

Economic and Consumer Impacts of SB 982

Overview

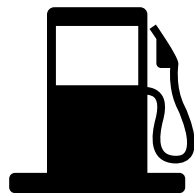
The Center for Jobs and the Economy has completed a preliminary economic and consumer impacts analysis of SB 982 (Wiener), which would allow the state to pursue sweeping financial claims tied to climate-related damages. While framed as accountability, the real-world effect would be higher costs for consumers and increased instability in California's insurance market.

Significant Increases in Household Costs



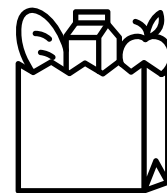
\$480

Average **annual cost increases** due to higher prices for energy and goods.



\$0.60

Estimated **increase in a gallon of gasoline** costs by 2038, not accounting for other policies driving up costs at the pump.



\$0.67

Estimated **increase in a gallon of diesel** by 2038, which will lead to higher grocery and other necessity costs.

A Permanent Carbon Tax on Gasoline, Diesel, and Jet Fuel

Estimates contained in the report are based on the average price of gasoline in 2025 and do not reflect the current volatility in the fuels market that is already increasing gas prices. The estimates in this report reflect a best case scenario, where refiners choose not to leave the state in response to SB 982's increased litigation risks and other state policies do not force any additional refinery closures, further reduce in-state production, or add additional hidden taxes that would further drive these prices higher.

\$1.45/gallon

Current total taxes and fees for regular gasoline

\$2.06/gallon

Total taxes and fees incorporating **SB 982 costs** by 2038

39%

Percent of total price paid in taxes and fees per gallon by 2038

\$0.67/gallon

Increase in **jet fuel** per gallon by 2038

What it Means for Jobs, the Economy and Business Climate

- 30,400

Annual **loss of jobs** due to SB 982

- \$2.4 billion

Annual **reduction in labor income**

\$7.63 billion

Total **tax increase for businesses** through operational cost increases

- \$1.16 billion

Annual loss of revenue to federal, state, and local government

What it Means for California's Insurance Crisis

- **Increased uncertainty in the insurance market:** SB 982 introduces significant ambiguity around future liabilities, making it more difficult for insurers to accurately price risk and plan for long-term exposure.
- **Challenges to rate adequacy:** Existing rate structures may not fully account for the scale and timing of potential liabilities, particularly given retroactive claims and extended legal timelines.
- **Delayed resolution of claims:** Litigation and appeals processes could take years, forcing insurers to operate under prolonged uncertainty while still being required to set rates and maintain solvency.
- **Market tightening and reduced availability:** Insurers are likely to respond by limiting coverage, increasing underwriting restrictions, or reducing participation in higher-risk areas.
- **Increased reliance on the FAIR Plan:** As traditional coverage becomes less available, more policyholders would shift into the FAIR Plan, increasing its exposure and financial volatility.
- **Upward pressure on premiums:** Higher uncertainty and risk exposure would be reflected in higher insurance costs for consumers, even before any claims are resolved.