

California bill proposes statewide rules for wildfire smoke insurance claims

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California lawmakers introduced legislation designed to standardize how insurers handle wildfire smoke damage claims. The proposal follows major fires that contaminated thousands of homes across the state.

Officials describe the proposal as the first statewide framework in the United States addressing insurance claims related specifically to wildfire smoke contamination.

The legislation arrives after the Eaton and Palisades wildfires in January 2025 destroyed thousands of properties in the Los Angeles region and left many additional homes contaminated by smoke, soot, ash, and combustion residues.

The proposed law would introduce statewide protocols for evaluating and restoring properties affected by wildfire smoke. Contaminated homes would require inspection and remediation to ensure they meet health and safety standards before residents return.

Lara said the absence of uniform standards has created disputes between insurers and homeowners during claims handling.

Gipson said the legislation aims to simplify the recovery process for policyholders who often face complicated insurance disputes after large wildfire events.

The proposal follows a report issued by the California Department of Insurance Smoke Claims and Remediation Task Force.

The group conducted a nine-month review involving public health experts, fire safety specialists, industrial hygienists, consumer advocates, and insurance industry representatives.

Members concluded statewide standards could provide clearer guidance for insurers and improve safety outcomes for homeowners.

Amy Bach of United Policyholders, who participated in the task force, said consistent standards are necessary to reduce disputes involving smoke contamination claims.

The Smoke Damage Recovery Act includes several regulatory provisions. The bill would establish statewide protocols for inspection, testing, and sampling of smoke-related contaminants inside residential properties.

The measure would also prevent insurers from terminating Additional Living Expenses benefits until properties are certified safe for occupancy.

The bill requires insurers to inspect smoke damage claims within 30 days after receiving notice and establishes timelines for claims payments to accelerate recovery funding.

The legislation also allows policyholders to rely on standards issued by state or local environmental and health agencies if those standards are published before the bill's full implementation. These provisions would allow earlier use of official testing benchmarks during claims disputes.