United Policyholders
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California Assemblymember John Harabedian Announces Extension of the Insurance Cancellation Moratorium for Wildfire Survivors Passes Assembly Insurance Committee

Sierra Sun Times

On Tuesday, Assemblymember John Harabedian (D-Pasadena) announced that AB 2038, which would provide wildfire survivors greater protections from insurance companies' nonrenewals by extending the period insurance companies must renew existing policies, has passed the Assembly Committee on Insurance.

In January 2025, the Eaton and Palisades fires devastated Altadena and Los Angeles County. Existing law establishes a one year moratorium when insurers attempt to cancel residential policies after a natural disaster if the home is in a disaster zone and a two year moratorium if the house was lost in the disaster.

Current moratorium timelines unfortunately do not take into account the difficulties of recovering after a wildfire. It is a slow and very costly process that takes years, especially for survivors of the Los Angeles Fires who have lost their homes and are experiencing slower rebuilding progress than other recent California wildfires.

"Navigating recovery after a wildfire has not been a straight path," said Assemblymember Harabedian (D-Pasadena). "Granting more time to homeowners so they can focus on recovery without the burden of insurance coverage remains crucial to reducing displacement and providing stability to our communities."

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AB 2038 addresses these challenges by extending the insurance moratorium to two years if the home is located in a fire perimeter ZIP Code and three years if a home was declared a total loss due to a disaster. These changes expand protections for homeowners and reflect the harsh reality of California wildfires and the recovery process.

“I applaud Assemblymember Harabedian’s leadership in protecting homeowners at risk of losing their insurance—an essential step to ensuring families can remain secure in their homes and that coverage remains affordable and accessible,” said Assemblymember Rick Chavez Zbur (D-Hollywood). “I am proud to be a joint author of AB 2038 and to stand with communities across California who know all too well the devastating impact wildfires can have on families, homes, and peace of mind.”

“Wildfire homeowners who were directly impacted have so many challenges to navigate, some of which impact their neighbors as well. Getting dropped by your insurance company and having to scramble to find replacement coverage shouldn’t be one of them. Post disaster patterns of non-renewals are common, which is why this body enacted the current non-renewal moratorium law. The current law is very helpful, but extending it will be even more helpful” said Joel Laucher, Program Specialist, United Policyholders

AB 2038 now advances to the Assembly Appropriations committee.

Assemblymember John Harabedian represents the 41st District composed of the cities of La Cañada Flintridge, Pasadena, Altadena, Sierra Madre, Monrovia, Bradbury, San Dimas, La Verne, Claremont, Upland, Rancho Cucamonga, Oak Hills, Piñon Hills and Phelan.

Source: Assemblymember John Harabedian

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