



#INSURECA

# CALIFORNIA CONSUMER ALERT

Insurance Commissioner Ricardo Lara

## Momentum continues to build under Insurance Commissioner Ricardo Lara's Sustainable Insurance Strategy

**May 1, 2026** - Momentum continues to build under Insurance Commissioner Ricardo Lara's Sustainable Insurance Strategy as two more Top 10 insurers commit to expanding homeowners coverage in California – while new data shows a substantial slowdown in FAIR Plan growth, signaling early signs of market stabilization.

### Travelers Expands in California

The Travelers Companies, Inc. recently announced its voluntary participation in the Sustainable Insurance Strategy, notifying the California Department of Insurance that it will expand homeowners insurance availability across the state.

Travelers also announced increased discounts for homeowners who invest in wildfire mitigation measures such as ember-resistant vents, Class A roofing, and defensible space – further aligning with the Commissioner's focus on risk reduction and resilience in order to help increase insurance availability.

### AAA SoCal Filing Signals Additional Growth

In a related development, the Automobile Club of Southern California (AAA) submitted a rate filing just yesterday under the Sustainable Insurance Strategy and is planning to expand coverage in the state. This adds to a growing list of insurers increasing availability and providing more options for California homeowners.

With these filings, six of California's 10 largest home insurance groups are committing to stay and grow in the state – with more to come – as well as other companies serving important parts of our market. The full list includes Farmers, Mercury, CSAA, USAA, Horace Mann, Pacific Specialty, and California Casualty, plus now Travelers and AAA SoCal.

### Commissioner's POV

"This is exactly the kind of sustained momentum we need to restore stability to California's insurance market. More companies are stepping up, writing more policies, and committing to long-term growth. That means more choices for homeowners and a stronger path off the FAIR Plan."

### FAIR Plan Growth Slows

Newly released data from the FAIR Plan – posted as part of CDI's push for greater transparency— shows a substantial slowdown in policy growth, offering an early signal that the market is beginning to stabilize:

1. The FAIR Plan added approximately 16,000 residential policies in Q1 2026, representing about 2.4% growth from the previous quarter.
2. This marks a sharp decline from 2024 through September 2025, when quarterly growth ranged from 35,000 to 50,000 policies.
3. Growth had already begun slowing in late 2025, with approximately 20,000 policies added between Q3 and Q4 2025.
4. Commercial policy counts remained relatively stable, increasing only slightly from 21,200 to 21,464 policies.

### **Key Takeaway**

This greatly slowed growth of the FAIR Plan is a leading indicator of the emerging health of California's insurance market – even before the full impact of recently approved rate filings under the Sustainable Insurance Strategy is realized.

As the [San Francisco Chronicle](#) reported, insurers covering roughly one-third of California homes have sought modest rate increases of about 6.9%, **“far less than the double-digit increases”** of recent years, and a **“tentative sign that California's insurance market may be starting to climb out of its crisis.”**

### **What's Next**

CDI will continue monitoring FAIR Plan trends over multiple quarters, with additional data expected in July and September 2026 to better assess long-term progress.

The Department will also continue reviewing rate filings and holding insurers accountable to their commitments, making sure that rate changes are matched by increased availability for consumers, especially those living in wildfire distressed areas.

### **Bottom Line**

With more insurance companies expanding coverage and FAIR Plan growth slowing, California is seeing early, data-driven signs that the insurance market is turning a corner – delivering on the promise of a more stable, competitive, and resilient system for homeowners, renters, and condo owners.