minimize reliance on the FAIR Plan.

SB 1301 requires insurers to provide a nonrenewal notice six months in advance, detail the specific reasons why the nonrenewal notice was issued, and offer an opportunity for the policyholder to maintain coverage if appropriate remedying action is taken. The bill also prohibits nonrenewal notices because of specifying reasons that don’t pertain to the risk of the property, helping policyholders appropriately maintain their coverage.”

## Related/Prior Legislation

*SB 824 (Lara, Chapter 616, Statutes of 2018).* Prohibits an insurer from canceling or refusing to renew a homeowners’ insurance policy for one year from the date of a declaration of a state of emergency.

*AB 1816 (Daly, Chapter 833, Statutes of 2019).* Required insurers to provide a 75-day notice to policyholders when they nonrenew a homeowners policy.

*AB 75 (Calderon, 2025)* Requires insurers to notify residential property insurance policyholders annually if aerial images may be taken of the insured property and provide those images to a policyholder upon request. Prohibits insurers from basing a decision to terminate insurance coverage on aerial images older than 180 days from when the cancellation decision notice is sent, and provides policyholders a process to dispute the accuracy of the aerial images taken that resulted in the cancellation of their policy. *Held in Senate Appropriations Committee.*

*SB 260 (Wahab).* Requires a residential property insurer to provide written notice if it has gathered sufficient evidence for the termination of an insurance contract during an inspection of a policyholder’s property using a remotely operated unmanned aircraft, evidence gathered during the inspection to the policyholder, and 120 days for the policyholder to remedy the issue.  
*Pending referral in the Assembly.*

*AB 1559 (Calderon)* Nearly identical to the provisions of AB 75, as described above. *Pending in Assembly Privacy and Consumer Protection Committee.*

**ARGUMENTS IN SUPPORT:**

*Consumer Watchdog and Every Fire Survivor's Network, sponsors of the bill, state:*

“SB 1301 would give consumers more time and more information to try and keep their home insurance. Insurance company underwriting guidelines, in which insurers spell out who is eligible to buy coverage, are already public information that is filed with the Department of Insurance. They are not, however, provided directly to consumers. If consumers do not know insurers’ rules for renewal how can they meet those rules? SB 1301 gives them that opportunity.

SB 1301 cuts through the miscommunication and confusion by creating clear disclosure of reasons for renewal, any path to repair, and more time to respond or shop for new coverage. These changes will help the hundreds of thousands of Californians who have struggled with losing their insurance. The bill also creates a narrow circumstance in which a consumer has the right to renew: if the nonrenewal was due to the age of the roof and they obtain a certification that their roof has at least 5 years of life remaining. It also prevents nonrenewal simply because a consumer filed a claim that is not paid, or for which the risk of loss has been eliminated.

These changes are universally popular. Over 90% of California voters support requiring insurers to provide six months’ notice of nonrenewal, specific written justification for nonrenewals, an explanation of required repairs, and sufficient time to make improvements. SB 1301 creates a more transparent renewal process, giving families a chance to maintain their home insurance and protecting them from unfair or unreasonable nonrenewal decisions.”

**ARGUMENTS IN OPPOSITION:**

*The insurance associations known as the “Trades” state:*

“SB 1301 proposes to extend notice and response timelines far beyond any time frame found in any other state. SB 1301’s proposed 180-day notice standard departs dramatically from national norms and imposes burdens with limited demonstrated benefit to policyholders. SB 1301 would transform routine underwriting into a highly regulated, multi-stage process. New timelines, extensive disclosures, remediation tracking, and system redesigns will materially increase administrative cost and compliance risk.

SB 1301 would impose extensive new operational, data reporting, underwriting, and compliance mandates on insurers at a time when California is working to stabilize its property insurance market. The bill replaces long-standing, functional frameworks with a highly prescriptive system that will increase administrative costs, reduce underwriting flexibility, and ultimately strain market capacity—without reliably improving consumer outcomes.”

**SUPPORT:**

Consumer Watchdog/Every Fire Survivor’s Network (Sponsors)  
 350 Conejo / San Fernando Valley  
 Affordable Homeownership Foundation INC  
 Altadena CoLab  
 Americans for Financial Reform  
 Ballona Wetlands Institute  
 Bay Area System Change Not Climate Change  
 Bright Operations

California Community Foundation  
California Insurance Commissioner Emeritus Dave Jones  
California Low-Income Consumer Coalition  
California Nurses Association  
Center for Biological Diversity  
Center for Community Action & Environmental Justice  
Center for Community Action and Environmental Justice (CCA EJ)  
Climate Defenders  
Consumer Action  
Consumer Attorneys of California  
Consumer Federation of America  
Consumer Federation of California  
Consumer Protection Policy Center  
Consumer Protection Policy Center/USD School of Law  
Courage California  
Defend Ballona Wetlands  
Dena Rise Up  
Eaton Fire Renters Coalition  
Eaton Fire Residents United  
Extreme Weather Survivors  
Food and Water Watch  
Freeport Haven  
Green America  
Jewish Federation of the Greater San Gabriel and Pomona Valleys  
League of California Cities  
Leap of Faith Family to Family Support  
My Tribe Rise  
Pasadenans Organizing for Progress  
Public Citizen  
Rise Economy  
SoCal 350 Climate Action  
Sunflower Alliance  
Team Palisades  
The American Policyholder Association  
United Policyholders  
West Berkeley Alliance for Clean Air and Safe Jobs  
Xtreme Athletics  
545 Individuals

**OPPOSITION:**

American Property Casualty Insurance Association  
National Association of Mutual Insurance Companies  
Pacific Association of Domestic Insurance Companies  
Personal Insurance Federation of California