2026-11-13

Jus

WSJ Print Edition

An Election Insurance Wave

The midterm elections that swept Democrats into power in Congress on affordability concerns have also given rise to a bipartisan crop of powerful down-ballot politicians: insurance commissioners.

Along with Jane Kim in California, other states voted in candidates from both parties with similar objectives.

In Georgia, a Democrat pledging to challenge rate increases won.

Oklahomans chose a Republican "who won't take orders from insurance lobbyists," and Kansas elected a Republican pledging to "hold companies accountable for skyrocketing rates."

Further, more changes are in store in states where the governor appoints the insurance commissioner, as politicians tap into voter anger over rising rates.

image

personal, non-commercial use only.



Firefighters during the Eaton fire on Jan. 8, 2025, in Los Angeles County, Calif. JOSH EDELSON/ AFP/ GETTY IMAGES

Midterms to Shape California Insurance

State's newly elected commissioner seeks to tame costs, boost wildfire protections

BY JEAN EAGLESHAM AND LAURA J. NELSON

Last week's midterm elections will affect more than control of Congress. They will also directly shape California's insurance-policy stance.

Jane Kim, a Bernie Sanders--backed progressive, who was elected as California's new insurance commissioner, wants the state to insure all homes against wildfires.

A career politician with no industry experience, Kim will oversee America's biggest insurance market—making California the epicenter for potentially sweeping policy changes.

Industry organizations warned of potential unintended damage to the market's recovery. "Costly new mandates or regulatory actions that drive up costs or limit coverage options risk…worsening the crisis," said Denni Ritter, a vice president at the American Property Casualty Insurance Association.

Kim, the first woman and first Asian-American elected to the role, takes the helm at a critical time. After a yearslong crisis, exacerbated by last year's record-breaking Los Angeles County infernos, California's home-insurance sector appears to be on the brink of recovery.

The growth of the state's Fair Plan insurer of last resort, which sells fire-damage policies to homeowners who can't get coverage elsewhere, has slowed. State Farm and Allstate this fall filed for approval to restart sales of new home-insurance policies on a modest scale.

Ricardo Lara, California's current insurance commis-sioner, hailed the moves as a "clear signal" that the market is recovering. His eight-year term illustrates the difficult balancing act awaiting his successor. A Democrat elected on pledges to help consumers, he capped rates during the pandemic, only to reverse course after home insurers pulled back. He eventually bowed to insurers' wishes, including double-digit rate increases, to rescue the market— prompting blowback from consumer advocates and labor leaders.

Kim rejected Lara's strategy, saying "increasing prices to increase availability is a band-aid." The market might be more stable for insurers, but consumers are "getting squeezed," she said.

Her signature policy is to replace the Fair Plan with a multibillion- dollar state-run program to insure all homes for wildfires, removing the risk from private insurance policies. The slice of the $18 billion in California homeowners' premiums that goes toward covering wildfire risk—which she estimated at $3 billion to $6 billion—would be replaced by a state levy on homeowners that would be paid into the new pool. Money left over after paying claims would be used to better protect homes against fires, rather than paid out in profits. "A systematic failure requires a systematic solution," Kim said.

Industry representatives questioned whether Kim could ever win the support of the state legislature and governor needed to turn her plan into a reality. "I'm not saying it's impossible… but it's very difficult," said Rex Frazier, president of the Personal Insurance Federation of California.

Kim said she's open to "how we get there," adding that the specifics of the policy are less important than its goals, including ensuring fair rates.

One likely source of such funding: the industry. One of Kim's proposals is to impose caps on home- and auto-insurers' profits, with money above those thresholds paid back to the state or consumers.

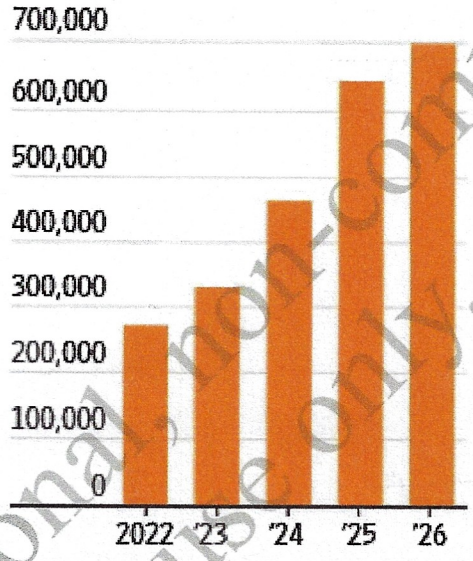
A spokesman for State Farm said, "Californians deserve insurance they can afford and confidence that it will be there when they need it most." State Farm General, its California home-insurance subsidiary, racked up a $5.9 billion underwriting loss in the past decade, paying an average of $1.25 in claims and expenses for every $1 of premium collected, he said. Addressing the losses, he said, "will require practical solutions that reduce risk and support a financially sustainable insurance market."

The following is a digital replica of content from the print newspaper and is intended for the personal use of our members. For commercial reproduction or distribution of Dow Jones printed content, contact: Dow Jones Reprints & Licensing at (800) 843-0008 or visit djreprints.com.

Copyright (c)2026 Dow Jones & Company, Inc. All Rights Reserved. 11/13/2026

For personal, non-commercial use only.

Policies covered by Fair Plan, California's insurer-of-last-resort



Note: Figures are through end of September
Source: California Fair Plan Association

The following is a digital replica of content from the print newspaper and is intended for the personal use of our members. For commercial reproduction or distribution of Dow Jones printed content, contact: Dow Jones Reprints & Licensing at (800) 843-0008 or visit djreprints.com.

For personal, non-commercial use only.

Copyright (c)2026 Dow Jones & Company, Inc. All Rights Reserved. 11/13/202