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# SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair  
2025 - 2026 Regular Session

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## SB 1301 (Allen) - Residential property insurance: nonrenewals

**Version:** February 20, 2026

**Urgency:** No

**Hearing Date:** May 4, 2026

**Policy Vote:** INS. 5 - 2

**Mandate:** No

**Consultant:** Janelle Miyashiro

**Bill Summary:** SB 1301, beginning July 1, 2027, requires insurers to provide a specific rationale for the nonrenewal, cancellation, or elimination of residential property insurance coverage within established timeframes and requires insurers submit annual reports to the California Department of Insurance (CDI) regarding policy issuances, nonrenewals, and remediation outcomes by location, which CDI must then aggregate and publish online. SB 1301 also extends the required notice period for insurers to inform policyholders of a coverage renewal, nonrenewal, or reduction. Under these provisions, insurers must disclose the specific reasons for such decisions and provide policyholders the opportunity to dispute or remedy identified issues to retain their current coverage.

**Fiscal Impact:** Unknown potential increase in administrative and enforcement workload for CDI to monitor compliance with the bill's expanded notification and reporting mandates, and to aggregate and publish localized remediation data annually (Insurance Fund). CDI may need to undertake rulemaking to standardize reporting formats, define minimum standards for the specific rationales provided in consumer disclosures, and establish procedures for the policyholder dispute and remediation process. The creation of a formal dispute and remediation framework may result in a higher volume of consumer complaints and subsequent enforcement actions, the fiscal impact of which is indeterminate.

**Background:** Residential property insurance refers to policies that provide financial protection for private dwellings of up to four units and their contents against specific perils.

### Proposed Law:

- States that its provisions apply only to residential property insurance policies specified in Insurance Code Section 675, as described above.
- 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 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.

- 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.
- 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 plain-language description of each property-specific characteristic that led to the determination.
  - 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.
- 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 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.
  - 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.
- 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.
- 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.
- 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.

- 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.
- 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.
- 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.
- 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:
  - New policies.
  - Renewed policies.
  - Policies for which the policyholder elected not to renew.
  - Policies for which the insurer elected not to renew or imposed a reduction of limits or an elimination of coverage.
  - Canceled policies.
- 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.
- 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.
- 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.

- 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.
- Specifies that all provisions detailed above take effect on July 1, 2027.
- Repeals, on July 1, 2027, Insurance Code Section 678, which deals with policyholder notification of renewal or nonrenewal and associated timelines.
- 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.
- 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.
- 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.
- 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.
- 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.
- Retains informational requirements in existing law for a notice of nonrenewal regarding finding home insurance coverage, including through the California FAIR Plan.
- Specifies that the provisions of the new section apply only to residential property insurance policies specified in Insurance Code Section 675, as described above.

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