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Lucy Wang Discusses New Landmark California Wildfire Insurance Reforms

In *Law360 Insurance Authority*

In The News | 1 min read
Sep 28, 2026

In a recent *Law360 Insurance Authority* article, Hinshaw litigation and regulatory attorney Lucy Wang provided analysis of new California legislation that will reshape the landscape for wildfire-related insurance claims, along with its impact on insurers and consumers.

The landmark wildfire recovery statutes, Assembly Bills (AB) 1795 and 1642, were signed by Governor Gavin Newsom and are set to take effect on **January 1, 2027.**

AB 1795: Rebuttable Presumption

AB 1795 creates a new “rebuttable presumption”—specifically, when combustion byproducts like smoke or ash are found in a home within a wildfire-affected area, it will be presumed that the damage resulted from the fire.

“This rebuttable presumption is significant for consumers because they no longer have to [argue] with insurance companies about whether or not the damages they claim are connected to the wildfire,” Lucy noted.

Drawing on her experience as former special counsel to California Insurance Commissioner Ricardo Lara, Lucy also observed that AB 1795 does not expand insurance regulators’ enforcement authority beyond its existing powers to monitor claims handling—a nuance that will shape how the law is administered in practice.

AB 1642: New EPA Standards

While the new laws establish important consumer protections, Lucy noted that much of their real-world impact will depend on the scientific and regulatory standards yet to be developed.

AB 1642 requires the Department of Toxic Substances Control and other agencies to develop guidance for the restoration and safe occupancy of homes contaminated by wildfire byproducts, including cyanide, lithium, asbestos, and lead.

Lucy emphasized the significance of the rulemaking process ahead: “This is why what [the California] EPA does is so important. They’re going to be defining where that line is. So in some way, good or bad, we’re going to have a standard by which consumers and insurers have some sort of baseline.”

Looking Ahead

With public hearings and agency rulemaking on the horizon, Lucy anticipates a complex and high-stakes process: “I can’t imagine how fraught these hearings are going to be.”

She stressed that it is important for scientific analysis to drive the process, rather than leaving outcomes solely in the hands of consumers and insurers.

Read the full article

- *Law360 Insurance Authority:* “Calif. Smoke Damage Laws Aimed at Insurance Law Clarity” (September 24, 2026)

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