SENATE RULES COMMITTEE SB 1301

Office of Senate Floor Analyses

(916) 651-4171

UNFINISHED BUSINESS

Bill No: SB 1301

Author: Allen (D), et al.

Amended: 8/13/26

Vote: 21

SENATE INSURANCE COMMITTEE: 5-2, 4/22/26

AYES: Padilla, Becker, Menjivar, Richardson, Rubio

NOES: Niello, Jones

SENATE APPROPRIATIONS COMMITTEE: 5-2, 5/14/26

AYES: Cervantes, Cabaldon, Grayson, Richardson, Wahab

NOES: Seyarto, Dahle

SENATE FLOOR: 29-7, 5/26/26

AYES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Reyes, Richardson, Rubio, Smallwood-Cuevas, Stern, Umberg, Wahab, Weber Pierson, Wiener

NOES: Alvarado-Gil, Choi, Grove, Jones, Seyarto, Strickland, Valladares

NO VOTE RECORDED: Dahle, Gonzalez, Niello, Ochoa Bogh

ASSEMBLY FLOOR: Passed, 8/31/26

SUBJECT: Residential property insurance: nonrenewals

SOURCE: Consumer Watchdog
Every Fire Survivor's Network

DIGEST: This bill updates processes and timelines that residential property insurers must follow when an insurer does not renew such a policy, among other related provisions.

Assembly Amendments 1) Extend the implementation date of the bill's provisions. 2) Narrow the application of the bill's provisions to instances of nonrenewal by insurers. 3) Provide that policyholders must be given certain relevant information that formed the basis of the insurer's decision not to renew the policy. 4) Revise the reporting requirement information that insurers must submit to the Insurance Commissioner (Commissioner) related to the bill's provisions.

ANALYSIS:

Existing law:

1) Creates the California Department of Insurance (CDI), led by the 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 that insurers deliver or mail 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 that insurers deliver or mail a policyholder a notice of nonrenewal, as specified, at least 75 days before policy expiration. If an insurer fails to give the policyholder 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) Requires an insurer that refuses to renew a policy to provide the policyholder with a detailed, plain-language explanation of the grounds for the nonrenewal.
2) Requires an insurer to provide the policyholder with all the nonaerial imagery relied upon as a basis for the decision, upon request within 15 days, as well as any property inspection findings or property inspection reports relied upon.

3) Provides that if the nonrenewal is due in whole or in part to an assessment of the wildfire risk associated with the property, the insurer shall provide the policyholder with their wildfire risk score or other wildfire risk classification, as specified and applicable.

4) Requires upon finding a policy does not meet its underwriting guidelines due to a condition that can be remediated by the policyholder, the insurer must at least 120 days before the policy expiration, provide the policyholder with explanatory information related to the finding and time to address the situation. An insurer may contact the policyholder to verify that the policyholder will be performing remediation or another related change to their property.

5) Requires a policyholder to provide the insurer with evidence of remediation. If the insurer seeks additional verification, the insurer may perform an onsite physical or virtual inspection of the property to verify remediation at the insurer's expense.

6) Requires an insurer to renew a policy if remediation, additional information, or other change to the property is verified by the insurer. The insurer must issue a written determination within 15 days of receipt of additional information or evidence of any remediation or other change to the property.

7) States that an insurer must provide a policyholder with a reasonable opportunity to dispute, or to correct or amend any inaccurate or incomplete information relied upon by the insurer in connection with a decision not to renew a policy, as specified.

8) Requires an insurer, on or before April 1, 2029 and annually thereafter, to submit a report to the Commissioner for the previous calendar year containing certain information for policies written in California. By September 1, 2029 and annually thereafter, the Commissioner must prepare and publish on the

CDI website an aggregated report for the previous calendar year of all such information reported by insurers.

9) Prohibits an insurer from refusing to renew a residential property insurance policy solely on the basis of any certain claims or inquiries by the applicant or policyholder, or any previous owner or occupant of the property to be insured, as specified.

10) Provides that beginning January 1, 2028, an insurer shall not refuse to issue or renew, or determine eligibility for, a residential property insurance policy solely on the basis of the age of the roof if the policyholder obtains and pays for an independent inspection of the roof that confirms at least five years of useful roof life remaining. Allows an insurer to take into consideration the age of the roof when issuing, renewing, or determining eligibility for, a residential property insurance policy.

11) Repeals, on January 1, 2028, Insurance Code Section 678, which deals with policyholder notification of renewal or nonrenewal and associated timelines.

12) Enacts on January 1, 2028, a replacement Section 678 of the Insurance Code with extended timelines and associated requirements. At least 45 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. Additionally, insurers must deliver notices of nonrenewal of the policy or a notice of renewal at least 90 days before the policy expiration, and stipulates that if the policy does not meet the underwriting guidelines due to a condition that can be remediated by the policyholder, then the insurer will have to deliver or mail notice to the policyholder at least 120 days before the policy expiration date.

13) Provides that all provisions of this bill apply to residential property insurance policies and do not become operative until January 1, 2028.

Related/Prior Legislation

SB 824 (Lara, Chapter 616, Statutes of 2018). Prohibited 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.

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

According to the Assembly Appropriations Committee:

Costs of an unknown amount, potentially in the low hundreds of thousands of dollars, thereafter to CDI for additional staff positions to support increased consumer complaints and subsequent enforcement of expanded notification, disclosure, remediation, and dispute requirements; to review a significant volume of rate filings submitted by insurance companies regarding policy renewals; and to annually collect, verify, and report renewal and remediation information from over 100 insurance companies (Insurance Fund).

SUPPORT: (Verified 8/25/26)

Consumer Watchdog (co-source)
Every Fire Survivor's Network (co-source)
350 Conejo / San Fernando Valley
AARP
Affordable Homeownership Foundation INC
Altadena Colab
Americans for Financial Reform
Ballona Wetlands Institute
Bay Area System Change Not Climate Change
Bay Area-system Change Not Climate Change
Bayardo Strategies LLC
Berkeley; City of
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 (CCAEJ)
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
Extreme Weather Survivors Action Fund
Food & Water Watch
Food and Water Watch
Freeport Haven
Green America
Individual
Jewish Federation of the Greater San Gabriel and Pomona Valleys
League of California Cities
Leap of Faith Family to Family Support
My Tribe Rise
Orinda; City of
Pacific Palisades Community Council
Palisades Recovery Coalition
Pasadenans Organizing for Progress
Public Citizen
Rise Economy
So Cal 350 Climate Action
SoCal 350 Climate Action
Sunflower Alliance
Team Palisades
The American Policyholder Association
Town of Truckee
United Policyholders
West Berkeley Alliance for Clean Air and Safe Jobs
Xtreme Athletics

OPPOSITION: (Verified 8/25/26)

None received

ARGUMENTS IN SUPPORT: According to Consumer Watchdog and Every Fire Survivor's Network, co-sources of the bill:

"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 many hundreds of thousands of Californians who have struggled to keep their insurance. 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. We respectfully ask for your support."

Prepared by: Brandon Seto / INS. / (916) 651-4110
8/31/26 14:39:06

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