Senator Scott Wiener, 11th Senate District

SB 982 - Affordable Insurance and Recovery Act

SUMMARY

The **Affordable Insurance and Recovery Act (SB 982)** tackles California's escalating home insurance crisis by strengthening the Attorney General's legal tools to protect communities following extreme weather disasters. SB 982 provides critical market stabilization tools for the state's insurer of last resort, the California FAIR Plan, and provides critical relief directly to the consumers being crushed by rising premiums.

By shifting disaster-related costs from everyday policyholders to at-fault parties, the bill secures essential resources for recovery, helping low-income homeowners and communities become more wildfire-resilient through safer roofs, landscaping improvements, and other mitigation projects.

BACKGROUND/EXISTING LAW

Californians have become increasingly dependent on the California FAIR Plan Association (FAIR Plan) to secure home insurance. The FAIR Plan, created in 1968 as a temporary safety net, has expanded by more than 500 percent in less than a decade, growing from around 126,000 policies in 2018 to more than 700,000 policies in the fall of 2025. As of September 2025, the FAIR Plan was insuring nearly $700,000,000,000 in property across the state, a 52-percent increase from 2024 and a 317-percent increase from 2021.

In 2025, the state adopted several legislative proposals related to the FAIR Plan and broader insurance issues, including SB 254, which restricts the use and sale of subrogation rights in certain contexts, and SB 495, which requires insurers with over $50 million in insurance lines to submit annual reports regarding their reinsurance programs and catastrophic risk modeling. Additionally, SB 525 expanded the FAIR Plan by requiring it to offer coverage to manufactured and mobile homes, while AB 226 allowed the FAIR Plan to receive state-backed loans via bonding. Further protections were introduced through AB 1, which bolstered standards for discounts offered to policyholders who lower their property's fire risk, and AB 234, which added the Assembly Speaker and a state Senate designee to the FAIR Plan's governing committee. Finally, AB 888 established the California Safe Homes grant program to reduce wildfire losses and improve community resilience.

PROBLEM

Extreme weather events are driving a home insurance crisis characterized by skyrocketing premiums and a lack of affordability that threatens the stability of the insurance market throughout the entire state. Since 2018, California has seen its largest wildfires in history, including the 2025 Los Angeles wildfires which caused an estimated $28 billion to $40 billion in losses. These disasters leave survivors with payouts that fail to cover the true cost of recovery.

To maintain coverage, homeowners are often forced to pay thousands for property upgrades, while projected catastrophic wildfire risks now account for over 50% of requested FAIR Plan rate increases. This crisis threatens provider solvency, depresses property values, and slows new housing development. Additionally, increased insurance costs are being passed to renters through higher rents and to small businesses through rising commercial rates.

There is scientific consensus that extreme weather disasters, like the deadly fires that tore through Los Angeles County, are being worsened by atmospheric warming tied to the burning of fossil fuels. Major oil and gas companies are uniquely responsible for these damages due to their decades-long campaign to mislead the public about their products' contribution to the problem.

SOLUTION

The Affordable Insurance and Recovery Act (SB 982) helps keep home insurance available and affordable in California by making at-fault parties shoulder a fair share of the growing costs associated with extreme weather disasters, rather than placing the entire burden on everyday Californians.

SB 982 supports previous efforts to lower costs and protect consumers by strengthening the Attorney General's legal tools to fight on behalf of local communities following climate disasters like the 2025 Los Angeles wildfires. This bill adapts familiar enforcement models to extreme weather event recovery by creating a new civil action that the Attorney General may bring as *parens patriae*, on behalf of Californians. SB 982 would allow the Attorney General to recover for FAIR Plan Losses from climate-attributable damage, including recovery of an assessment imposed on member insurers of the FAIR Plan or funds borrowed from the California Infrastructure and Economic Development Bank. SB 982 would also allow the Attorney General to recoup increased climate-related insurance costs to insurance policy holders or taxpayers arising from a past climate disaster or risk of future climate disaster.

These legal tools provide financial relief directly to policy holders. SB 982 ensures that those most responsible for climate change contribute to the state's economic recovery. This shift in financial responsibility is a critical step toward achieving long-term market stabilization for the FAIR Plan and limiting the catastrophic risk costs that are currently being passed directly to policyholders.

Beyond stabilizing the insurance market, SB XXX facilitates a more equitable recovery process by securing dedicated resources for communities to better prepare for future risks and to directly compensate survivors of these extreme weather disasters through the creation of the “Attorney General Climate Disaster Fund”. The monetary relief recovered under SB 982 will provide funding for essential mitigation projects for low-income homeowners, such as the installation of fire-resistant Class A roofs, ember-resistant landscaping, and other home-hardening measures.

By holding "Big Oil" accountable for their role in the climate crisis, the legislation ensures that home insurance remains a viable and affordable reality for all Californians while building a more resilient and protected state.

SUPPORT

- **The Center for Climate Integrity,**
- **California Environmental Voters (Fmr. CLCV),**
- **Extreme Weather Survivors Action,**
- Eaton Fire Survivors Network
- San Diego Flood Survivors
- Shelltown Resilience
- Consumer Watchdog
- Courage California
- The Climate Center
- Greenpeace USA
- CleanEarth4Kids.org
- Friends Committee on Legislation of California
- The Phoenix Group
- Active San Gabriel Valley
- 350 Bay Area Action
- Rise Economy
- Americans for Financial Reform

- Third Act Sacramento
- Affordable Homeownership Foundation Inc
- Consumer Attorneys of California
- Fund Her
- Dolores Huerta Foundation
- Public Citizen
- End Poverty in California (EPIC)
- Green America
- Black Women for Wellness Action
- ProjectCrenshaw Chamber of Commerce
- Silicon Valley Black Chamber of Commerce
- Pilipino Workers Center
- Consumer Federation of California
- GoodPower
- San Francisco Bay Physicians for Social Responsibility
- National Housing Law Project
- Dayenu: A Jewish Call to Climate Action
- Greater Los Angeles African American Chamber of Commerce
- Climate Hawks Vote
- National Housing Law Project

FOR MORE INFORMATION

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