Bill to Extend Insurance Moratorium for Eaton Fire Survivors Clears Assembly Committee

Pasadena Now

A bill authored by Assemblymember John Harabedian (D-Pasadena) that would give wildfire survivors in Altadena and other fire-affected areas more time before insurers can drop their coverage passed the Assembly Committee on Insurance this week.

AB 2038, jointly authored by Harabedian and Assemblymember Rick Chavez Zbur (D-Hollywood), would lengthen the period during which insurance companies are prohibited from canceling or declining to renew residential policies after a declared disaster. According to a press release from Harabedian's office, the bill would extend the current one-year moratorium to two years for homes located in a fire perimeter ZIP code, and to three years for homes declared a total loss.

The legislation comes as Altadena residents face mounting uncertainty more than 15 months after the Eaton Fire destroyed more than 9,000 structures and killed 19 people in January 2025. The existing one-year moratorium on nonrenewals — established under a 2018 law authored by then-state Sen. Ricardo Lara — expired in early January 2026 for areas affected by the Eaton and Palisades fires. During a February 2026 Assembly Insurance Committee hearing, Harabedian himself noted that his office was hearing reports of homeowners in Altadena being nonrenewed since the moratorium lapsed.

Rebuilding in the Eaton Fire burn area has been slow. According to Los Angeles County data, roughly half of the more than 6,000 households that lost homes have not yet submitted applications to rebuild. A UCLA study found that only about 30 percent of homeowners who filed permit applications had begun construction as of February 2026. County Supervisor Kathryn Barger has attributed the gap not to permitting delays but to financial barriers, including delayed insurance payouts.

In a statement included in the press release, Harabedian said recovery after a wildfire has not followed a

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straight path, and that granting homeowners more time to focus on rebuilding without the added burden of losing insurance coverage remains important to reducing displacement.

Zbur, in the same press release, called the bill an essential step in ensuring families can remain in their homes and that coverage stays accessible.

Joel Laucher, a program specialist with the nonprofit United Policyholders and a former chief deputy commissioner at the California Department of Insurance, said in a statement included in the press release that post-disaster patterns of nonrenewals are common, and that extending the existing moratorium would provide additional help to impacted homeowners.

AB 2038 now advances to the Assembly Appropriations Committee.

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