State of California
Office of Administrative Law

In re: **Department of Insurance** **Regulatory Action:** **Title 10, California Code of Regulations** **Adopt sections: 2319.7** **Amend sections:** **Repeal sections:**	**NOTICE OF APPROVAL OF REGULATORY ACTION** **Government Code Section 11349.3** **OAL Matter Number: 2026-0915-04** **OAL Matter Type: Regular (S)**

In this regular rulemaking action, the Department of Insurance implements regulations which require all insurers to maintain a portfolio of risk mitigation technologies used by their policyholders and any analyses the insurers have undertaken of the past or anticipated future performance of these strategies and which require insurers writing nationwide direct annual premiums exceeding $50 million across all lines of insurance to maintain and keep current an assessment of emerging risks and opportunities that are material to their business.

OAL approves this regulatory action pursuant to section 11349.3 of the Government Code. This regulatory action becomes effective on 10/26/2026.

Date: October 26, 2026

Sam Micon
Senior Attorney

For: Kenneth J. Pogue
Director

Original: Ricardo Lara, Commissioner
Copy: Randi Bovard

STATE OF CALIFORNIA—OFFICE OF ADMINISTRATIVE LAW

NOTICE PUBLICATION/REGULATIONS SUBMISSION REGULAR (See instructions on reverse)

STD. 400 (REV. 10/2019)

For use by Secretary of State only

ENDORSED - FILED
in the office of the Secretary of State
of the State of California
OCT 26 2026
2:19 PM

OAL FILE NUMBERS	NOTICE FILE NUMBER	REGULATORY ACTION NUMBER	EMERGENCY NUMBER
	Z-	2026-0915-04S	

For use by Office of Administrative Law (OAL) only

OFFICE OF ADMIN. LAW
2026 SEP 15 PM 4:16

NOTICE | REGULATIONS

AGENCY WITH RULEMAKING AUTHORITY: Department of Insurance

AGENCY FILE NUMBER (If any): REG-2025-00025

A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE	TITLE(S)	FIRST SECTION AFFECTED	2. REQUESTED PUBLICATION DATE

3. NOTICE TYPE	4. AGENCY CONTACT PERSON	TELEPHONE NUMBER	FAX NUMBER (Optional)
☐ Notice re Proposed Regulatory Action ☐ Other			

OAL USE ONLY	ACTION ON PROPOSED NOTICE	NOTICE REGISTER NUMBER	PUBLICATION DATE
	☐ Approved as Submitted ☐ Approved as Modified ☐ Disapproved/ Withdrawn	2026, 24-Z	6/12/26

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S): Long-Term Solvency Planning

1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S):

2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) **(Including title 26, if toxics related)**

SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)

ADOPT: 2319.7.

AMEND:

TITLE(S): 10

REPEAL:

3. TYPE OF FILING

- ☒ Regular Rulemaking (Gov. Code §11346)
- ☐ Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute.
- ☐ Emergency Readopt (Gov. Code, §11346.1(h))
- ☐ Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100)
- ☐ Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4)
- ☐ File & Print
- ☐ Print Only
- ☐ Emergency (Gov. Code, §11346.1(b))
- ☐ Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)
- ☐ Other (Specify)

4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)

5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)

☐ Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a)) ☒ Effective on filing with Secretary of State ☐ §100 Changes Without Regulatory Effect ☐ Effective other (Specify)

6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY

☒ Department of Finance (Form STD. 399) (SAM §6660) ☐ Fair Political Practices Commission ☐ State Fire Marshal

☐ Other (Specify)

7. CONTACT PERSON	TELEPHONE NUMBER	FAX NUMBER (Optional)	E-MAIL ADDRESS (Optional)
Randi Bovard	(916) 610-0964		CDIRegulations@insurance.ca.gc

8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE: Martinez, Michael — Digitally signed by Martinez, Michael Date: 2026.09.15 12:41:49 -07'00'

DATE: 09/15/2026

TYPED NAME AND TITLE OF SIGNATORY: Michael Martinez, Chief Deputy Insurance Commissioner

For use by Office of Administrative Law (OAL) only

ENDORSED APPROVED

OCT 26 2026

Office of Administrative Law

STATE OF CALIFORNIA
DEPARTMENT OF INSURANCE
300 Capitol Mall, 17th Floor
Sacramento, CA 98514

FINAL TEXT OF REGULATION

LONG-TERM SOLVENCY PLANNING

September 15, 2026 **REG-2025-00025**

Title 10. Investment
Chapter 5. Insurance Commissioner
Subchapter 3. Insurers

Add: Article 4.7. Additional Capital

Adopt: Section 2319.7. Documenting Long-term Solvency Planning and Capital Needs Analyses.

(a) Domestic insurers (each an "insurer" hereinafter) shall, as a means of documenting their efforts pursuant to Subdivision (d) of Insurance Code section 739.2, assemble and, no later than January 1, 2028, make available to examiners their analysis of their long-term additional capital needs as set forth in this Section 2319.7.

(b) The insurer shall maintain and keep current a portfolio of any data in its possession on risk mitigation technologies used by its policyholders. The portfolio shall also contain any analyses the insurer has undertaken of the past and anticipated long-term future performance of those technologies or strategies.

(c) An insurer that, in the calendar year immediately preceding the current calendar year, writes direct annual premium in the United States, across all lines of insurance, exceeding fifty million dollars ($50,000,000) shall, in addition to the materials described in Subdivision (b) of this section, maintain and keep current the following:

(1) Materiality assessment of emerging risks.

The materiality assessment shall include documentation of risks and opportunities that could reasonably be expected to affect the insurer's underwriting, investments, or operations; the materiality assessment shall address:

(A) Risks and opportunities associated with emerging issues related to technology and innovation, including:

1. The growth in scale and complexity of large datasets and data processing,

2. Data quality and data security, and

3. Cyber security,

(B) Climate-related physical risks, such as:

1. Acute risks related to changes in extreme weather patterns, and

2. Chronic or compounding risks related to long-term market changes whose impacts may be slow-onset but become more pronounced ten to twenty-five (10-25) years into the future, such as sea-level rise, shifts in land use, and changes in water availability, farmland productivity, and temperature fluctuations and extremes,

(C) Transition risks and opportunities related to economic transitions and disruptions in access to capital, proceeding from reduced reliance on greenhouse-gas-emitting technologies and resulting changes in population behaviors, such as:

1. Technological risks including those related to the emergence and expansion of new technologies and shifts in use of existing technologies, and

2. Risks related to future government actions, and

(D) Any other risks whose volatility is likely to increase over a period of twenty (20) years, such as risks associated with anticipated changes in technology, regional and global economic trends, or litigation risks, that could disrupt access to capital; and

(2) Analysis of material risks; risk mitigation strategies.

The insurer shall document both its analyses of those risks the insurer determines to be material risks pursuant to Subdivision (c)(1) of this section and its risk mitigation strategies in response to those risks, which analyses and strategies shall include projections for 2030, 2040 and 2050; this documentation shall include:

(A) The insurer's material risks of disruption, determined pursuant to Subdivision (c)(1)(A) of this section, associated with emerging issues related to technology and innovation, including:

1. The growth in scale and complexity of large datasets and data processing,

2. Data quality and data security, and

3. Cyber security,

(B) The insurer's material climate-related risks determined pursuant to Subdivision (c)(1)(B) of this section, the insurer's material transition risks determined pursuant to Subdivision (c)(1)(C) of this section, and the results of stress testing of forward-looking climate-risk and transition-risk scenarios, spanning time horizons through 2030, 2040 and 2050, including any of the following in the insurer's possession:

1. The insurer's assessment of its resilience to its material risks,

2. The reasons why specific scenarios were chosen, the scope of the insurer's assessment in this regard, any sensitivity analysis of the factors underlying the assessment, and areas of uncertainty in the assessment,

3. The implications of the insurer's assessment for its forward-looking strategies, including information on how the insurer would respond to the effects identified,

4. The insurer's capacity to adjust or adapt its strategy to climate impacts and other future impacts in the short, medium and long term, and

5. For material climate-related risks, the results of any analysis of the concentration of and overall exposure of the insurer's investments to catastrophic events, such as extreme temperatures, severe convective storms, atmospheric rivers, flooding, earthquake, coastal storm surge, landslides and hurricanes,

(C) The insurer's other material risks, determined pursuant to Subdivision (c)(1)(D) of this section,

(D) Long-term investment strategy targets that relate to the risk scenarios identified pursuant to Subdivisions (c)(1)(B) and (c)(1)(C) of this section,

and performance metrics corresponding to each such target, including specific details on:

1. How specific targets were determined, and the metrics that were used to establish each target, including the base period from which progress is being or will be measured,

2. The insurer's approach to measurement of progress towards the targets and interim checkpoints, including the metrics measured and standard methodologies for measurement,

3. The insurer's plan for achieving the targets and its current progress towards achieving, or its current performance as compared to, the targets, and

4. Any international or internal standards that align with the target, methodologies, or performance metrics, and

(E) A description of how the insurer will identify and approach financial analysis of existing and future opportunities for development of:

1. New insurance products for emerging technologies, including products that address:

   a. low- or zero-greenhouse-gas-emissions residential, commercial, or transportation infrastructure,

   b. natural infrastructure, and

   c. risks peculiar to California's unique ecosystems and environments, and

2. Technical competencies in analysis of climate risk and technology risk, including descriptions of:

   a. whether, and the extent to which, such competencies are to be developed within the insurer or are to be procured from outside entities, in which case the description shall identify each such outside entity, and

   b. how such analysis informs future capital needs.

(d) An insurer whose direct annual written premium in the United States, across all lines of insurance, is less than or equal to fifty million dollars ($50,000,000) (the "threshold" hereinafter) in calendar year 2026 but in a subsequent calendar year exceeds the threshold shall comply with Subdivision (c) of this section no later than January 1 of the year immediately following the first calendar year after the calendar year in which the insurer exceeded the threshold.

NOTE: Authority cited: Section 739.9, Insurance Code. Reference: Sections 739.2 and 739.9, Insurance Code.