



NATURAL
CATASTROPHE
RESILIENCY STUDY
INFORMATION AND
RECOMMENDATIONS

SB 254

JANUARY 2026

CALIFORNIA DEPARTMENT OF INSURANCE

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Background on the California Insurance Market

The purpose of this section is to describe the current trends and regulatory actions underway in the California insurance sector.

The availability and affordability of homeowners insurance in California have become pressing challenges, shaped by the convergence of rising climate-fueled wildfire losses, inflation-driven rebuilding costs, and shifting insurer risk management strategies, which have included insurance companies retreating from wildfire risk areas. These dynamics have driven premiums sharply upward while simultaneously narrowing coverage options, widening protection gaps, and forcing consumers into the FAIR Plan. Major wildfire events over several years have often exacerbated these trends.

Nationwide, catastrophe losses have played an important role in the shrinkage of insurance options in the admitted market. Insurer losses from billion-dollar catastrophes have grown markedly over the past two decades, driven by more frequent severe convective storms, concentrated coastal exposure to hurricanes, and a surge in wildfire losses in California and other states since approximately 2015. In California, the growth of FAIR Plan policies has occurred most prominently in areas of moderate to high wildfire hazard.

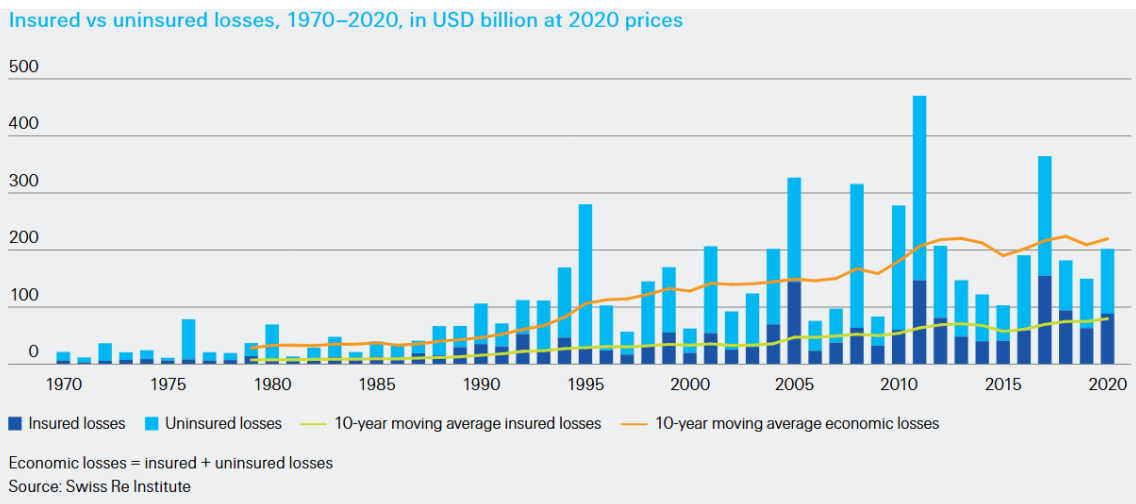
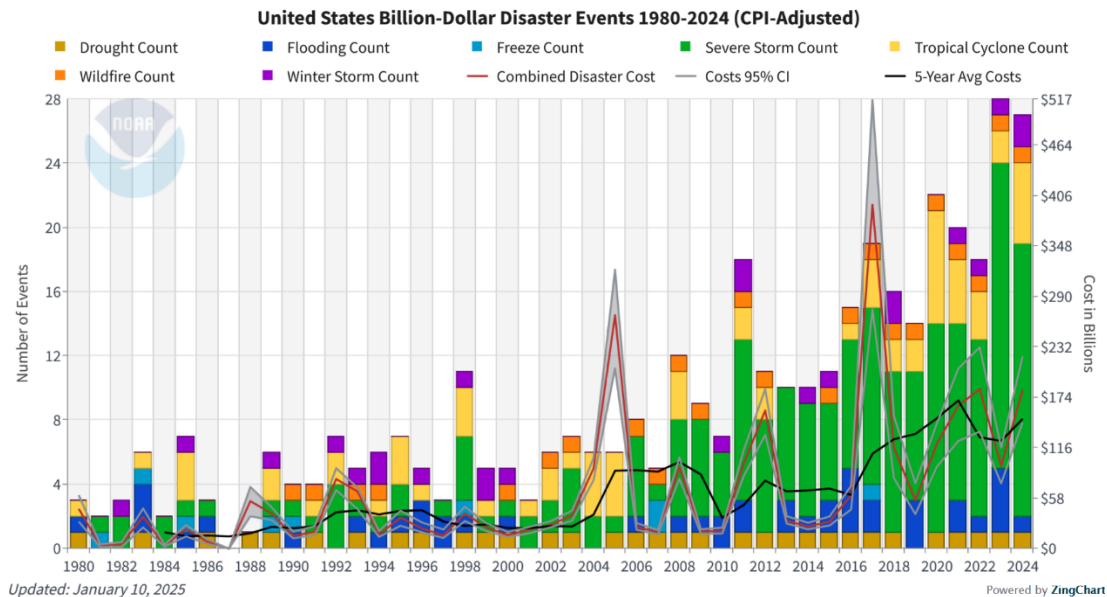
The value of these losses has been driven upward for many years by increased developments in high-risk areas. For example, a [2023 report from the USDA Forest Service](#) estimated that the share of housing located in high wildfire risk areas, particularly within the wildland-urban interface (WUI) in California, showed substantial increases in structures between 1990 and 2020. Academic research estimates that over four million homes are in the WUI as of 2020. Population growth, persistent housing shortages, and high land value in urban cores have pushed development outward to areas where land is more available.

Additionally, the [NAIC 2022 Annual Property & Casualty and Title Insurance Industries Analysis Report](#) notes that loss severity is made worse by inflation impacts on rebuilding costs. Across the U.S., rising construction and labor costs mean that rebuilding a damaged home is more expensive than it was a decade ago. Costs to rebuild are a factor driving premiums, which means that increased rebuilding costs have significantly contributed to higher premiums, with the steepest increases concentrated in catastrophe-prone regions where both the frequency and severity of losses are highest.

The California FAIR Plan, which is governed by a board of primarily insurance company representatives, is currently designed to ensure availability by providing narrower coverage at a higher cost. For homeowners, this can mean paying more for policies that exclude important protections, leaving them to either also pay for a “Difference in Conditions” policy (sometimes referred to as a “wraparound” policy) to be fully covered or be exposed to losses that would have been covered in the private market. Since 2015, the California Department of Insurance (Department or CDI) has collected data indicating a continual increase in FAIR Plan policies, with more pronounced increases after several insurers began retreating from high-risk areas.

CDI Contribution to SB 254 Study

The Department developed the [Sustainable Insurance Strategy](#) (Strategy), launching it in September 2023. The Strategy modernizes California’s regulatory framework by enacting new regulations that incorporate catastrophe modeling, strengthen transparency in rate filings, and require insurers to make enforceable commitments to write and expand coverage in high-risk areas. By aligning rate review, better risk assessment tools, and commitments by insurers to expand insurance options in wildfire distressed areas, the Strategy seeks to restore competition in the admitted market, reduce reliance on the FAIR Plan, and improve long-term availability for California residents.



Natural catastrophe losses have been growing for the past four decades both nationally and globally.

Top: From 1980-2024, there were 403 confirmed weather/climate disaster events with losses exceeding \$1 billion each to affect the United States. Source: [NOAA](#).

Bottom: Global insured vs uninsured losses from 1970-2020. In 2020, 65% of global economic losses caused by natural catastrophes were uninsured. Source: [Swiss Re Institute](#).

CDI Guiding Principles on Potential Reforms

Align risk mitigation actions to maximize statewide effectiveness

A strong insurance market relies on effective risk management for major perils. Wildfire mitigation has state, local, and household level actions that are most effective when done in alignment with clear mitigation standards. Proposed reforms should seek to support clear standards, communicate standards widely, analyze standard performance, and expand funding for mitigation actions.

Expand – not decrease – comprehensive coverage options for California consumers

A strong admitted market protects consumers through full prior approval rate regulation under Prop. 103, solvency oversight, and claims handling standards while spreading wildfire risk across global capital. As the Sustainable Insurance Strategy is fully implemented and insurers continue to expand writing in wildfire distressed areas, reforms should encourage households to seek coverage in the admitted market and preserve the FAIR Plan's role as a true insurer of last resort. In addition, any efforts to broadly expand and spread new costs onto insurance policyholders in the form of higher premiums should be balanced with existing insurance affordability and availability market challenges.

Promote expeditious, fair, and full claims payments to policyholders

After a disaster, early payment of insurance claims is critical to helping wildfire survivors make important recovery decisions and get back on their feet. Recent changes to state statute sponsored by Insurance Commissioner Ricardo Lara have bolstered and clarified the requirements, helping facilitate \$22.4 billion of funds paid to consumers after the 2025 Los Angeles wildfires (as of November 2025). Proposed reforms stemming from this SB 254 study should consider actions that further reduce delays, ensure proper and full payment of claims, and address funding gaps to better support the recovery of insurance policyholders and uninsured homeowners.

Safeguard insurer solvency and financial stability

High severity wildfires can threaten insurance company solvency. Reforms must avoid shifting or concentrating costs in ways that heighten insurer insolvency risk, and instead align with existing financial examination and solvency oversight standards under the jurisdiction of CDI to ensure insurance companies – including the FAIR Plan – remain able to expeditiously pay consumers' claims during and after high-severity wildfire events.

Improve clarity and reduce consumer confusion on insurance coverage

Reforms should prioritize simplicity, transparency, and predictability. Past proposals considered by the State Legislature and from some stakeholders have suggested treating wildfire claims and losses differently than other losses typically covered by insurance, with either a separate deductible or separate standalone wildfire-only insurance policy. Such proposals have previously been rejected under multiple concerns related to increased consumer confusion about coverage, conflict with the reform done in the Sustainable Insurance Strategy, and sustainability challenges that exist today for other perils that were split off from standard homeowners policies, such as for flood and earthquake insurance. As such, some consumers may forgo wildfire coverage altogether, further exacerbating the protection gap. Proposals that further separate out certain perils should be evaluated through the lens of consumer understanding, ensuring that coverage structures do not create unnecessary complexity, confusion on coverage scope, or undermine confidence in the consumer claims handling process.

CDI's Key Priorities for SB 254 Study

The purpose of this section is to recommend the Department's key priorities for the SB 254 Natural Catastrophe Resiliency Study to address as well as share relevant resources produced by CDI when addressing climate-intensified catastrophes in the State of California.

Align wildfire mitigation and insurance availability policy efforts

Responsive to the Study's Workstreams 1, 3, 8, and 9 on risk mitigation standards and financing, and their positive impact on future insurability.

We are seeing the early stages of momentum on risk mitigation at the state and local levels of government, creating an opportunity to further collaborate and align key insurance initiatives with emergency preparedness and fire safety programs, local efforts, and state funding.

Over 4 million homes are located in the Wildland Urban Interface¹, and there is no way the state can achieve sufficient levels of home hardening and community mitigation efforts without stronger incentives aimed at homeowners and small businesses and coordination between state government, local governments, and homeowners to take action. Therefore, CDI believes a complete and effective mitigation approach consists of the following elements, some of which are already established, and have continued opportunities for inter-agency collaboration:

- **Creation of achievable, effective, and aligned community mitigation standards.** In 2021, CDI worked with the CPUC, CAL FIRE, CalOES, and the then-Governor's Office of Planning and Research to develop home hardening standards that were the basis for the Department's first-in-the-Nation "Safer from Wildfires" regulations promulgated in 2022. Yet to be developed are Community Mitigation standards that can be aligned across sectors – including local government, electric utility infrastructure, insurance incentives, and special districts – and with home hardening, defensible space, and vegetation management strategies and measures.
- **Expansion of new grant programs to help consumers and communities achieve wildfire-prepared standards.** CDI's new home hardening grant program, established by CDI-sponsored AB 888 (Calderon, Chapter 536, Statutes of 2025), is being implemented and, when fully funded, can have a statewide reach that aligns with insurance discounts. For CDI's new home hardening grant program, sustainable funding will be critical to long-term success. The overarching goal is to provide grants to eligible homeowners, which will significantly help improve the wildfire resistance of those homes and create a culture of home hardening among neighborhoods, communities, and local jurisdictions. Because these grants will be aligned with existing CDI-required pricing incentives for home hardening, the initial grant will lead to annual savings for consumers. Sustained, predictable funding could come directly from the growth of insurance premium tax

¹ Estimate supported by Radeloff et al. (2018), led by the University of Wisconsin-Madison; Li et al. (2022), led by University of California, Irvine

revenues collected in upcoming years. As premiums have grown for policyholders, the total annual premium tax collected and transmitted to the General Fund has grown. Looking to the future, as growth in total insurance premium tax collected increases, a percentage of that increase could be re-invested in the resilience of structures to improve the insurability of homes across the state, and the stability of future premium taxes to the General Fund. Additionally or alternatively, California has an existing Cap and Invest program to address climate mitigation, a recently voter-approved \$10 Billion Climate Bond, and the potential for fees on insurance companies, agents, and brokers to be invested into resilience that benefit future insurance options. These potential funding sources could be used to ensure predictable annual funding for home hardening that improves insurability and climate resilience.

CDI's home hardening grant program is complementary to the grants issued today by CalOES and CAL FIRE, which are collaborating on the ongoing implementation of the Community Wildfire Mitigation Program. Both programs could be scaled up through recommendations for increased and sustainable funding streams.

- **Recognition of community and home wildfire mitigation in insurance through wildfire catastrophe modeling.** With the Sustainable Insurance Strategy currently underway, it requires that wildfire catastrophe models used in rate filings incorporate the best available science on structure, community, and landscape mitigation actions. CDI is currently implementing a new grant program, established by CDI-sponsored SB 429 (Cortese, Chapter 541, Statutes of 2025), to develop the Nation's first Public Wildfire Catastrophe Model, which will provide new tools for education, worker training, local planning, and insurance regulation.
- **Promotion of local resilience strategies.** Local governments and cross-jurisdictional strategies and funding that can reduce future losses and costs are a critical part of any wildfire risk reduction strategy because these efforts can complement state efforts with local investments and solutions specifically tailored to local conditions.

Two areas of particular interest for CDI:

- Climate Resilience Districts are a local tool to produce alignment with mitigation standards and for local governments to focus funding on the highest priority risks. Climate Resilience Districts were authorized by CDI-sponsored SB 852 (Dodd, Chapter 266, Statutes of 2022), whereby these special districts help promote mitigation efforts at the regional level and create new funding streams to proactively prepare for climate-related disasters.
- Making land-use decisions with insurability and risk management as major priorities. Where and how homes and buildings, infrastructure, and natural infrastructure are planned is critical to the risks of future losses. Many land-use decisions are made by local jurisdictions, and the new structures that are built in high-risk areas carry insurability risks if strong mitigation is also not part of the decision-making process at the very beginning. Recommendations on how funds or funding mechanisms can bolster future disaster resilience need to consider how

the risk profile of the state is changing due to these local land-use decisions, and how to encourage development where risk can be sustainably managed.

- **Promotion of regional forest and vegetation management.** In 2021, CDI advocated for a Prescribed Burn Claims Fund to act as a backstop for prescribed burn operations that were having difficulty accessing liability insurance as well as demonstrate the success of these operations, thereby attracting private insurers to these risks. This fund has been successful because it has acted as a backstop without being needed thus far, but is set to sunset in 2030. Eliminating the sunset date and expanding this fund to align with California’s state prescribed burn goals would help reduce wildfire severity in forests and grasslands across the state. In addition, expanding annual defensible space inspections and local community wildfire mitigation actions would help keep goals accountable and could provide additional data points for catastrophe models.
- **Supporting implementation of a strong “Zone Zero” regulation for new and existing homes.** In February 2025, the Governor issued an [executive order](#) directing multiple agencies within the Governor’s Administration to accelerate wildfire preparedness and mitigation actions. One prominent action was the direction to the California Board of Forestry and Fire Protection to complete a formal rulemaking on “Zone Zero” by December 31, 2025. The Board of Forestry and Fire Protection has made significant progress in 2025. Since 2022, CDI has required insurance companies, through regulation, to provide discounts for residential and commercial policyholders that achieve a non-combustible Zone Zero around their home; this standard is consistent with the [IBHS Wildfire Prepared Home standard](#). While an insurance discount is an important incentive, implementing a clear statewide regulation would increase the number of homes with a noncombustible Zone Zero, thus reducing insured and uninsured fire losses.

Prioritize multi-peril disaster response and recovery

Responsive to the Study’s Workstreams 1, 2, 4, and 10 on catastrophe risk financing and insurance.

California is vulnerable to multiple natural catastrophe perils, including wildfire, flooding, and extreme heat. For these perils, CDI has focused on identifying protection gaps and potential solutions for closing the protection gap. Parametric insurance policies are emerging options for multiple perils, including wildfire.

CDI continues to work on the following forward-looking priorities to close protection gaps for multiple perils:

- **Pilot projects that utilize parametric policies could be encouraged to close protection gaps.** CDI is currently engaging with special districts and local governments in [Isleton, California](#) on an inland flood community insurance program and with the [City of Imperial Beach](#) on coastal flooding. In California, based on CDI’s review of National Flood Insurance

Program data and private flood insurance data, less than 2% of households have flood insurance.

- **Building back stronger with catastrophe risk financing.** Recoveries often focus on the speed of rebuilding and not the comprehensive risk mitigation that can make communities safer and more insurable in the future. Any new funding mechanism should set goals to encourage rebuilding to be as resilient as possible and in alignment with home and community mitigation standards.
- **Data comparability among agencies.** The creation of common data-sharing agreements and data standards (e.g. data commons) will help establish interagency goals and metrics for mitigation. CDI currently works with CAL FIRE and CalOES on the implementation of one-year residential and specified commercial property wildfire insurance moratoriums that are triggered by gubernatorial emergency declarations. Improved coordination on wildfire data will help pre-disaster mitigation and post-disaster recovery. In 2023, the [CAL FIRE Technical Workgroup Final Report](#) recommended the establishment of a data commons, with specific criteria.
- **Evaluating and helping address insurance gaps for major perils in California.** CDI's 2021 [Climate Insurance Report](#) identified that closing insurance protection gaps strengthens the financial resilience of California communities and would require better land-use decisions that did not avoid one peril, like wildfire, at the expense of another, such as flooding. Therefore, CDI has been evaluating disaster insurance gaps from a multi-peril perspective. The Climate Insurance Report noted that less than 2% of California households have insurance for flooding, which means that large atmospheric rivers result in large protection gaps. Recent severe wildfires in multiple parts of the state have revealed that many insurance policyholders have coverage limits that do not fully cover the costs of rebuilding, leaving them underinsured. These insurance gaps create challenges for rebuilding and quicker recovery. Solutions that address the costs of catastrophes should also seek to help close insurance protection gaps, thereby creating more financial resilience to future catastrophes. CDI has been working with western U.S. states to develop comparable research approaches and new solutions to these challenges, and this SB 254 Study should consider addressing underinsurance as part of a more comprehensive, and sustainable package of recommendations.

CDI is working with researchers to evaluate existing data on insurance gaps to better understand the driving factors, and Commissioner Lara is sponsoring 2026 legislation, namely Senate Bill 876, authored by Senator Steve Padilla, to address issues related to the prompt and full payment of claims and underinsurance.

Underinsurance is partly caused by inaccurate or outdated replacement cost models used by insurers. Many policyholders are not made aware of the dangers of being underinsured and the ability to purchase additional insurance to mitigate this possibility. This legislation, among other provisions, would require insurers to offer at least 50% extended replacement cost coverage and guaranteed replacement cost coverage to applicants and policyholders, so consumers can make informed decisions on what level of coverage meets their needs.

Insurers have the knowledge to periodically calculate a home's replacement costs value and should be expected to use that expertise and nationwide data to recommend adequate dwelling limits to their insureds, thereby helping address the underinsurance problem and reduce coverage gaps after catastrophic events.

Support the Sustainable Insurance Strategy and alignment with other state goals

- The California Department of Insurance's Sustainable Insurance Strategy is a high priority initiative that we do not believe should be considered for any further major revision by this Study or legislation, because the Strategy is in the early stages of implementation, is the result of significant regulatory reform over two years, and reconsideration could endanger beginning progress being made to increase property insurance uptake in California. At this point, major regulations are either being implemented as law or still being pursued under the Department's existing Prop. 103 authority, with a growing number of new insurance rate filings having been filed by insurance companies and approved by the Department. One area that the Department is working towards in partnership with the State Legislature and interested stakeholders is further refinement of the FAIR Plan's Clearinghouse Programs to help expedite the depopulation of the state's residual market – a core element of the Strategy. Overall, the success of the Strategy is essential to the future health of California's property insurance market and this reform needs time to come to fruition without major intervention.

THE SUSTAINABLE INSURANCE STRATEGY AT A GLANCE

CDI Actions

In response to property insurance companies retreating from California’s wildfire risk areas, the Department has taken a series of coordinated actions to stabilize the market and protect consumers:

- Regulatory reforms to rate filing review and risk assessment, including incorporation of forward-looking catastrophe modeling and reinsurance
- Requirements for insurance company commitments to expand and maintain policies written in wildfire distressed areas
- Extensive California FAIR Plan reforms to increase solvency and accountability
- New wildfire data collection, risk analysis, and market trend metrics
- Regulations to further incentivize home hardening and wildfire mitigation

Reformed Regulatory Framework

Better Risk Assessment Tools

- Incorporation of wildfire catastrophe modeling in rate filing review process under Prop. 103
- Establishment of a standardized catastrophe model review process
- Addition of net cost of reinsurance at specific thresholds into rate calculations

Growing Insurance Options Where it is Most Needed

- Publishing and tracking wildfire distressed areas
- Insurer commitments to write and maintain more policies in wildfire distressed areas

Incentives for Risk Mitigation

- Insurance discounts for home hardening and mitigation
- Establishing the Public Wildfire Catastrophe Model Strategy Group

Initial Points of Progress

Better Risk Assessment Tools

- Within six months of adopting the regulations, the Department completed reviews of the three largest wildfire catastrophe models and established documentation requirements for rate filings

Growing Insurance Options Where it is Most Needed

- So far, as of March 2026, 12 companies have submitted filings under the new framework, including from several top insurers and for both residential and commercial property
- As of March 2026, the filings for eight of those companies have been approved with commitments to maintain and grow market presence in California– with more to come

Incentives for Risk Mitigation

- CDI’s Safer from Wildfires regulations are in full effect
- CDI is implementing home hardening and public catastrophe modeling programs, pursuant to legislation enacted on January 1, 2026

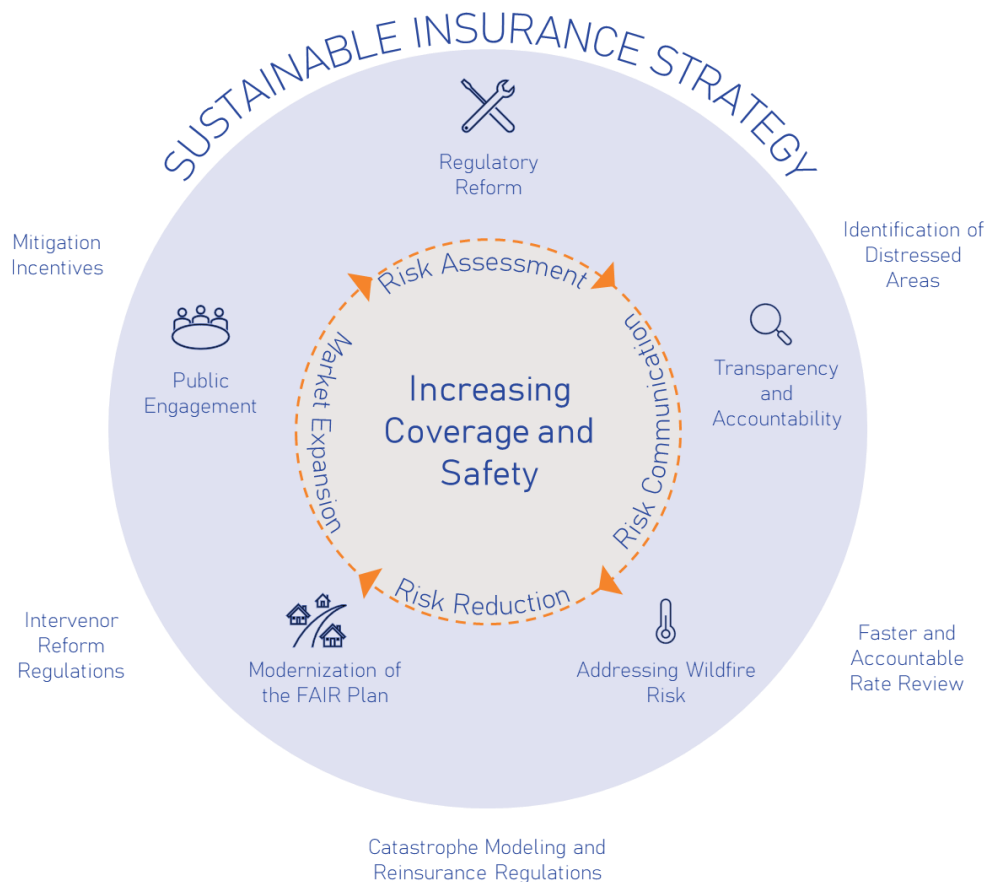
CDI Recommendations

The purpose of this section is to provide specific, actionable recommendations for the SB 254 Study in response to the directives laid out by the California State Legislature in chaptered SB 254 and urging in the Governor’s Executive Order.

Recommendation 1. Support the long-term, structural success of the Sustainable Insurance Strategy

Impetus: Insurers were retreating, and Commissioner Lara has a comprehensive plan in place that is producing initial strong signs of progress. More time and support are needed to continue this momentum towards more insurance accessibility and the stability of structural changes.

Recommendation: Continue supporting the implementation of Commissioner Lara’s Sustainable Insurance Strategy to reduce the number of policies in the California FAIR Plan, incorporate better risk assessment through catastrophe modeling and reinsurance regulations, and expand commitments by insurance companies to grow in wildfire distressed areas of California.

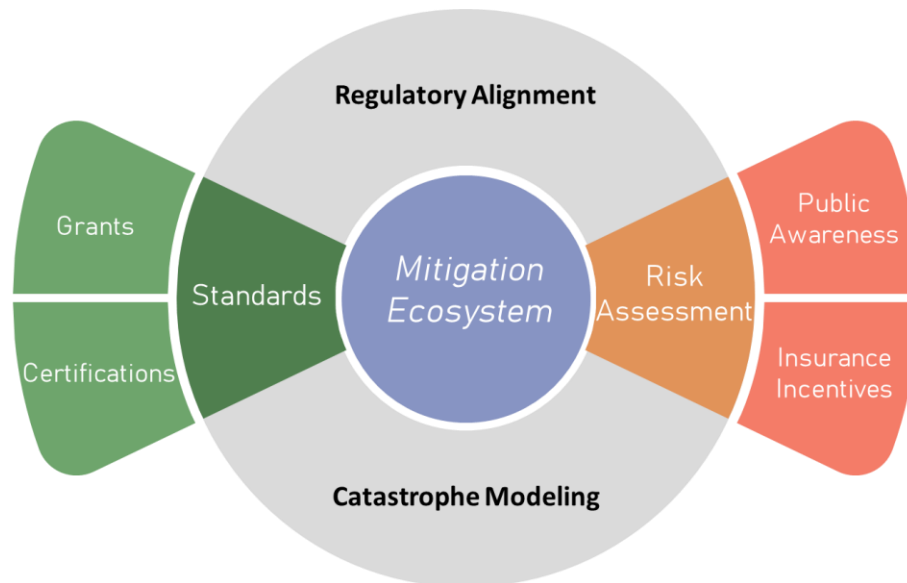


[Recommendation 2. Alignment on standards, data, and actions throughout the Mitigation Ecosystem.](#)

Impetus: Alignment on mitigation benefits insurability of homes and businesses by maximizing the impact of funds by all actors.

Recommendation: The SB 254 Study should take the opportunity to articulate the components needed to reduce wildfire losses from conflagrations to promote stronger coordination and clear monitoring of progress, including how existing and future actions can achieve each of the following:

- Improving science of risk assessment and alignment with standards
- Utilizing risk assessment to communicate wildfire risk to the public
- Expanding support for risk reduction through mitigation grants to local governments and homeowners
- Establishing effective certification systems for risk reduction actions to monitor the achievement of wildfire standards
- Integrating risk mitigation further into insurance pricing, incentives, and solvency



[Recommendation 3. Create new community mitigation standards and track performance.](#)

Impetus: Community mitigation has the potential to yield the most substantial benefits to reduced losses, especially from wildfire conflagrations, which will result in more resilient communities and expanded insurance access.

Recommendation: State agencies should collaborate to develop community mitigation standards that can be clearly communicated to local governments, fire safety officials, special districts, and neighborhood associations, among others, to maximize the effectiveness of local, state, and federal mitigation funding.

Recommendation 4. Build resilient communities through investment in climate resilience districts and land-use planning.

Impetus: Successful long-term risk management requires risk assessment, risk communication, and risk reduction action at local, state, and federal levels. Those actions need to be aligned along core priorities and data-driven standards, and tracked as comprehensively as possible to learn lessons and improve the performance of mitigation standards over time. Local governments and community level actions are often the “last mile” of mitigation actions, and it is essential that communities have strong organizational systems and the ability to acquire and utilize mitigation funding.

Recommendation: CDI recommends that the state invest funding to promote local adaptation through incentivizing land-use planning that results in more resilient communities and home development and supporting the creation of Climate Resilience Districts to empower cross-jurisdictional partnerships that focus on reducing community-wide wildfire risks through locally tailored mitigation actions.

Recommendation 5. Support the use of the California Public Wildfire Model to test mitigation actions to maximize public benefits.

Impetus: A Public Wildfire Catastrophe Model would have benefits for local and state planning, workforce development, education, and state insurance regulation, and would provide a tool for the public to test priority mitigation concepts.

Recommendation: Support the development of public wildfire catastrophe modeling and the development of data products that assist rural and urban local governments in taking actions that reduce risk of loss.

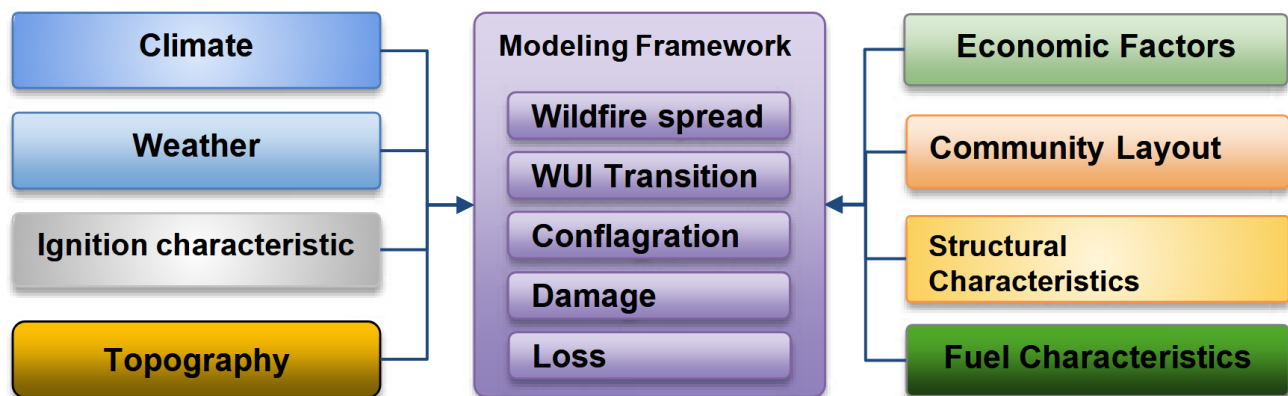


Figure adapted from [Future Directions and Considerations of Modeling Wildfire Risk: Recommendations of the Public Wildfire Model Strategy Group](#). Cal Poly Humboldt. 2025

Recommendation 6. Prepare multi-year after-action review on the scope of insurance gaps over multiple catastrophic wildfires and support a requirement that insurers offer at least 50% extended replacement cost (ERC) coverage for all homeowners insurance policies.

Impetus: Insurance coverage gaps, including both uninsured costs and insufficient coverage for individuals and businesses, contribute to a wider overall protection gap for future catastrophes in California, slowing recovery and straining public safety nets. Protection gaps can be difficult to forecast without economic and insurance data and, therefore, can exist over time and then become visible under the impacts of a significant catastrophe. The increase in the frequency of severe wildfires has demonstrated that underinsurance is a persistent challenge in the aftermath of catastrophic events, yet the scope of the challenges and potential solutions needs to be examined.

Recommendation: Support the requirement for insurers to offer at least 50% extended replacement cost (ERC) coverage for standard homeowners insurance policies, and the development of specific metrics for tracking the scope and causes of underinsurance after major wildfires in the western United States. Furthermore, CDI recommends the development of standardized data collection to identify and evaluate actions that can decrease the prevalence and effects of underinsured homeowners after a total loss. This will require more granular insurance and economic data on claims, losses, and coverages and likely cross-jurisdictional research partnerships to understand the contribution of potential risk factors, including geography, catastrophe vs. non-catastrophe fires, fire hazard, different insurance coverages and specific insurance policy endorsements, and average regional income-levels of policyholders.

Recommendation 7. Support the creation of science-based standards for smoke remediation and insurance claims handling.

Impetus: Commissioner Lara and Department staff have played a consistent role by engaging with survivors to understand the experiences of consumers and using that knowledge to propose new standards and reforms to improve future recoveries. For example, after past wildfire events, the Commissioner has sponsored legislation to reduce requirements for consumers to create lengthy inventories of contents when a total loss occurs, clarifying rules related to Additional Living Expenses (ALE), requiring building-code upgrade coverage, and adding requirements for quick-reaction payments from insurers to policyholders for ALE when a total loss has occurred.

California has experienced severe wildfire losses in many fires over the past ten years. However, the Palisades and Eaton wildfires were unprecedented in that both fires caused severe impacts, often referred to as urban conflagrations, in urban areas with high-density structures. One consequence of such a fire is that the significant smoke plumes occurred amidst many homes and neighborhoods, and a substantial number of homes experienced exposure to smoke from the fires. As of the time of the fires, no standards for smoke claims handling or smoke remediation had been established. In addition, the number of homes destroyed and policyholders impacted has demonstrated areas where further reforms to claims-handling would quicken the payment of claims to policyholders, and further FAIR Plan reforms would improve its responsiveness to policyholders when future catastrophic fires occur.

In particular, Commissioner Lara [convened](#) a Smoke Claims and Remediation Task Force last year to develop science-based insurance standards for remediation to protect survivors in returning to homes and personal property that could otherwise expose them to harmful contamination. To help

implement the recently released results of the Task Force's [report](#), among other scientific and technical data sources, Commissioner Lara is sponsoring legislation, Assembly Bill 1795 authored by Assemblymember Mike Gipson, to establish science-based standards for smoke remediation.

Recommendation: CDI recommends that the SB 254 Resilience Study support FAIR Plan reforms, updated claims-handling requirements, and the creation of science-based standards for smoke remediation and insurance claims handling in California state statute, which all stem from lessons learned and data gathered by CDI through response to the Eaton and Palisades Fires, and issues that have arisen through the claims-handling process. To achieve needed reforms in these areas, Commissioner Lara is sponsoring three bills:

- Assembly Bill 1680, authored by Assemblymember Lisa Calderon: This bill would strengthen oversight of the California FAIR Plan.
- Assembly Bill 1795, authored by Assemblymember Mike Gipson: This bill would implement smoke remediation and claims-handling standards, including a requirement that insurers use these standards as the prerequisites for decisions to end or continue ALE, for decisions on the level of property remediation sufficient to fulfill the commitments in the insurance policy, and as the basis for timelines and testing of smoke losses in the aftermath of major wildfires.
- Senate Bill 876, authored by Senator Steve Padilla: This bill would address issues related to the prompt and full payment of claims and underinsurance.

This package of bills responds to primary issues faced by wildfire survivors after major wildfires and would support more expeditious and more equitable recoveries in the future for consumers and communities across the Golden State.