

CalRHA Legislative Updates



Kate Bell, KateBellStrategies.com

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Fire Response: Governor Newsom's Executive Orders

As a result of the fires in Los Angeles, the Governor has released a series of Executive Orders.

On January 17th, Governor Newsom issued **Executive Order N-11-25** which prohibits landlords from using the unlawful detainer process to evict a tenant for violating a term of their lease that would otherwise prohibit them from sheltering one or more people displaced by the recent emergency. The order does not prohibit landlords from enforcing other lease terms, such as those regarding criminal activity or property damage. The order is in effect until March 8, 2025.

On January 27th, Governor Newsom issued **Executive Order N-14-25** suspending certain restrictions on the length of occupancy in order to make it easier for survivors of the LA area firestorm to stay in hotels and other short-term rentals for more than 30 days, as well as reiterates that permitting requirements under the California Coastal Act are suspended for rebuilding efforts.

On February 4th, **Executive Order N-17-25** was issued by Governor Gavin Newsom. Among other things, the executive order expands rental price gouging protections to leases of any length, adds three new ZIP codes to prior executive orders prohibiting real estate speculation, and exempts housing in zip codes with high fair market values,

,which has not previously been on the rental market, from statutory rent caps.

For a full list of all actions taken by the Governor in response to the LA fires, please visit:

<https://www.gov.ca.gov/2025/01/24/heres-all-the-actions-governor-newsom-has-taken-in-response-to-the-los-angeles-fires/>

Commissioner Lara takes action to ensure FAIR Plan can continue paying consumer claims after the Southern California wildfires

[Insurance Commissioner's Press Release](#)

LOS ANGELES — Ordering the insurance companies' FAIR Plan to continue swiftly paying claims to Southern California wildfire survivors, Insurance Commissioner Ricardo Lara today took action to maintain its solid financial footing. The FAIR Plan, an insurance safety net that the state requires insurance companies to operate, requested the Commissioner's approval for \$1 billion in additional funds from its member companies and also released detailed data about its claims paid to wildfire survivors.

Pursuant to statute, Commissioner Lara approved the FAIR Plan's request — known as an "assessment" — for the funding necessary to continue meeting its obligations to Californians. Commissioner Lara's action is consistent with his Sustainable Insurance Strategy and FAIR Plan modernization order, issued last summer, which established conditions to protect FAIR Plan policyholders and uphold the integrity of the state's insurance market.

Key actions include:

- Directing the FAIR Plan to hire additional staff needed to process and pay claims fairly, fully, and quickly.
- Requiring the FAIR Plan to utilize all available funds, including reserves and reinsurance funds.
- Protecting consumers from bearing the full cost of an assessment, with insurance companies responsible for half the assessment under an

agreement reached last year. Subject to the Commissioner's prior approval under Proposition 103, insurance companies may issue a temporary supplemental fee as a percentage of the policy premium and cannot pass assessment costs on to consumers in future rates.

- Maintaining a healthy FAIR Plan reserve fund for future claims as the summer wildfire season approaches.
- Requiring the FAIR Plan to comply with all laws applicable to other insurance companies, including advance payments for living expenses and personal property without the need for an inventory.

Commissioner Lara finalized the Sustainable Insurance Strategy in 2024 — the largest insurance reform in 30 years — aimed at increasing the issuance of regular insurance policies in higher-risk areas and reducing reliance on the FAIR Plan.

Further underscoring the need for this reform, the most recent FAIR Plan assessments followed the 1993 Kinneloa Fire in Altadena and the Old Topanga Fire in Malibu and Topanga, which affected some of the same areas as the 2025 fires — claiming three lives and destroying nearly 550 structures in those devastating incidents. Previous insurance commissioners approved \$260 million, or approximately \$563 million in today's dollars, in assessments for those fires and for the fires following the 1994 Northridge Earthquake.

Commissioner Lara expects to file the Department's Report of Examination for an ongoing financial examination of the FAIR Plan, including its compliance with recommendations from the Department's 2022 Operational Assessment Report in coming months. The report called for significant changes in the FAIR Plan's governance, operations, underwriting and claims handling, risk management, customer service, and financial planning strategies and policies.



Ricardo Lara
Insurance Commissioner

Commissioner Lara issued the following statement:

"I took this necessary consumer protection action with one goal in mind: the FAIR Plan must pay claims just like any other insurance company. I reject those who are hoping for the failure of our insurance market by spreading fear and doubt. Wildfire survivors can't cash what ifs' to pay for food and rent, but they can cash FAIR Plan checks.

"The fact that we are once again facing this issue 30 years after wildfires devastated these same communities highlights the need for change. Thirty years of stagnant regulations have placed more people at risk. We will move people away from the FAIR Plan, and insurance companies will write more policies under the Sustainable Insurance Strategy I finalized last year.

"We must rebuild stronger and be better prepared for future wildfires through common-sense mitigation. My Safer from Wildfires regulation provides a pathway for insurance discounts. We must take action to improve the financial standing of the FAIR Plan and prevent this situation from recurring. I strongly support legislation this session — just as I did last session — that would allow the FAIR Plan to access credit lines and catastrophe bonds to help pay claims in worst-case scenarios. I urge the Legislature to act quickly and send it to the Governor's desk."

If you would like to help the southern California wildfire victims, by listing your available housing or by donation, please go to
<https://www.socalfireshousing.org>

Notes:

Order No. 2025-1: Approving the California FAIR Plan Association's Request to Issue Assessment
<https://www.insurance.ca.gov/0250-insurers/0500-legal-info/0700-commissioners-orders/upload/Order-No-2025-1-Approving-the-California-FAIR-Plan-Association-s-Request-to-Issue-Assessment.pdf>

The FAIR Plan was established by statute in 1968 as California's insurance safety net. Every property insurance company licensed in California automatically becomes a FAIR Plan member as a condition of doing business in California and may be called upon to help fund the FAIR Plan's continued operation in response to extreme catastrophes like the Southern California wildfires.

Legislative Update

The Legislature is working earnestly to introduce legislation by the deadline of February 21st. The California Rental Housing Association (CaRHA) President, Legislative Chair, and several Executive Officers made the rounds in the State Capitol to meet with the Governor's Office and various Legislators in January to lay the groundwork for 2025.

Of note, CaRHA is sponsoring legislation to deal with a problem that many of our members have been facing, which deals with trespassers on property.

More information may be found at:
<https://stoptrespassing.org/>

A few key legislative bills have been introduced so far, including:

- AB 11 (Lee) Social Housing
- AB 21 (DeMaio) Taxpayer Protection Act of 2025
- AB 6g (Calderon) CA Fair Plan: Policy Renewals.



- AB 246 (Bryan) State of emergency: residential rent increases: County of Los Angeles: price gouging: enforcement by district attorney.
- AB 289 (Pellerin) Discrimination: Housing: Source of Income
- AB 311 (McKinnor) Dwelling Units: Persons and Risk of Homelessness



- AB 414 (Pellerin) Residential Tenancies: Return of Security
- SB 9 (Arreguin) ADU Owner-Occupancy Requirement
- SB 52 (Perez) Housing Rental Rates and Algorithmic Devices



The Legislative calendar for the year is as follows:

February 21st—Last day for bills to be introduced

April 11-18 —Spring Recess

May 2nd—Policy Committee Deadline for Fiscal Bills

May 9th—Policy Committee Deadline for Nonfiscal Bills

May 23rd—Appropriations Committee Deadline

June 6th—Deadline for bills to pass the Floor in their House of Origin

June 15th—Deadline to Pass Budget Bill

July 18th—Policy Committee Deadline in Second House

July 18th—August 15th -Summer Recess

August 29th—Appropriations Committee Deadline in Second House

September 12th—Recess Begins

October 12th —Last Day for the Governor to Sign or Veto Legislation

NOTE: The new CaRHA Priority 1 list of bills is at the back of the magazine.