

Date of Hearing: August 20, 2025

**ASSEMBLY COMMITTEE ON APPROPRIATIONS**

Buffy Wicks, Chair

SB 495 (Allen) – As Amended July 17, 2025

Policy Committee:	Insurance	Vote:	15 - 0
	Judiciary		12 - 0

Urgency: No                      State Mandated Local Program: No                      Reimbursable: No

**SUMMARY:**

This bill requires certain admitted insurers to annually submit reinsurance and catastrophe modeling data to the Insurance Commissioner (IC) and increases the percentage and amount of the personal property policy coverage limit a policyholder may recover without an itemized claim for a loss resulting from a state of emergency.

Specifically, this bill:

- 1) Requires certain admitted insurers, by March 1, 2026, and annually thereafter, to submit a report to the IC with the data necessary to understand the insurer's reinsurance program placement data and use of probabilistic catastrophic models for the previous policy year. The insurer must promptly respond to the IC's inquiries regarding the reported information and the IC must post an aggregated report based on the information on the Department of Insurance's (CDI's) website.
- 2) Requires an insurer to pay a civil penalty, in an amount determined by the IC, but not to exceed \$5,000 (\$10,000 for a willful violation) for each 30-day period the insurer is out of compliance with the reporting requirement, with a maximum penalty amount of \$100,000. The IC may bring a civil action to enforce collection and an insurer may appeal the penalty administratively or in court.
- 3) Prohibits an insurer from requiring a policyholder to provide a proof of loss for a residential property insurance policy claim less than 100 days after a loss relating to a state of emergency, and requires an insurer to provide an extension to a policyholder who encounters a delay in providing proof of loss due to circumstances beyond the policyholder's control.
- 4) Requires an insurer to pay 60%, instead of 30%, of the policy limit applicable to the personal property covered under the policy, up to a maximum of \$350,000, instead of \$250,000, without requiring an itemized claim, for a loss resulting from a state of emergency. An insurer may require the policyholder to sign an attestation form as a condition of receiving the advance payment. The IC may issue a bulletin or promulgate a regulation describing the parameters of the attestation form.

**FISCAL EFFECT:**

- 1) Costs of approximately \$22,000 in fiscal year (FY) 2025-26, \$34,000 in FY 2026-27, and \$21,000 in FY 2027-28 and annually thereafter to CDI for expanded data collection and

reporting activities (Insurance Fund). Additionally, likely absorbable cost pressures to CDI to issue a bulletin or regulations regarding the attestation form (Insurance Fund).

- 2) Annual cost pressures (General Fund (GF) or Trial Court Trust Fund (TCTF)) of an unknown amount, potentially in excess of \$150,000, to the courts in additional workload by allowing the IC to bring a civil action to enforce collection of the penalty imposed on an insurer that fails to comply with data reporting requirements and allowing the insurer to appeal the penalty. It is unclear how many civil actions and appeals may be filed statewide, but the estimated workload cost of one hour of court time is \$1,000. Although courts are not funded on the basis of workload, increased pressure on staff and the TCTF may create a demand for increased court funding from the GF to perform existing duties. The Budget Act of 2025 provides \$82 million ongoing GF to the TCTF for court operations.

#### COMMENTS:

- 1) **Purpose.** According to the author:

Due to the large scale of the January wildfires, many policyholders have been overwhelmed with the tasks of dealing with housing, family, employment, reconstruction, and other major adverse changes in their lives. SB 495 will ensure victims of future disasters receive expedited relief by removing the burdensome requirement to inventory home contents when filing insurance claims and provide more time for victims to submit proof of loss to their insurers.

This bill is sponsored by IC Ricardo Lara and supported by consumer groups.

- 2) **Background. *Insurer Data.*** According to the IC, “Having clear, point-in-time data on reinsurance and catastrophe modeling associated with wildfire risk will help protect the strength of the California insurance market and help address availability concerns.” This bill requires certain insurers to submit a report to the IC with data necessary to understand the insurer’s reinsurance program placement data and use of catastrophic models for the previous policy year. This bill makes the information submitted to the IC exempt from public disclosure and authorizes the IC to bring an enforcement action to collect penalties from a non-compliant insurer, consistent with existing Insurance Code provisions related to records access and the IC’s enforcement powers.

***Itemization of Claims.*** AB 3012 (Wood), Chapter 258, Statutes of 2020, required an insurer to pay at least 30% of the dwelling structure coverage for the lost or damaged contents of a home, up to \$250,000, without an inventory of items, if the loss resulted from a state of emergency. Prior to AB 3012, most insurance policies required a policyholder to itemize personal property losses and actually replace the destroyed items before being the insurer would compensate the policyholder for the full replacement value of the lost property.

In the aftermath of the Pacific Palisades and Eaton wildfires, the IC issued a notice to residential property insurers, requesting insurers exceed the obligations of AB 3012 by providing 100%, but no less than 75%, of a policyholder’s content coverage limit without requiring a detailed inventory of personal property. This bill originally proposed to require an insurer to pay out 100% of the coverage limit, without a cap on the amount or an

itemization of claims. However, as noted in the Assembly Insurance Committee's analysis of this bill:

While this bill may have a positive impact on wildfire victims, it is likely to increase costs and insurance rates. Because these provisions are limited to large-scale emergencies, insureds who lose their homes in a standard residential fire will not benefit but may pay higher premiums.

Following amendments adopted by the Assembly Insurance Committee to address the potential impact on insurance rates, this bill now increases the thresholds set by AB 3012 to 60% and \$350,000, respectively. This bill also provides a policyholder more time to provide an insurer with proof of loss.

**Analysis Prepared by:** Irene Ho / APPR. / (916) 319-2081