



April 13, 2026

Senator Steve Padilla
 Chair, Insurance Committee
 1020 N St. Room 258
 Sacramento, CA 95814

Re: SB 877 (Pérez) – Fair Claims Practices and Transparency Act – SUPPORT

Dear Chair Padilla,

The undersigned wildfire survivor, consumer, environmental, civil and economic justice, small business, labor, and community organizations write in strong support of SB 877 – the Fair Claims Practices and Transparency Act – to ensure transparency and accountability in insurance claims for Californians recovering from a disaster.

As the frequency and intensity of climate-worsened weather events increases, fair payouts after disaster are critical to an equitable recovery.

Yet, after filing a claim, homeowners often see only the insurer’s final, reduced version of a loss estimate—without access to the original estimate, subsequent revisions, or any explanation of changes by the insurer. These alterations can amount to claim underpayments of \$100,000 or more.

SB 877 requires disclosure by insurance companies of all claim documents so homeowners can clearly see how their payout was calculated, what changes were made, who made them, and why. Disclosure ensures that homeowners can verify accuracy of the reports from insurance company employees and their contractors, challenge errors, and access the full benefits they paid for.

Insurer misconduct is impeding the entire Los Angeles fire recovery. According to the Department of Angels, 70% of insured survivors report that delays, denials, and underpayments are derailing their recovery. Yet SB 877 is not just about the L.A. fires. It is also about every Californian who pays insurance premiums believing that if the worst ever happens, they’ll get what they’re owed. Right now, that promise is at risk. When insurers underpay claims, recovery – whether from a community-wide or a single-home disaster – does not just slow. It collapses.

Across major disasters nationwide, insurers have been found to alter, reduce, or entirely rewrite original loss estimates before homeowners ever see them. Following Hurricane Ian, a [CBS 60 Minutes investigation](#) revealed systematic slashing of estimates. In May 2025, the [U.S. Senate heard testimony](#) from whistleblower adjusters describing estimate manipulation as a widespread practice used to delay payments, wear down survivors, and pressure families into accepting less than they are owed. A December 2025 [San Francisco Chronicle investigation](#) confirmed the same practices are occurring in California, describing internal insurer guidance instructing adjusters to route estimates through internal review layers that remotely reduce scope and cost, avoid written explanations, and prioritize speed over accuracy.

SB 877 requires insurance companies to disclose all claims documents to consumers and helps consumers get what they’re owed. We urge your AYE vote.

Sincerely,



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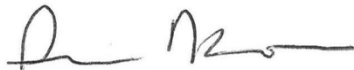
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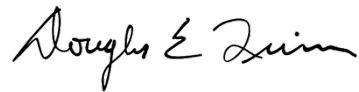
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