

December 12, 2025

Tom Welsh
Chief Executive Officer, California Earthquake Authority
400 Capitol Mall, Suite 1200
Sacramento, CA 95814

RE: Proposed Recommendations for SB 254 Wildfire Fund Study

Dear Mr. Welsh:

On behalf of The Nature Conservancy (TNC), I am writing in response to the California Earthquake Authority's call for contributions in support of new models or approaches to complement or replace the Wildfire Fund, in response to Senate Bill 254 (Becker, Chapter 119, statutes of 2025).

TNC is a science-based organization that works worldwide to deliver conservation solutions that benefit both people and nature. Our mission is to conserve the lands and waters upon which all life depends, and TNC has applied deep technical expertise, tools, and resources in conservation science expressly to conserve biodiversity and increase climate resilience. We have protected over 1.5 million acres of landscapes, preserving habitats that are essential to nature and people.

TNC has a long history of working on hazardous fuels reduction and prescribed fire. TNC experience includes the types of forest management that promotes resilience while also reducing the risk to people. Wildfires in California continue to set new records for the "largest," "most damaging," "worst air quality," and "most costly" we've ever seen. TNC believes with the right investments and policy changes California can stop making history with increasingly larger and more devastating wildfires. Much of California's natural vegetation is fire adapted, but with the right investments such as beneficial fire we can dramatically lower the severity of wildfire in California.

While the Wildfire Fund has been an important tool to support investor-owned utilities' ability to serve their customers, compensate fire victims, and engage in important utility wildfire mitigation, it does not reduce the overall wildfire risk in utility corridors or address an important cost driver of utility wildfire damage, which is home loss. Additional mitigation measures are required to support larger landscape scale fuel reduction work inside utility corridors and to develop policy to transition homes in high fire hazard areas to meet Chapter 7A building standards and comply with defensible space rules. If those actions are not taken, utility ignitions may decline due to utility wildfire work, but the damage from utility caused wildfire will not decrease, which will lead to more instability for the Wildfire Fund.

In April of this year, TNC and Willis, a business of WTW (NASDAQ:WTW), [announced](#) a first-of-its-kind insurance policy that takes into account efforts to mitigate fire risk which were accounted for in a lower premium and deductible. Structured by Willis, the \$2.5 million wildfire resilience insurance coverage has been developed for Tahoe Donner

Association (Tahoe Donner), a private homeowners association in Truckee, California.

In collaboration with the Center for Law, Energy and the Environment at the University of California, Berkeley, the wildfire resilience insurance policy was developed and placed to demonstrate lower premium pricing and improved coverage availability where hazardous fuels reduction has taken place. Specifically, the forest treatment combination of tree thinning and pile burning was accepted by the insurance company as reducing the probability of future high-severity fire.

The Tahoe Donner project shows that California's insurance crisis and the Wildfire Fund's instability face a similar problem of too much unmitigated risk. Prior to developing the policy, Tahoe Donner might not have been able to gain insurance coverage because community was not able to quantify the level of risk reduction it had accomplished. With this insurance policy, an insurer has recognized that forest management has reduced the risk on the landscape.

TNC recommends that California should similarly develop a strategic framework to quantify its wildfire risk efforts. The right investments in fuels modification and quantification of effective fuels reduction treatments could expand the availability of home insurance and support stabilization of the Wildfire Fund by significantly reducing the overall wildfire risk and the severity of wildfires. The [Wildfire Solutions Coalition](#) has called for investing \$2.5 to \$3 billion a year to achieve the Governor's Wildfire and Forest Resilience Task Force (Task Force) Action Plan including these fuels reduction treatments. The Task Force's work is key to reducing wildfire risk in ways that are directly linked to the Wildfire Fund Study's mandate. The Task Force's 2025 deliverables include the following:

1. Developing a strategy to more effectively align utility corridor investments and projects with adjacent landscape and community resilient investments, programs and projects.
2. Develop a state framework for community wildfire resilience. The framework will include actions at the state and local level that build on existing efforts, including strengthening ignition reduction, defensible space and home hardening, and community resilience programs, and a dashboard for tracking treatments and measuring progress

Estimates of the total economic loss from the 2025 L.A. wildfires are more than \$250 billion. While significant investments in wildfire resilience will cost the State in the short term, those costs pale in comparison to the long-term benefits to the state through reduced damages, lower utility costs, and increased availability of insurance. Investments to reduce wildfire risk are extremely cost-effective—they save at least \$6 for every \$1 invested and create tens of thousands of jobs. TNC recommends the Wildfire Fund Study acknowledge that the State must achieve the goals within Task Force's Action Plan including its 2025 deliverables as a key strategy to expand the availability of home insurance and support stabilization of the Wildfire Fund. We also ask that the study place the need for investments in wildfire resilience in the context of the real costs experienced in the insurance and utility sectors.

Thank you for the opportunity to provide input on these important issues. If you require additional information or have questions about these contributions, please feel free to contact Michael Jarred at Michael.jarred@tnc.org or (916) 529-1682. Working together, we can break the cycle of catastrophic wildfire in California and achieve the State's goals of providing Californians with safe, affordable, and reliable energy, maintaining progress toward the State's climate goals, stabilizing the insurance markets to protect both insurance access and affordability, mitigating the incidence of and harm from wildfires and other disasters, and providing swift and fair compensation to those harmed.

Sincerely,

A handwritten signature in black ink that reads "Michael Jarred". The signature is written in a cursive, flowing style. The first name "Michael" is written in a larger, more prominent script, and the last name "Jarred" is written in a slightly smaller, more compact script. The signature is set against a plain white background.

Michael Jarred
Associate Director
The Nature Conservancy