

AMENDED IN SENATE JULY 3, 2023

AMENDED IN ASSEMBLY APRIL 13, 2023

AMENDED IN ASSEMBLY MARCH 9, 2023

CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

**ASSEMBLY BILL**

**No. 844**

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**Introduced by Assembly Member Gipson**

February 14, 2023

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An act to add Article 10.9 (commencing with Section 938) to Chapter 1 of Part 2 of Division 1 of the Insurance Code, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 844, as amended, Gipson. Zero-emission trucks: insurance.

Existing law establishes the Air Quality Improvement Program, administered by the State Air Resources Board, for the purposes of funding projects related to, among other things, the reduction of criteria air pollutants and improvement of air quality. As part of the funding plan for the Air Quality Improvement Program, existing law requires the state board to include a 3-year investment strategy for zero- and near-zero-emission heavy-duty vehicles and equipment commensurate with meeting state greenhouse gas emissions reduction goals.

Existing law provides for the regulation of insurance by the Department of Insurance, which is under the control of the Insurance Commissioner.

This bill would require the department to implement specific data collections on the availability and affordability of insurance for heavy-duty trucks and truck fleets. The bill would require the department to issue a bulletin on or before February 1, 2024, to initiate the first data collection, and would require admitted insurers to respond on or before

May 1, 2024. The bill would require the surveys and data calls to include specified information, including, among other things, whether an insurance company offers insurance for zero-emission truck options. The bill would require the information to be submitted to the commissioner and to be confidential, as specified. *The bill would require the commissioner to publish the information in the aggregate, and would prohibit the identification of an individual respondent or insurer, except as specified.* The bill would require the commissioner to establish and maintain a link on the department’s internet website that provides public access to this *aggregate* information.

This bill would require the department, in consultation with the State Air Resources Board, to create a consumer-focused online insurance information resource tool for the public to use to readily find information and insurance options for battery-powered, hydrogen-powered, or other zero-emission advanced truck technology to provide a “one-stop” for the public. The bill would also require the department, in consultation with the state board, to create a strategy, on or before January 1, 2025, to address insurance gaps for new heavy-duty truck technologies, as specified.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. The Legislature finds and declares the following:
- 2 (a) Reducing emissions from mobile pollution sources, including
- 3 heavy-duty trucks, saves lives and provides health benefits by
- 4 reducing the formation of ozone, greenhouse gas emissions, fine
- 5 particulate matter (PM2.5), and toxic diesel particulate matter
- 6 (PM). These emissions cause health impacts that disproportionately
- 7 harm vulnerable and disadvantaged communities near freeways
- 8 that serve as major transit routes for large, heavy-duty trucks.
- 9 (b) Deployment of increasing numbers of zero-emission
- 10 heavy-duty trucks is an essential part of the state’s strategy to meet

1 specific emissions reductions targets for both criteria pollutants  
2 and greenhouse gases, including 2030 targets for reducing  
3 emissions of the super pollutant black carbon, which is a pollutant  
4 that is commonly released by diesel-powered trucks.

5 (c) The state continues to develop rules and incentives to achieve  
6 100% zero emission truck fleets. In 2020, the State Air Resources  
7 Board approved the Advanced Clean Trucks regulation (Sections  
8 1963 to 1963.5, inclusive, and Sections 2012 to 2012.2, inclusive,  
9 of Title 13 of the California Code of Regulations), ensuring that  
10 truck manufacturers produce and sell zero-emission medium- and  
11 heavy-duty trucks as an increasing portion of their sales from 2024  
12 to 2035. The regulation is anticipated to result in 100,000  
13 zero-emission trucks by 2030 and 300,000 by 2035. In 2021, the  
14 State Air Resources Board initiated an Advanced Clean Fleet  
15 regulatory process that includes provisions to require all drayage  
16 trucks entering seaports and intermodal railyards to be zero  
17 emission by 2035, and would end the sale of combustion-powered  
18 trucks in California by 2040. Furthermore, in the past five years,  
19 the state has appropriated over \$1,000,000,000 in incentives,  
20 through programs administered by the State Air Resources Board,  
21 to incentivize zero-emission medium- and heavy-duty trucks.

22 (d) New technologies, without long histories of actuarial  
23 information, can face challenges finding insurance. Fleets adopting  
24 zero-emission technologies may be facing a limited market for  
25 insurance, which could slow deployment of zero-emission  
26 heavy-duty trucks.

27 (e) A robust data source can strengthen insurance markets by  
28 providing both consumers and insurers aggregated loss information  
29 to increase understanding of this emerging insurance market,  
30 identify potential barriers for expanding insurance options, and  
31 provide both the insurance regulator and air quality regulator with  
32 critical information to inform policy alternatives.

33 SEC. 2. Article 10.9 (commencing with Section 938) is added  
34 to Chapter 1 of Part 2 of Division 1 of the Insurance Code, to read:

35  
36 Article 10.9. Zero-Emission Heavy-Duty Truck Data Reporting  
37

38 938. (a) The Department of Insurance shall implement specific  
39 data collections on the availability and affordability of insurance  
40 for heavy-duty trucks and truck fleets that utilize advanced fuels

1 and related technologies to better understand emerging markets  
2 important to the State of California’s climate change goals, expand  
3 insurance options by establishing more robust data for consumers  
4 and insurers, and identify potential barriers to zero-emission  
5 technologies in the transportation sector. The focus of the data  
6 collections shall be zero-emission technologies that reduce  
7 greenhouse gas emissions and improve air quality when compared  
8 with conventional or fully commercialized alternatives, including  
9 those defined by the State Air Resources Board.

10 (b) The department shall issue a bulletin on or before February  
11 1, 2024, to initiate the first data collection. Admitted insurers shall  
12 respond on or before May 1, 2024. Data collections shall include  
13 surveys and data calls from insurance companies licensed to write  
14 insurance through the admitted market. The surveys and data calls  
15 shall include, but are not limited to, all of the following  
16 information:

17 (1) Whether an insurance company offers insurance for  
18 zero-emission truck options.

19 (2) Loss experience information per claim over a specified time  
20 period, such as annually, including, but not limited to, all of the  
21 following:

22 (A) Type of loss, which may include both liability and physical  
23 damage type losses.

24 (B) Type of medium- and heavy-duty truck.

25 (C) Date of loss.

26 (D) Amount of losses incurred and paid in United States dollars.

27 (3) The number of vehicles covered under insurance policies,

28 (4) Policy level experience, including, but not limited to,  
29 premium per type of medium- and heavy-duty truck insured, the  
30 time the truck is insured from effective start date to end date of  
31 coverage, and type of coverage, which may include both liability  
32 and physical damage type coverage.

33 (5) Minimum, maximum, and average overall coverage limit  
34 of the policy, and per type of medium- and heavy-duty truck within  
35 a truck fleet.

36 (c) The information required by this section shall be submitted  
37 to the commissioner. The commissioner may specify, by bulletin,  
38 the manner of submission and format of the reporting required  
39 pursuant to subdivision (a).

1 (d) ~~The commissioner shall establish and maintain a link on the~~  
2 ~~department's internet website that provides public access to the~~  
3 ~~information submitted pursuant to this section. The~~  
4 *Notwithstanding subdivision (e), the commissioner shall publish*  
5 *the information compiled from the data submitted pursuant to this*  
6 *section in the aggregate and shall not identify an individual*  
7 *respondent or insurer, except to support consumer understanding*  
8 *of insurance options as specified in subdivision (a) of Section*  
9 *938.1. The commissioner shall establish and maintain a link on*  
10 *the department's internet website that provides public access to*  
11 *the aggregate information required to be disclosed pursuant to*  
12 *this subdivision.*

13 (e) Information submitted to the commissioner, as required by  
14 this section, shall be confidential pursuant to Section 7929.000 of  
15 the Government Code and exempt from the California Public  
16 Records Act (Division 10 (commencing with Section 7920.000)  
17 of Title 1 of the Government Code). Additionally, that information  
18 shall not be subject to subpoena or subpoena duces tecum.  
19 Testimony by the commissioner, the commissioner's staff, an  
20 employee of the department, or a person to whom the reporting  
21 required by this section was disclosed, regarding the contents of  
22 any report submitted pursuant to this section, shall be inadmissible  
23 as evidence in a civil proceeding.

24 938.1. (a) The Department of Insurance, in consultation with  
25 the State Air Resources Board, shall create a consumer-focused  
26 online insurance information resource tool, based on data collected  
27 pursuant to Section 938, for the public to use to readily find  
28 information and insurance options for battery-powered,  
29 hydrogen-powered, or other zero-emission advanced truck  
30 technology, including which insurance companies offer insurance  
31 for trucks or fleets using different zero-emission technologies and  
32 any relevant coverage limits or fleet size specifications, to provide  
33 a "one-stop" for the public.

34 (b) The Department of Insurance, in consultation with the State  
35 Air Resources Board, shall provide an assessment of all of the  
36 following:

37 (1) The availability and affordability of insurance for existing  
38 and emerging advanced fleet technologies being deployed for  
39 heavy-duty vehicles.

1 (2) The role of insurance markets in meeting the goals of  
2 Chapter 4.1 (commencing with Section 39710) of Part 2 of Division  
3 26 of the Health and Safety Code and the greenhouse gas reduction  
4 and short-lived climate pollutant emissions reduction goals of the  
5 state.

6 (c) On or before January 1, 2025, the Department of Insurance,  
7 in consultation with the State Air Resources Board, shall create a  
8 strategy to address current and future insurance gaps for new  
9 heavy-duty truck technologies, including consideration for  
10 establishing a risk pool and other tools to offer insurance to truck  
11 fleet businesses and individual truck owners who are unable to  
12 find insurance in the private insurance markets. This strategy shall  
13 include an evaluation of all of the following:

14 (1) The number of companies offering insurance for  
15 zero-emission truck fleets, or individual zero-emission trucks, in  
16 the current market.

17 (2) The impact of existing electric and hydrogen truck insurance  
18 policies on emissions reductions from the heavy-duty truck sector.

19 (3) Availability of actuarial loss data for electric and hydrogen  
20 trucks, or fleets of those trucks.

21 (4) Coverage limits most appropriate for zero-emission truck  
22 fleets, based on the common size and characteristics of  
23 zero-emission trucking fleets.

24 (5) Additional insurance related information, including  
25 information collected pursuant to Section 938.

26 (6) Important timelines and specific checkpoints for monitoring  
27 insurance accessibility in advance of major regulatory deadlines  
28 for transitioning medium- and heavy-duty fleets to zero-emission  
29 technologies, and state goals for increasing the percentage of  
30 zero-emission trucks and buses in the state.

31 (d) The State Air Resources Board shall provide information  
32 necessary to support the Department of Insurance in the  
33 development of the evaluation described in subdivision (c),  
34 including, but not limited to, the information required by  
35 paragraphs (2) and (6) of subdivision (c).

36 SEC. 3. The Legislature finds and declares that Section 2 of  
37 this act, which adds Article 10.9 (commencing with Section 938)  
38 to Chapter 1 of Part 2 of Division 1 of the Insurance Code, imposes  
39 a limitation on the public's right of access to the meetings of public  
40 bodies or the writings of public officials and agencies within the

1 meaning of Section 3 of Article I of the California Constitution.  
2 Pursuant to that constitutional provision, the Legislature makes  
3 the following findings to demonstrate the interest protected by this  
4 limitation and the need for protecting that interest:  
5 In order to protect proprietary insurer information, it is necessary  
6 for information reported to the Insurance Commissioner by insurers  
7 pursuant to Section 3 of this act to remain confidential.

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