



June 26, 2026

Senate Appropriations Committee  
California State Capitol, Room 412  
Sacramento, CA 95814

RE: Support AB 2038 (Harabedian & Zbur): Extending the Insurance  
Moratorium Protections

Dear Senate Appropriations Committee,

The Consumer Federation of America (CFA) urges the California Legislature to support AB 2038, which extends the insurance moratorium protections for Californians recovering from wildfire disasters. This reform will update an important consumer protection to match the rebuilding realities faced by homeowners in the wake of catastrophic events.

The January 2025 Eaton and Palisades fires destroyed homes across Altadena and Los Angeles County, displacing nearly 192,000 residents. For the families and communities affected, losing a home is only the beginning of a long and difficult recovery, that frequently stretches well beyond what the current law anticipates.

Under existing law, established by SB 824 (Lara, 2018), the Insurance Commissioner may declare a moratorium preventing insurers from canceling or failing to renew residential policies after a state of emergency. That moratorium currently lasts one year for properties located in or adjacent to a fire-perimeter ZIP code, and two years for properties that are a total loss. While these protections were an important step forward in 2018, the reality of wildfire recovery today has outpaced them.

Rebuilding after a major wildfire often takes several years, not one or two. Homeowners face permitting delays, labor and material shortages, and insurance claim payments that, too often, arrive far slower than the bills associated with rebuilding. Without the extension of the moratorium, Californians may find themselves losing coverage just as they are, finally, able to move back into their home.



AB 2038 addresses this gap by extending these moratorium periods to better match the real timeline of wildfire recovery. The bill would:

- Extend the moratorium on policy nonrenewal from one year to two years for homes located in or adjacent to a fire-perimeter ZIP code; and
- Extend the moratorium from two years to three years for homeowners whose properties were a total loss due to the disaster.

By giving survivors more time before their insurance protections expire, AB 2038 offers homeowners greater stability and certainty during what is already one of the most difficult periods of their lives. It is a commonsense, targeted update to existing law that reflects the lived experience of wildfire survivors across California.

For these reasons, CFA strongly supports AB 2038 and urges an aye vote. Please contact us at [mdelong@consumerfed.org](mailto:mdelong@consumerfed.org) with any questions.

Sincerely,

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