

Lucy Wang Discusses California Insurance Solvency Regulation Addressing Climate Risks

In *Law360 Insurance Authority*

In The News | 1 min read

Jun 22, 2026

Hinshaw senior counsel Lucy Wang was recently quoted in a *Law360* article discussing recent revisions to a California Department of Insurance (CDI) regulation that would require insurers to disclose their long-term plans for managing climate-related risks to their solvency, with projections out to 2050.

The rule was first proposed last October and asks insurers to “report on their exposure to market risks from perils, including extreme temperatures, sea-level rise, severe storms, earthquakes, storm surges, and changes in land use and water availability.” The regulation primarily applies to California-domiciled insurers whose combined direct annual premiums exceed \$50 million across all lines of coverage nationwide.

As written, the rules would not make the information collected from insurers public, with the CDI noting that confidentiality would yield a more frank and transparent process.

Lucy agreed with this perspective, noting the rule was intended to be part of the department’s confidential financial exams. “It’s [the CDI’s] long-term planning — it’s not something that they’re going to share with other companies,” she said, adding that the regulation closes a regulatory gap by making insurance companies document how they’re preparing for various risks.

She also cited State Farm’s request for an emergency interim rate increase in February 2025 as an example of the importance of the proposed solvency rule.

[Read the full article \(subscription may be required\).](#)

- *Law360*: “Calif. Insurer Solvency Rule Critical But Limited, Pros Say” (June 18, 2026)

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