
UNFINISHED BUSINESS

Bill No: SB 495
Author: Allen (D), et al.
Amended: 7/17/25
Vote: 21

SENATE INSURANCE COMMITTEE: 5-2, 4/23/25

AYES: Rubio, Becker, Caballero, Padilla, Wahab

NOES: Niello, Jones

SENATE JUDICIARY COMMITTEE: 11-2, 4/29/25

AYES: Umberg, Allen, Arreguín, Ashby, Caballero, Durazo, Laird, Stern, Wahab,
Weber Pierson, Wiener

NOES: Niello, Valladares

SENATE APPROPRIATIONS COMMITTEE: 5-1, 5/23/25

AYES: Caballero, Cabaldon, Grayson, Richardson, Wahab

NOES: Seyarto

NO VOTE RECORDED: Dahle

SENATE FLOOR: 28-10, 6/3/25

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

NOES: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto,
Strickland, Valladares

NO VOTE RECORDED: Archuleta, Reyes

ASSEMBLY FLOOR: 69-0, 9/13/25 – Roll call vote not available.

SUBJECT: Insurance

SOURCE: Insurance Commissioner Ricardo Lara/California Department of
Insurance

DIGEST: This bill, in the event of a covered total loss of a dwelling resulting from a state of emergency, requires insurers to offer 60 percent of the personal property policy coverage limit, up to \$350,000, without an itemized claim from the policyholder. Extends the deadline for a policyholder to provide the insurer with proof of loss from 60 to 100 days following the loss. Expands the data collection authority of the California Department of Insurance (CDI) and its reporting responsibility to include information from certain insurers regarding reinsurance and use of catastrophe models.

Assembly Amendments of 7/17/25 Add to this bill's findings and declarations. Clarify the information disclosure requirements as part of the annual report mentioned in this bill that must be submitted by admitted insurers to the Insurance Commissioner. Revise the timelines regarding proof of loss requirements for policyholders as well as the extensions insurers must grant for providing proof of loss under certain specified circumstances beyond the control of the policyholder. Modify the percentage and maximum amount that insurers must pay to policyholders as part of their contents coverage without requiring an itemized claim in the case of a covered total loss. Further specify the manner in which policyholders may receive such payments, and their ability to recover additional amounts by filing a claim. Clarify the Insurance Commissioner's enforcement authority under the reporting provisions of this bill.

ANALYSIS:

Existing law:

- 1) Requires, when an insurer obtains reinsurance, that the insurer must communicate all the representations of the original insured, and also all the knowledge and information they possess, whether previously or subsequently acquired, which are material to the risk. The goal of such communication is to ensure that the reinsurer has relevant and necessary information to assess and manage the risk being transferred.
- 2) Requires the insured to provide the insurer a written proof of loss within 60 days following the loss, unless this timeframe is extended by the insurer.
- 3) Defines a "state of emergency" as the duly proclaimed existence of conditions of disaster or extreme peril to the safety of persons and property within the state, caused by conditions such as air pollution, fire, flood, storm, epidemic, riot, drought, cyberterrorism, sudden and severe energy shortage, electromagnetic pulse attack, plant or animal infestation or disease, among other conditions.

- 4) States that in the event of a covered total loss of a primary dwelling resulting from a state of emergency, under a residential property insurance policy, the insurer shall offer a payment under the contents, also known as personal property, coverage in an amount no less than 30% of the policy limit of the covered dwelling structure, up to \$250,000, without requiring the insured to file an itemized claim.

This bill:

- 1) Makes findings and declarations related to the state's interest in understanding the trends in insurance markets and the reinsurance strategies and catastrophe models used by insurance companies, to expand the writing of insurance policies, and understand the systemic risk to the solvency of insurance companies that write policies in wildfire-distressed areas.
- 2) Requires that on or before March 1, 2026 and by every March 1 thereafter, admitted insurers with premiums from specified lines of \$50,000,000 or more, must submit a report to the Insurance Commissioner, in a specified manner, on their reinsurance placement data and use of catastrophe models for the previous policy year. Reinsurance placement data can include the details of those policies, including the amount of coverage, the risks covered, and the terms of the agreement.
- 3) Specifies that such reports filed on or before March 1, 2026, shall include data from the latest available reinsurance treaty year. Subsequent reports must also include data available from the latest reinsurance treaty year when the report is due.
- 4) Stipulates that insurers must promptly respond to inquiries from the Insurance Commissioner or their representative regarding the report.
- 5) States that the Commissioner must annually post an aggregated report of this data, which does not identify specific insurers or their individual reinsurance practices, on CDI's website.
- 6) Specifies that in the event of a loss relating to a state of emergency, an insurer shall not require the insured to provide proof of loss sooner than 100 days after the loss.
- 7) Requires that an insurer provide one or more additional extensions of three months for submission of proof of loss for good cause, if the insured, acting in

good faith and with reasonable diligence, encounters a delay in providing proof of loss that is beyond the control of the insured, including:

- a) Delays by the insurer in acknowledging the claim or providing the claimant necessary forms, instructions, and reasonable assistance, including, but not limited to, specifying the information the claimant must provide for proof of loss.
 - b) For personal property coverage, when a personal property inventory is premature if the primary structure has not begun construction.
 - c) The unavailability of contractors to perform the necessary work, or create an estimate to rebuild, repair, or replace.
 - d) The disability, injury, or incapacity of the insured.
 - e) The inability of the insured to access the insured property as a result of governmental action or because the insured property is located in an area that is exposed to hazardous materials posing a health risk.
- 8) Stipulates that in the event of a covered total loss of a dwelling resulting from a state of emergency, insurers must offer 60 percent of the personal property policy coverage limit, up to \$350,000 without requiring an itemized claim from the policyholder.
- 9) Specifies that after receiving such a payment described above that the insured may recover additional amounts by filing a claim.
- 10) Requires insurers to advise policyholders of both options to receive such payments.
- 11) Authorizes insurers to require policyholders to sign an attestation form as a condition of receiving an advance payment without filing an itemized claim. Such an attestation would affirm that the residence was furnished and that the value of the damaged or lost property had a greater value than the amount of the advanced payment.
- 12) Makes findings stating that in order to protect consumers, avoid unfair competitive advantages or disadvantages, and protect proprietary information

received by the state under the bill's provisions, that information reported as such must be treated in a confidential manner.

- 13) Specifies that the above information submitted to the Insurance Commissioner is exempt from the California Public Records Act. This information is not subject to subpoena or subpoena duces tecum, and that testimony by the Commissioner, the Commissioner's staff, an employee of CDI, or a person to whom the reporting was disclosed, regarding the contents of any report submitted is inadmissible as evidence in a civil proceeding.
- 14) Subjects, upon failure to submit the required report mentioned above, an admitted insurer to a civil penalty to be fixed by the Commissioner in an amount not to exceed \$5,000 for each 30-day period that the insurer is not in compliance. If the failure to comply is willful, the civil penalty is to be fixed in an amount not to exceed \$10,000 for each 30-day period that the insurer is not in compliance, but cannot exceed an aggregate amount of \$100,000.
 - a) Requires the Commissioner to collect the amount payable and authorizes the Commission to bring an action in the name of the people of the State of California to enforce collection.
 - b) Specifies these penalties are in addition to other penalties provided by law.
 - c) Authorizes a penalty to be appealed in a court of competent jurisdiction or through a formal hearing under administrative adjudication provisions of the Administrative Procedure Act.
 - d) Provides that the Insurance Commissioner may consider an insurer's violation of these provisions as the basis for other enforcement action against an insurer, as authorized by law.
- 15) Authorizes an insurer to request, and the Commissioner to grant, a 30-day extension to submit a report if needed due to unintended or unforeseen delays. If the insurer fails to submit a report after the granted 30-day extension has passed, the Insurance Commissioner may find that the failure to submit the report was willful, and increase the civil penalty to an amount not to exceed \$10,000 for each 30-day period that the insurer is not in compliance, but not to exceed an aggregate amount of \$100,000.

Related/Prior Legislation

AB 3012 (Wood, Chapter 258, Statutes of 2020). Among other provisions, required if a loss resulted from a state of emergency and an insured filed a claim for lost or damaged contents of a home, that the insurer pay at least 30% of the dwelling structure coverage limit, up to \$250,000, without an inventory of the items.

SB 894 (Dodd and McGuire, Chapter 618, Statutes of 2018). Allowed a homeowner to use the full replacement value of other structures in a destroyed home to rebuild the insured structure without having to actually replace the other destroyed structures, and authorizes a policyholder to claim an amount of contents coverage calculated as 30% of the limit of coverage for the insured dwelling without providing an inventory of the lost contents.

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

According to the Assembly Appropriations Committee:

“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).

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.”

SUPPORT: (Verified 9/11/25)

Ricardo Lara, Insurance Commissioner/California Department of Insurance
(Source)

California Community Foundation

Consumer Watchdog

Extreme Weather Survivors

Pacific Palisades Community Council

San Diego; County of
United Policyholders

OPPOSITION: (Verified 9/11/25)

None received

ARGUMENTS IN SUPPORT:

According to the bill's sponsor, Insurance Commissioner Ricardo Lara:

“The heartbreak and challenges facing families and communities from wildfires across California are a stark reminder of how deeply these disasters impact all of us. These events have shown how the current formula for calculating payments to homeowners who are experiencing total loss due to a declared emergency are insufficient. The current formula used is 30% of primary structure (dwelling) coverage limits, and is capped at \$250,000. Not only is this formula confusing for policyholders given it is based on primary structure coverage, but it often results in insufficient payments for properties with higher limits - examples of which were common in the recent Los Angeles wildfires. Policyholders are also required to complete a content inventory and to submit proof of loss to insurers within 60 days of loss. This process is unduly burdensome for policyholders and unrealistic - many policyholders in the recent wildfires did not have access to their insured property for an extended period of time due to unsafe or hazardous conditions.

As part of an effort to safeguard consumers following the 2025 wildfires in Southern California, I released a Notice that encouraged insurers to go beyond what is required under existing law and requested at least 75% to 100% of personal property coverage limits without an itemized list. Like similar events in 2018 and 2019 following the wildfires in Northern and Southern California, the majority of homeowners insurance companies agreed to provide no less than 75%. This collective response from insurers demonstrates that refining our current laws and policies to provide consumer protections will provide the support Californians need to recover and rebuild with dignity.

A key element of my Sustainable Insurance Strategy is to expand the writing of insurance policies for consumers in wildfire areas and protect the long-term strength of the California insurance market. 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. With this data, the Department will publicly aggregate results, evaluating short- and long-term market trends and scenarios.”

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9/13/25 1:17:33

****** END ******