EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA

EXECUTIVE ORDER N-34-25

WHEREAS climate change costs the U.S. economy around $150 billion annually due to more frequent and intense extreme weather events like floods, extreme heat, and wildfires, a cost expected to grow significantly with further warming; and

WHEREAS the United States now experiences a billion-dollar disaster approximately every three weeks on average, compared to once every four months during the 1980s; and

WHEREAS 2024 was the fourth-costliest year on record for weather and climate damages in the United States, with 27 individual incidents costing at least $1 billion in damages and totaling approximately $182.7 billion; and

WHEREAS climate change has already increased wildfire activity in the western U.S. and California, and continued warming is projected to significantly raise the frequency and total area burned from wildfires; and

WHEREAS in certain parts of California, non-renewals of homeowner insurance policies are increasing and premiums are rising, sometimes with over 100% increases, in areas vulnerable to wildfire; and

WHEREAS California has made historic investments in fire prevention, mitigation and response, including billions in investments in forest management and resilience, development of the world's largest aerial firefighting fleet, award-winning technology to identify and model fire behavior and pre-position resources, and actions such as new regulations to provide incentives for homes to harden homes and implement mitigation actions in their communities; and

WHEREAS I issued Executive Order N-13-23 on September 21, 2023, urging the Insurance Commissioner to take swift regulatory action to strengthen and stabilize the insurance market, and the Commissioner responded by implementing the Sustainable Insurance Strategy–a comprehensive set of reforms designed to expand consumer choice, maintain availability of insurance, and depopulate the FAIR Plan; and

WHEREAS California joins states across the country, and countries across the globe in grappling with how to prevent, mitigate, and insure against these increasingly unpredictable and catastrophic climate-driven disasters; and

WHEREAS the accelerating costs of climate change-induced and other natural catastrophes cause broad economic impact on utility delivery costs and on insurance availability and affordability; and

WHEREAS AB 1054 (2019) imposed comprehensive safety and accountability requirements on investor-owned utilities to incentivize those utilities to prioritize safety, invest in wildfire mitigation, and improve accountability for their roles in preventing catastrophic wildfires in California; and

WHEREAS AB 1054 (2019) established the Wildfire Fund to stabilize electrical corporations, protect customers from wildfire liabilities, and expeditiously compensate fire victims, and incentivized electrical corporations to obtain annual safety certifications in order to fully access the Wildfire Fund; and

WHEREAS the Legislature recently enacted and I signed SB 254 (2025), which continues the work of the Legislature and the Administration over the last six years to ensure Californians have access to safe, affordable, reliable and clean power; and

WHEREAS SB 254 will help make electricity more affordable by enabling and streamlining utilities' work to mitigate the risk of wildfires being sparked by electrical infrastructure interacting with a hotter, drier climate; and

WHEREAS SB 254 creates a mechanism in which the Wildfire Fund can be replenished, if necessary; and

WHEREAS even with SB 254's potential replenishment of the Wildfire Fund, more durable solutions are needed to socialize the risk of damage from natural catastrophes, including catastrophic wildfires, not only with respect to electric utilities but economywide, by efficiently and expeditiously compensating those harmed while maintaining accessibility to property insurance and access to safe, affordable, and reliable energy for Californians; and

WHEREAS to that end, SB 254 requires the California Earthquake Authority, in its role as the Wildfire Fund Administrator, to consult with the California Public Utilities Commission, the Office of Energy Infrastructure Safety, the Department of Insurance, the Office of Emergency Services, and the Department of Forestry and Fire Protection, to solicit feedback from stakeholders, and to prepare and submit a report to the Governor and the Legislature by April 1, 2026, that "evaluates and sets forth recommendations on new models or approaches that mitigate damage, accelerate recovery, and responsibly and equitably allocate the burdens from natural catastrophes, including catastrophic wildfires, earthquakes, and other natural disasters, across stakeholders, including insurers, communities, homeowners, landowners, governments, electrical corporations, and local publicly owned electric utilities, to complement or replace the fund"; and

WHEREAS immediate action is needed to ensure that the Wildfire Fund Administrator has the information needed from state agencies to develop the report and submit it on time, to enable the State to move quickly on developing new policies in response to the recommendations set forth in the report.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes, do hereby issue the following Order to become effective immediately.

IT IS HEREBY ORDERED THAT:

1. The Department of Forestry and Fire Protection, the Office of Emergency Services, and the Office of Energy Infrastructure Safety are directed, and the California Public Utilities Commission and the Department of Insurance are requested, to collaborate with one another and to provide information and recommendations to the Wildfire Fund Administrator on a continuous and ongoing basis, and no later than January 30, 2026, so that the Administrator may timely prepare the report by April 1, 2026, under SB 254, including by coordinating on information and recommendations called for in Section 32 of Senate Bill 254 (Becker). Specifically, to the extent the following agencies have information and expertise relevant to each of the following topics:

a. The Department of Insurance is requested to provide information and recommendations to the Wildfire Fund Administrator on the accessibility and affordability of property insurance in California in light of the accelerating costs of climate change-induced and other natural catastrophes.

b. The California Public Utilities Commission and the Department of Insurance are requested to provide information and recommendations to the Wildfire Fund Administrator on alternative structures to socialize risk of damage from natural catastrophes, including catastrophic wildfires, that most efficiently and expeditiously compensate those harmed while maintaining accessibility to property insurance and access to safe, affordable, and reliable energy for Californians.

c. The Office of Energy Infrastructure Safety and the Department of Forestry and Fire Protection shall, and the California Public Utilities Commission and the Department of Insurance are requested to, provide information and recommendations to the Wildfire Fund Administrator on additional mitigation measures and technology solutions to reduce the risk of ignition of wildfires and limit the spread of and damage from wildfires.

d. The Office of Emergency Services and the Department of Forestry and Fire Protection shall, and the California Public Utilities Commission and the Department of Insurance are requested to, provide information and recommendations to the Wildfire Fund Administrator on financing, insurance, and other mechanisms to expedite recovery for communities impacted by natural catastrophes, including wildfires, and to expedite compensation for property loss.

e. The Office of Energy Infrastructure Safety shall, and the California Public Utilities Commission is requested to, provide information and recommendations to the Wildfire Fund Administrator on measures to benefit ratepayers through reducing costs caused by fiscal uncertainty while holding electrical corporations accountable for improving safety and reducing the risk of catastrophic wildfires.

f. The Department of Forestry and Fire Protection shall, and the California Public Utilities Commission and the Department of Insurance are requested to, provide options and recommendations to the Wildfire Fund Administrator for enactment of a streamlined, low-cost mechanism to provide injured parties full compensation for damages resulting from wildfires.

g. The Department of Forestry and Fire Protection shall, and the Department of Insurance and the California Public Utilities Commission are requested to, provide information and recommendations to the Wildfire Fund Administrator to support an analysis of the potential benefits and potential negative impacts on homeowners related to reasonable limitations on changes to recoveries in wildfire litigation arising from ignitions caused by electrical or gas utility infrastructure, including, but not limited to, restrictions on the recovery of attorney's fees, limitations on economic and noneconomic damages, including claims by insurers, limitations on public entity claims, limitations on claims by those outside the fire perimeter, and aggregate limitations on liability per event.

h. The Office of Emergency Services, the Department of Forestry and Fire Protection, and the Office of Energy Infrastructure Safety shall, and the California Public Utilities Commission and the Department of Insurance are requested to, provide options and recommendations to the Wildfire Fund Administrator for enactment of programs to reduce the risk of wildfires spreading and becoming high-severity catastrophes, including improved state and local catastrophic event response capability, home fire risk reduction standards, vegetation management practices, and communitywide wildfire hardening requirements.

i. The Office of Emergency Services and the Department of Forestry and Fire Protection shall, and the California Public Utilities Commission and the Department of Insurance are requested to, provide options and recommendations to the Wildfire Fund Administrator for reducing the economic damage resulting from wildfires and potentially other catastrophic natural disasters, including minimum insurance requirements, mechanisms to ensure insurance rates appropriately account for home and community hardening measures taken, special assessments to support infrastructure investments and emergency response, and improved land use planning.

j. The Office of Energy Infrastructure Safety shall, and the Department of Insurance and the California Public Utilities Commission are requested to, provide to the Wildfire Fund Administrator options and recommendations for new models to complement or replace the fund, such as state-supported property insurance, or reinsurance, or both insurance and reinsurance, for wildfires and potential catastrophic natural disasters; a mutual wildfire insurance fund; a publicly supported financial safety net to enhance long-term resilience and utility and insurance rate affordability; and improvements to the fund to enhance its durability.

2. The Wildfire Fund Administrator is requested to continue to consult with and include in steering committees, working groups and stakeholder engagement programs, both as facilitators of stakeholder contributions and as subject-matter experts, as appropriate, the California Public Utilities Commission, the Office of Energy Infrastructure Safety, the Department of Insurance, the Office of Emergency Services, and the Department of Forestry and Fire Protection after the initial information is provided, to prepare and submit the report.

I FURTHER DIRECT that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 30th day of September 2025.

GAVIN NEWSOM
Governor of California

ATTEST:

SHIRLEY WEBER
Secretary of State