Date of Hearing: August 5, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Buffy Wicks, Chair
SB 877 (Pérez) – As Amended June 10, 2026

Policy Committee: Insurance Vote: 16 - 0

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

SUMMARY:

This bill expands the existing requirement for an insurer to provide a claimant with copies of claim-related documents to include more types of loss adjustment calculation documents.

Specifically, this bill revises the standard form of fire insurance policy, under which an insurer must notify a claimant that the claimant may request copies of claim-related documents, by expanding the definition of "claim-related documents" to additionally include preliminary or final loss adjustment calculation documents that relate to the amount of loss, covered damage, and cost of repairs.

FISCAL EFFECT:

Costs of approximately $29,000 in fiscal year (FY) 2026-27 and $48,000 in FY 2027-28 to the Department of Insurance (CDI) to review new homeowners insurance filings submitted by insurers to reflect the updated standard policy form (Insurance Fund).

Additionally, costs of an unknown amount, potentially in excess of $150,000, to CDI for increased administrative, investigation, and enforcement workload to the extent there is significant insurer non-compliance with expanded disclosure requirements or a high volume of related consumer complaints (Insurance Fund).

COMMENTS:

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

> SB 877 ensures transparency and accountability for insurance claims by requiring insurance providers to document and disclose all claim documents, including loss estimates, to the policy holder. This bill was inspired by fire survivors sharing their firsthand experiences of reductions in their loss estimates which sometimes exceeded as much as $100,000 per household. Fire survivors, including those from the Eaton Fire, are not asking for a handout, but only for what they are entitled to receive from paying their insurance premiums, for the harms they have experienced.

This bill is co-sponsored by Consumer Watchdog and Every Fire Survivor's Network and supported by other consumer groups, environmental groups, and local government entities.

2) **Background.** ***Standard Form.*** Existing law requires a standard form for a fire insurance policy in California and establishes the California Standard Form Fire Insurance Policy (Policy) in statute. The Policy serves as the foundational template for all fire insurance contracts issued in California and prescribes the exact language, terms, and conditions that must be included in all such policies. While an insurer may bundle fire insurance with other types of coverage, the insurer may deviate from the standard form only if the new policy provides the consumer with equal or greater protections than the standard form.

   Claim Documents. The standard form also provides a consumer with procedural safeguards that require the insurer to maintain clear and timely communication throughout the claims process. As specified in the Policy, an insurer must notify a claimant that the claimant may obtain copies of claim-related documents upon request, which the insurer must provide within 15 days. The Policy defines "claim-related documents" as all documents that relate to the evaluation of damages, including, but not limited to: (a) repair and replacement estimates and bids, (b) appraisals, (c) scopes of loss, (d) drawings, (e) plans, (f) reports, (g) third-party findings on the amount of loss, covered damages, and cost of repairs, and (h) all other valuation, measurement, and loss adjustment calculations of the amount of loss, covered damage, and cost of repairs. This bill revises the last provision of this definition to include all loss adjustment calculations, whether preliminary or final, that relate to the amount of loss, covered damage, and cost of repairs. Accordingly, this bill specifies that a claimant has access to a broader scope of insurer information during the claims process.

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