

**INSURANCE LAW**

**PROPOSED BALLOT INITIATIVE SEEKS REPEAL OF PROP. 103**

AN INSURANCE agent has filed papers with the state to qualify an initiative for the 2026 election that would repeal Proposition 103, a landmark insurance law that has tightly regulated property and auto insurance rates since 1989.

Since 1989, Prop. 103 has required insurance companies to submit requests for rate changes to the California Department of Insurance (DOI). Under the law, the insurance commissioner is required to review those filings, decide whether they are justified, and can deny or limit increases. Consumers and advocacy groups are also allowed to intervene in the process, giving the public a voice in rate decisions.

The measure also made the post of insurance commissioner an elected position instead of one appointed by the governor.

Critics of Prop. 103 say the law slows down the rate approval process, which can drag out for months or even years due to bureaucratic obstacles. Proponents say it keeps insurance companies in check and that having an elected insurance commissioner allows them to act without political interference.

**Supporters and critics weigh in**

The measure, dubbed the California Insurance Market Reform Act of 2026, was submitted by Elizabeth Hammack, an independent insurance agent, who argued that Prop. 103 has led to dysfunction and delays that have worsened California's insurance crisis.

Insurance companies say the lengthy approval process under Prop. 103 has made it difficult to adjust rates as costs rapidly increase.

Insurers argue that delays and a provision requiring any rate hike request of 7% or more to trigger a DOI hearing have discouraged larger filings. As a result, most insurers have limited their requests to 6.9%, which they say has been inadequate in recent years due to rapidly rising claims costs for both property and auto insurance.

Combined with increasingly destructive wildfires, the difficult approval process and insurers' inability to use certain forecasting models have prompted many companies to restrict writing homes and commercial properties in the state.

Consumer groups oppose the new proposal. They say Prop. 103 has saved Californians billions of dollars on auto insurance and kept home insurance rates more affordable than in many other states. Critics warn that repealing it would open the door to steep premium hikes with less accountability.

**Long odds ahead**

For now, the initiative remains a long shot. To make the November 2026 ballot, supporters must gather more than 546,000 valid signatures by next spring, a tall order without major funding. Consumer Watchdog, the advocacy group founded by Prop. 103's author, has dismissed the campaign as unserious and underfunded.

If it does qualify, the proposal could set up a high-stakes battle between consumer advocates and insurers at a time when California residents are already frustrated with rising premiums and shrinking coverage options.



*Continued from page 1*

**Property Wildfire Hardening Can Earn You Premium Discounts**

**Other changes in the works**

The wildfire models are part of a larger effort to improve the state's strained property insurance sector. Other steps include:

- **Expanded discounts for mitigation:** Homeowners and businesses can qualify for premium reductions by taking specific wildfire safety steps.
- **FAIR Plan expansion:** The FAIR Plan has raised its commercial property coverage limits from \$10 million to \$20 million for single facility and up to \$100 million for a multi-unit property.
- **Reinsurance reforms:** Insurers will be able to better manage

their exposure to catastrophic losses, which regulators say should help keep the market stable.

**Takeaway**

For homeowners and businesses, these changes mean more choices may soon return to the market.

Prices will likely vary more widely depending on location and wildfire readiness, but insurers may start competing again to write policies in parts of the state where coverage has been scarce.