
UNFINISHED BUSINESS

Bill No: SB 877
Author: Pérez (D), et al.
Amended: 8/21/26
Vote: 21

SENATE INSURANCE COMMITTEE: 6-0, 4/22/26
AYES: Padilla, Niello, Becker, Menjivar, Richardson, Rubio
NO VOTE RECORDED: Jones

SENATE APPROPRIATIONS COMMITTEE: 7-0, 5/14/26
AYES: Cervantes, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

SENATE FLOOR: 35-0, 5/20/26
AYES: Allen, Archuleta, Arreguín, Ashby, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Dahle, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Alvarado-Gil, Becker, Choi, Grove, Jones

ASSEMBLY FLOOR: Passed, 8/30/26

SUBJECT: Residential property insurance: loss estimate transparency

SOURCE: Consumer Watchdog / Every Fire Survivor's Network

DIGEST: This bill modifies the definition of "claim-related documents" under the California Standard Form Fire Insurance Policy to include all valuation, measurement, and loss adjustment calculations, whether preliminary or final, related to the amount of loss, covered damage, and cost of repairs.

Assembly Amendments 1) Clarify the definition of applicable claim-related documents. 2) Add coauthors. 3) Address chaptering issues with SB 876.

ANALYSIS:

Existing law provides the standard form for a fire insurance policy, which insurers use when providing a fire policy.

Existing regulations:

1) State that insurers must maintain claims data that is accessible, legible, and retrievable for examination, including the claim number, line of coverage, date of loss and date of payment of the claim, date of acceptance, denial or date closed without payment. This data must be available for all open and closed files for the current year and the four preceding years.

2) Specify that insurers record such a file the date the licensee received, date(s) the licensee processed and date the licensee transmitted or mailed every material and relevant document in the file.

3) Stipulate that insurers must maintain hard copy files or claims files that are accessible, legible and capable of duplication to hard copy files, for the current year and the preceding four years.

4) Specify that after receiving notice of claim, every insurer shall in no more than 15 calendar days acknowledge receipt to the claimant unless payment is made within that period of time, provide to the claimant necessary forms, instructions, and reasonable assistance, including, specifying the information the claimant must provide for proof of claim, and begin investigation of the claim.

This bill modifies the definition of "claim-related documents" under the Standard Form Fire Insurance Policy to include valuation, measurement, and loss adjustment calculations, whether preliminary or final, related to the amount of loss, covered damage, and cost of repairs.

Related/Prior Legislation

SB 876 (Padilla), of the current legislative session, would require insurers to develop emergency response plans for disasters, as well as create additional consumer-related provisions for homeowners affected by wildfires by addressing matters related to underinsurance, insurer practices, claims resolution, additional living expenses, and building code upgrades.

SB 878 (Pérez), of the current legislative session, would establish timelines for insurers to acknowledge, investigate, and determine the status of residential property insurance claims, and require documented justifications for any delays. Also requires that payment be issued within 30 days of claim acceptance, the date of loss, or the execution of a replacement contract, with interest accruing on any late payments, as specified.

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

According to the Assembly Appropriations Committee:

Costs of approximately $29,000 in fiscal year (FY) 2026-27 and $48,000 in FY 2027-28 to 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).

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
Beverly Hills; City of
Bright Operations
California Community Foundation
California Environmental Voters
California Insurance Commissioner Emeritus Dave Jones
California Nurses Association
Center for Biological Diversity
Center for Community Action & Environmental Justice
Center for Community Action and Environmental Justice
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
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
Los Angeles; City of
My Tribe Rise
Office of Los Angeles Mayor Karen Bass
Pasadenans Organizing for Progress
Public Citizen
Rancho Cucamonga Chamber of Commerce
Rise Economy
Rural County Representatives of California
San Gabriel Valley Council of Governments
So Cal 350 Climate Action
Socal 350 Climate Action
Socal350 Climate Action
Sunflower Alliance
Team Palisades
The American Policyholder Association
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-sponsors of the bill:

"SB 877 requires disclosure of all claim documents, including original and revised loss estimates, so homeowners can clearly see how their payout was calculated and if changes were made. If the numbers change, policyholders deserve to know. Insurance companies are already required to keep this information by law. SB 877 simply makes clear that companies must provide all versions of claims documents to a homeowner, not only the final version.

Without transparency, insurers can quietly slash damage estimates and survivors are left in the dark. With transparency, homeowners can verify accuracy, challenge errors, and access the full benefits they paid for. SB 877 restores fairness and trust in the claims process. We respectfully urge your support."

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8/30/26 21:54:36

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