



Home	Bill Information	California Law	Publications	Other Resources	My Subscriptions	My Favorites
------	------------------	----------------	--------------	-----------------	------------------	--------------

AB-1339 Department of Insurance: housing insurance study. (2025-2026)

SHARE THIS:  

Date Published: 10/14/2025 02:00 PM

Assembly Bill No. 1339

CHAPTER 728

An act to add and repeal Chapter 6 (commencing with Section 13850) of Division 3 of the Insurance Code, relating to insurance.

[Approved by Governor October 13, 2025. Filed with Secretary of State October 13, 2025.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1339, Mark González. Department of Insurance: housing insurance study.

Existing law creates the Department of Insurance, headed by the Insurance Commissioner, and prescribes the department's powers and duties. Existing law generally regulates classes of insurance.

This bill would require the department, upon appropriation and in consultation with specified entities and affordable housing entities, to conduct a study of the property, liability, and builders' risk insurance coverages available to affordable housing entities, as defined, that receive a grant, loan, or tax credit awarded by the Department of Housing and Community Development or the California Tax Credit Allocation Committee. The bill would require an insurer to provide necessary information requested by the commissioner for the study. The bill would require the department, in conducting the study, to, among other things, (1) collect information from relevant entities, (2) identify barriers to keeping the affordable housing entities appropriately insured, and (3) analyze and request any other relevant information that may help the department analyze the availability of property, liability, and builders' risk insurance coverage for specified affordable housing entities. The bill would also require the department to analyze how, if at all, insurers consider specified determinations of offers or rate setting, including the level or source of income of an individual or group of individuals residing or intending to reside upon the property to be insured. The bill would require the department to submit a report on the study to the Senate Committee on Insurance and the Assembly Committee on Insurance within one year of the above-described appropriation. The bill would require that report to make recommendations on potential policy and budget options to address insurance coverage cost and access challenges for specified affordable housing entities as identified in the study. The bill would repeal these provisions as of January 1, 2031.

The bill would also make related findings and declarations.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Chapter 6 (commencing with Section 13850) is added to Division 3 of the Insurance Code, to read:

CHAPTER 6. Affordable Housing Insurance Coverage Study

13850. The Legislature finds and declares all of the following:

(a) Hundreds of thousands of affordable homes have been built across California to meet the needs of low-income households and people experiencing homelessness. The state has invested billions of dollars in these homes through programs administered by the Department of Housing and Community Development and the California Tax Credit Allocation Committee.

(b) The United States is facing an industrywide insurance crisis, especially in the property insurance sector. According to Marsh's Global Insurance Market Index, property insurance rates have increased for 27 consecutive quarters, continuing the longest run of increases since the inception of the index in 2012.

(c) Affordable housing entities in urban, suburban, and rural communities across California are facing limited availability of insurance coverage, significant premium and deductible cost increases, and reductions in the scope and quality of coverage. These issues are present in property, liability, and builder's risk insurance.

(d) Affordable housing entities have limited options to manage increased insurance costs due to their mission and legal requirements to keep rents at affordable levels for low-income households. As a result, affordable housing entities are particularly vulnerable to insurance cost increases, which now present an urgent threat to the fiscal solvency and stability of affordable housing across California.

(e) While long-term structural reforms to the insurance market may be necessary, there is an immediate need for transparency and data-driven decisionmaking. Currently, there is limited publicly available information regarding how insurance market dynamics uniquely affect multifamily affordable housing. In particular, data on premium and deductible levels and trends and their relationship to claims types and amounts, resident composition, and property characteristics remain unanswered.

(f) Efforts at a nationwide level, such as the 2024 voluntary data call by the National Association of Insurance Commissioners, have primarily focused on single-family homeowners' insurance, leaving multifamily and affordable housing insurance trends largely unexamined.

(g) The lack of reliable and comprehensive data impairs the state's ability to respond effectively to the insurance crisis affecting its affordable housing investments. Granting the Department of Insurance the authority to request, collect, and analyze insurance-related data specific to affordable housing would enhance transparency and inform future policy and budget decisions.

(h) Collecting this data will help preserve state investments, protect low-income residents from housing instability, and enable California to develop targeted strategies to address systemic insurance challenges in the affordable housing sector.

(i) There is a compelling state interest in understanding how the insurance market's current dynamics affect the availability and sustainability of affordable housing, and in exploring targeted solutions to reduce risks and ensure the long-term viability of publicly funded affordable housing developments.

13851. (a) (1) The Department of Insurance shall conduct a study of the property, liability, and builders' risk insurance coverages available to affordable housing entities as defined in Section 13907 and receiving a grant, loan, or tax credit awarded by the Department of Housing and Community Development or the California Tax Credit Allocation Committee intended to serve lower income households, as defined in Section 50079.5 of the Health and Safety Code.

(2) The department shall conduct this study in consultation with the affordable housing entities described in paragraph (1), admitted insurers, providers of nonprofit insurance services, risk-sharing pools for public housing authorities and nongovernmental owners of affordable housing properties, insurance captives, risk retention groups, and other relevant state agencies, including the Department of Housing and Community Development and the California Tax Credit Allocation Committee.

(b) An insurer, upon the request of the commissioner, shall provide and make available any information necessary to comply with the requirements of this section. Any information provided to the department by an insurer shall be considered a trade secret, confidential, privileged, or otherwise exempt from disclosure under the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code). Nothing in this section prohibits the commissioner from preparing and publishing reports, analyses, or other documents using the data received under this section so long as the data is in aggregate form and does not permit the identification of information related to individual companies.

13852. In conducting the study described in subdivision (a) of Section 13851, the department shall do all of the following:

(a) Collect information necessary to conduct the study from relevant insurers with the affordable housing entities described in subdivision (a) of Section 13851.

(b) Identify barriers to keeping the affordable housing entities appropriately insured.

(c) Analyze and request any other relevant information that may help the department analyze the availability of property, liability, and builders' risk insurance coverage for the affordable housing entities described in subdivision (a) of Section 13851.

(d) Analyze trends impacting market availability of property, liability, and builders' risk insurance coverage for the affordable housing entities described in subdivision (a) of Section 13851.

(e) (1) Analyze and request any other relevant information that may help the department analyze how, if at all, insurers consider the following in determinations of insurance policy offers or rate setting:

(A) The level or source of income of an individual or group of individuals residing or intending to reside upon the property to be insured, if the individual or group of individuals is not the owner of the real property.

(B) The receipt of assistance, intended for housing, from the federal or state government, or from a local public entity, as defined in Section 50079 of the Health and Safety Code, including, but not limited to, federal vouchers issued under Section 8 of the United States Housing Act of 1937 (42 U.S.C. Sec. 1437f), by an individual or group of individuals residing or intending to reside upon the property insured or to be insured.

(2) The designation of real property containing a residential dwelling unit as affordable to residents at a specific income level pursuant to statute, regulations, or restrictive declaration, or pursuant to a regulatory agreement with a state governmental entity.

13853. (a) The department shall submit a report on the study described in subdivision (a) of Section 13851 to the Senate Committee on Insurance and the Assembly Committee on Insurance within one year of the appropriation made pursuant to Section 13854.

(b) The report shall make recommendations on potential policy and budget options to address insurance coverage cost and access challenges for the affordable housing entities described in subdivision (a) of Section 13851, as identified in the study.

(c) The report submitted to the Legislature pursuant to this section shall be submitted pursuant to Section 9795 of the Government Code.

13854. Implementation of this chapter is contingent upon an appropriation by the Legislature for purposes of this chapter in the annual Budget Act or another statute.

13855. This chapter shall remain in effect only until January 1, 2031, and as of that date is repealed.