



May 12, 2025

Honorable Buffy Wicks, Chair
Honorable Kate Sanchez, Vice Chair
Members, Assembly Appropriations Committee

RE: AB 75 (Calderon): Residential property insurance images (Amended – 4/22/2025)

Position: Oppose Unless Amended

The Personal Insurance Federation of California (PIFC), the American Property Casualty Insurance Association (APCIA), the National Association of Mutual Insurance Companies (NAMIC), and the Pacific Association of Domestic Insurers (PADIC), collectively known as the “trades” whose members collectively write the vast majority of property and casualty insurance policies in the state of California, thank you for the opportunity to express our opposition (unless amended) regarding **Assembly Bill 75 (Calderon): Residential property insurance images**.

Insurance companies must verify the continued maintenance of a property that they have underwritten. Notice of their right to inspect is included in the initial policy issuance documents and in the annual renewal notifications. Historically these inspections have had to be conducted by insurance agents physically visiting a property. In more recent years, companies have been able to utilize the photo inventory collected by third party contractors to verify the state of a property and inform policy holders where there are deficiencies to be righted. The shift to aerial imaging has decreased the physical risk to agents, who previously would have to enter potentially hostile environments as well as inspect roof conditions, and has decreased the cost to companies. The cost benefit cannot be dismissed at a time where any cost savings in the industry improves market availability.

While the industry understands and respects the spirit of AB 75 and the goal of providing greater transparency and awareness to consumers, the bill as drafted would create additional burdens to the use of this technology, increasing costs and reducing the number of policies insurers can write each year.

We appreciate the recent amendments to the bill on the timing of the notifications, however we remain concerned with the limitations on the age of photographs that can be used, as well as the current structure of the dispute resolution process.



As drafted, the 45-day limit on the age of photographs that can be used without an in-person verification would essentially make in-person verification necessary for every policy renewal in the state. The effect of these in-person inspections would be that insurers would only be able to underwrite the number of policies that they can conduct in-person inspections for annually. This will be a substantially smaller number of policies than those that they can write using aerial imaging. Additionally, in-person inspections cost exponentially more than aerial imaging, driving up the cost of insurance for all policy holders. Finally, the recent amendments expanded the circumstances under which this bill's provisions could apply, to include customers applying for new coverage. Enacting limitations, including notice requirements and in person inspection requirements, for insurance applicants could inhibit the writing of new coverage and provide an unnecessary hurdle to real estate transactions.

We are working on updated redline amendments to offer the author, suggesting the following changes to the bill to protect the increased clarity to the consumer, while making the bill functional from an implementation perspective.

- Increase the age limit of photographs that can be used without an in-person inspection to at least 6 months.
- Allow an alternative verification process to in-person inspection for images older than 6 months so that companies that have a less burdensome method may continue to use that to ensure the image is correct.
- Narrowing the definition of "adverse underwriting decision" to apply to existing policyholders only, not the declination of new coverage.

For these reasons, the trades are respectfully opposed to AB 75 unless the offered amendments are taken to address the above concerns.

Thank you for your consideration.

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