

SB 254 Natural Catastrophe Resiliency Study

Informational Webinar

Friday, February 6, 2026:
12:00 - 1:00 p.m. (Pacific Time)

POLL

Question: How involved have you been in the SB 254 (2025) study process so far?

Select one of the following:

- a) This is my first connection with the study.
- b) I have been engaged throughout the process.
- c) I'm somewhere in between.

Stakeholder Engagement Feedback Survey



Agenda

Welcome and Webinar Overview

1. Structure and Progress to Date of the SB254 Study
2. Stakeholder Engagement Progress
3. Key Themes Emerging from the Workstreams
4. Q&A
5. Closing and Next Steps

Part 1

Structure and Progress to Date of the SB254 Study



SB 254 Rationale for the Study: *“To address the emerging climate-fueled economic crisis, California must evaluate new models to equitably socialize risk that balance the state’s goals...”*

Provide Californians with safe, affordable, and reliable energy

Maintain progress toward climate goals

Mitigate the incidence of and harm from wildfires and other disasters

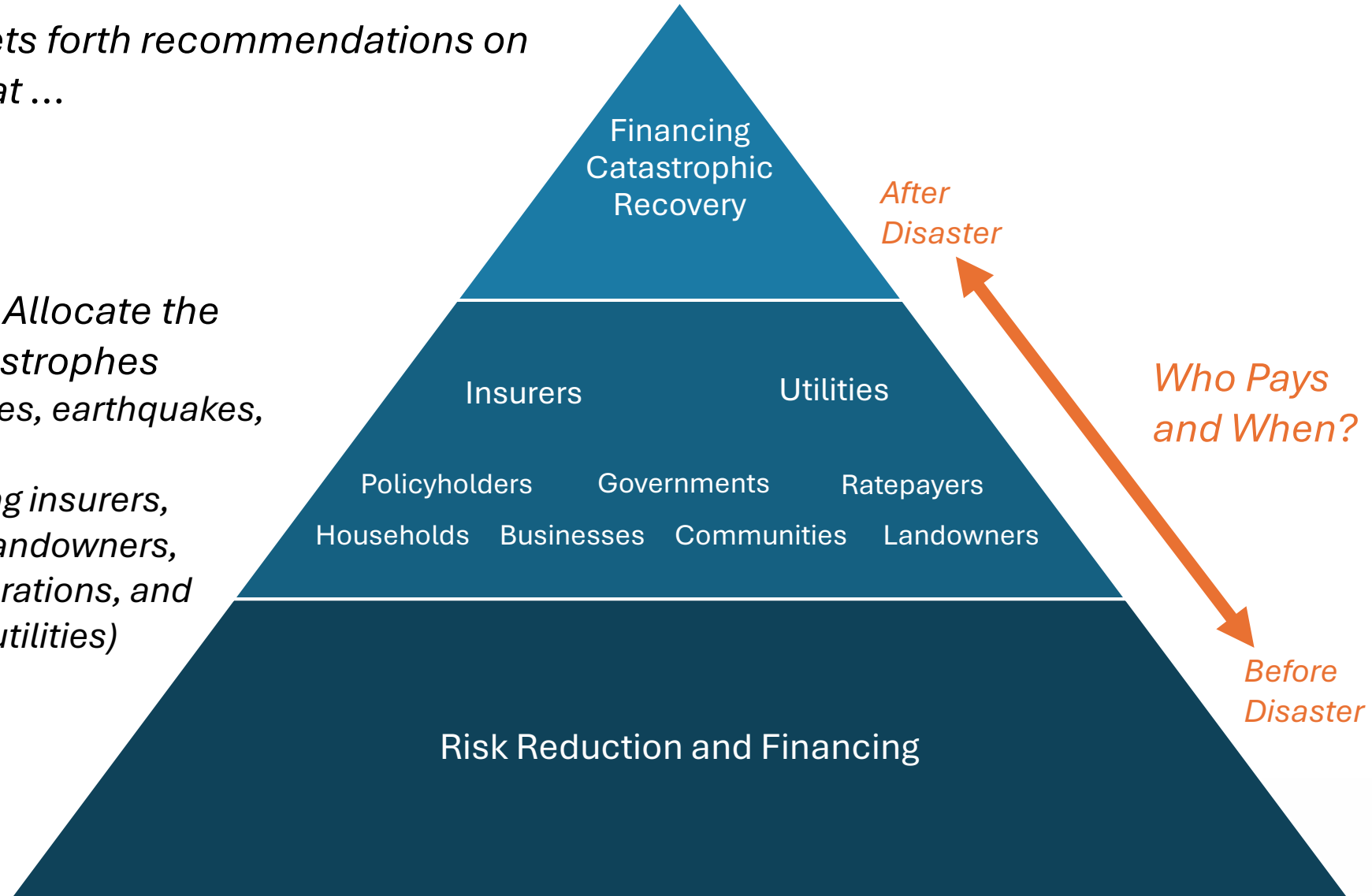
Stabilize insurance markets to protect both access and affordability

Provide swift and fair compensation to those harmed



“A report that evaluates and sets forth recommendations on new models or approaches that ...

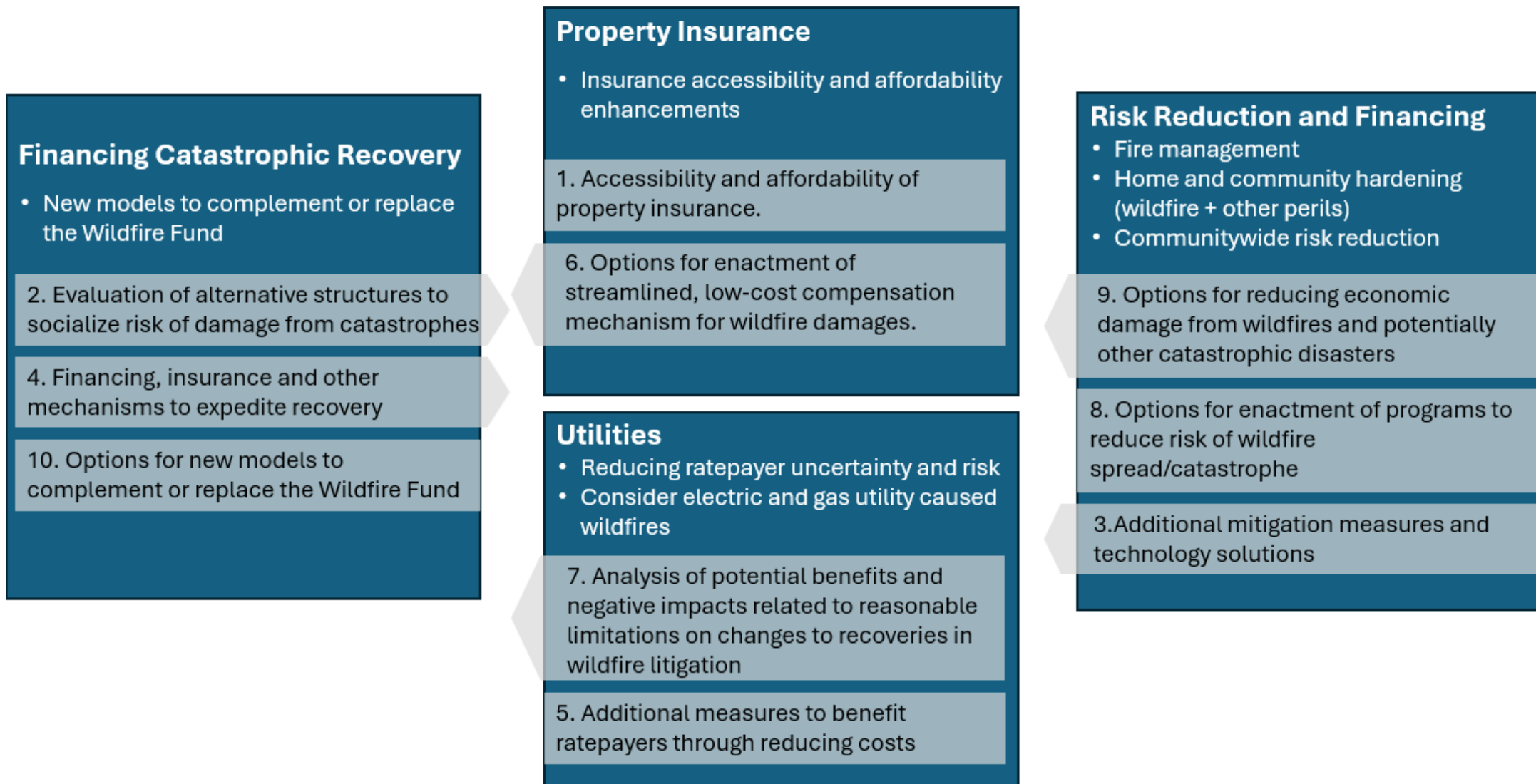
- *Accelerate Recovery*
- *Responsibly and Equitably Allocate the Burdens from Natural Catastrophes (Including catastrophic wildfires, earthquakes, and other natural disasters) (across stakeholders, including insurers, communities, homeowners, landowners, governments, electrical corporations, and local publicly owned electric utilities)*
- *Mitigate Damage*



... to complement or replace the Wildfire Fund.”

Organizing the Scope into “Workstreams”

“Report shall include specific recommendations (including, but not limited to) on all of the following:...”



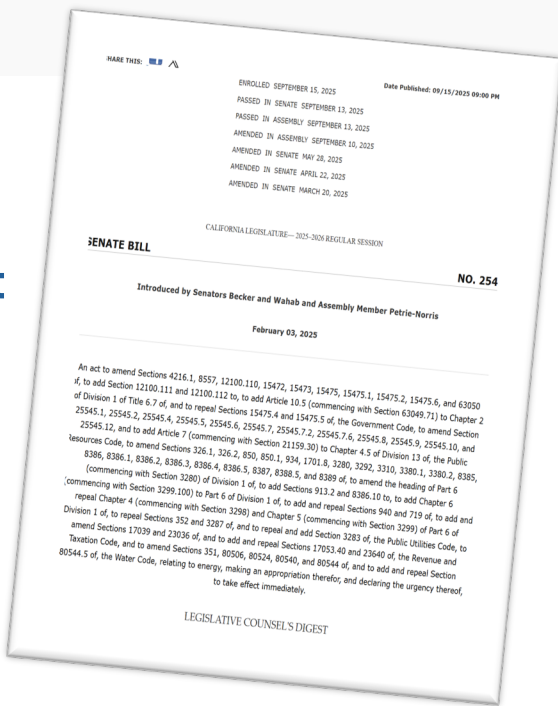
Responsible State Agencies/Departments

California Earthquake Authority, in its capacity as the Wildfire Fund Administrator, in consultation with:

- California Public Utilities Commission (CPUC)
- California Department of Insurance (CDI)
- California Department of Forestry and Fire Protection (CALFIRE)
- Office of Energy Infrastructure Safety (OEIS)
- California Governor’s Office of Emergency Services (Cal OES)

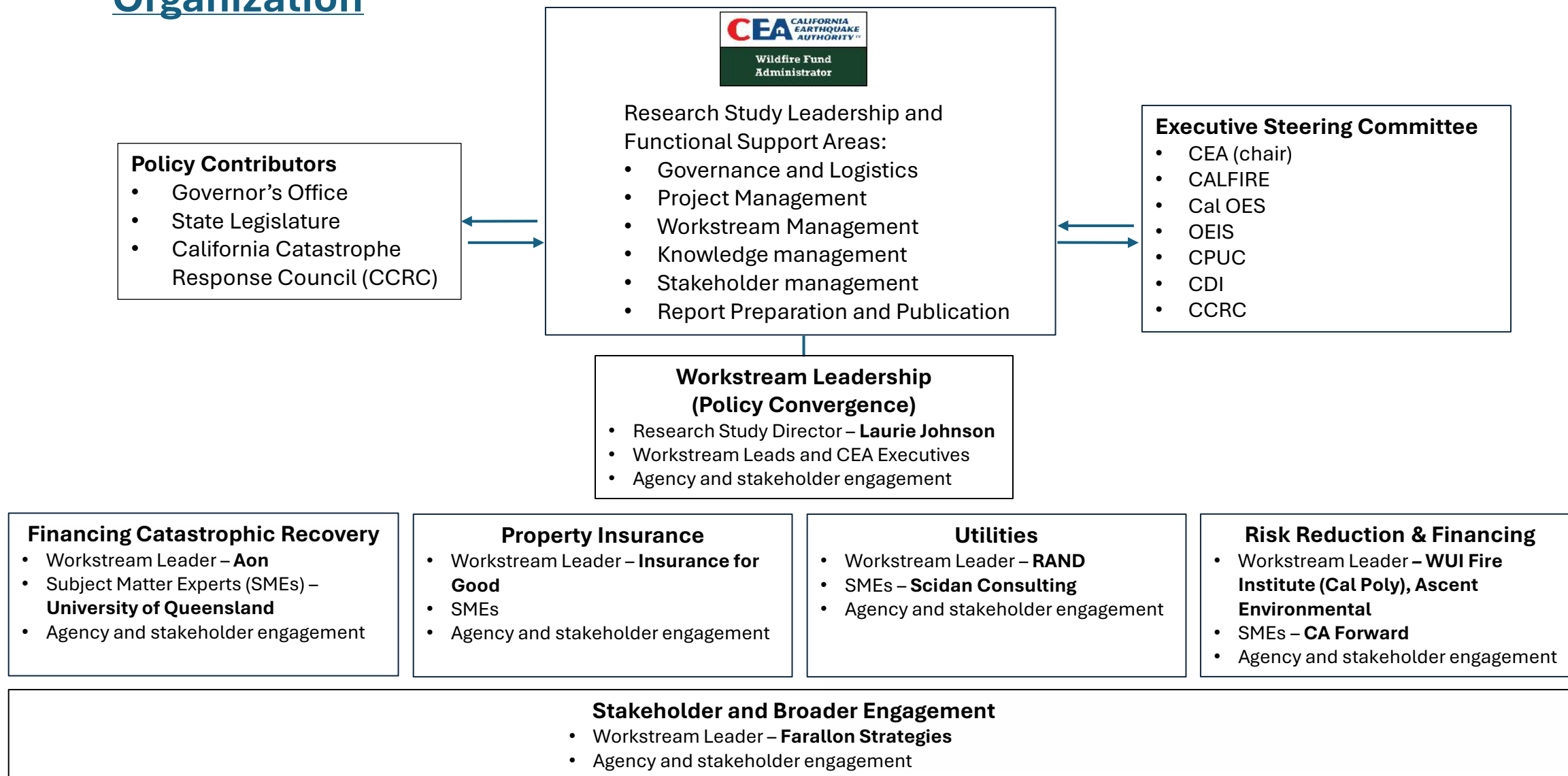
Feedback solicited from stakeholders including, but not limited to:

- Ratepayer advocates,
- Insurance policyholder advocates,
- Electrical corporations,
- Insurance companies, and
- Claimant attorneys

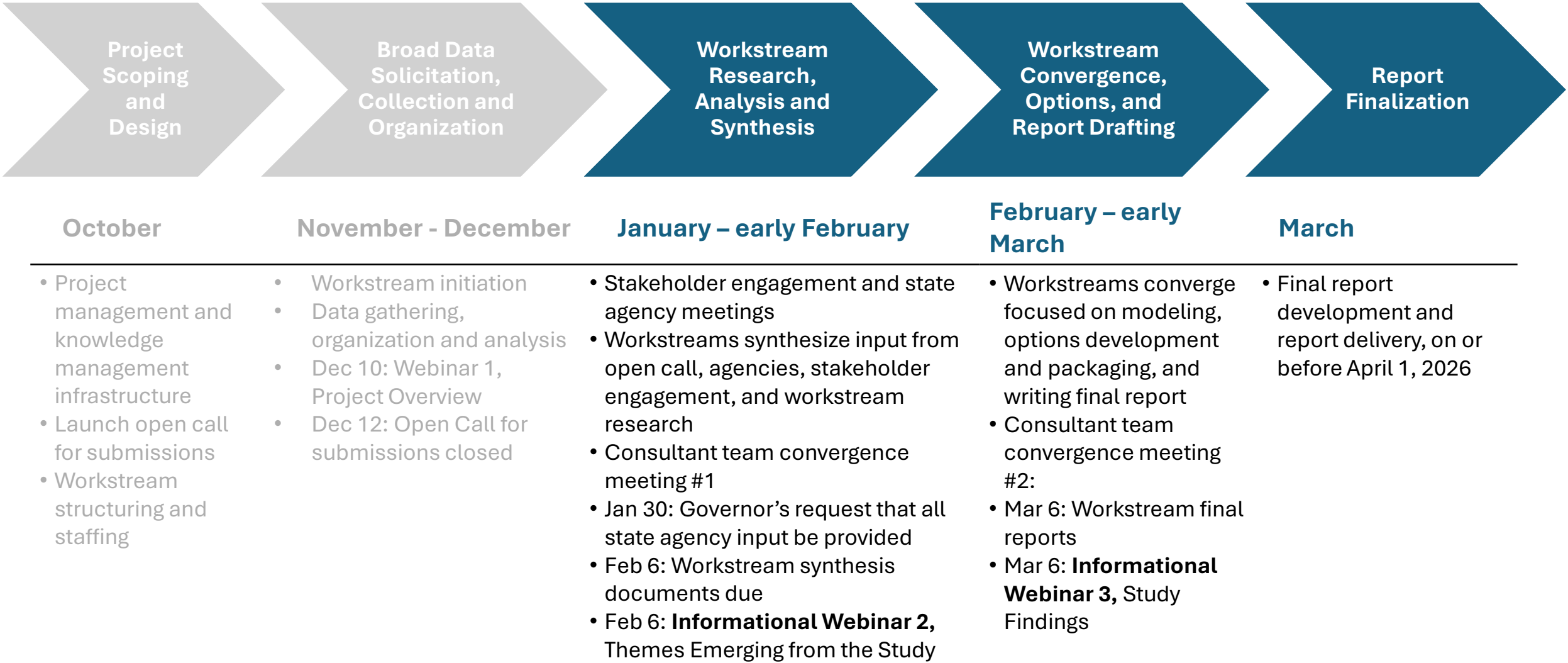


Report preparation and submission to the Legislature, and to the Governor, on or before April 1, 2026

Organization



Study Timeline



Part 2

Stakeholder Engagement Progress



CEA is committed to gathering and reflecting deep and wide input, within the legislatively mandated deadline April 1, 2026. CEA has implemented multiple engagement approaches with varied pathways and timing.

<https://www.cawildfirefund.com/sb-254-natural-catastrophe-resilience-study>

Open Call for Study Contributions, soliciting recommendations from a broad spectrum of stakeholders:

- Dec 12, 2025 – Call for submissions closed.
- **83 total** from ~ 69 unique individuals/organizations.

Interested Parties – 299 (online form, submissions and other people we have added) as of 2/2/26

- Periodic emails and study updates to be provided
- Three informational webinars – Dec 10, 2025; Feb 6, 2026; Mar 6, 2026

CEA CALIFORNIA EARTHQUAKE AUTHORITY
Wildfire Fund Administrator

California Wildfire Fund

SEARCH

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SB254 – NATURAL CATASTROPHE RESILIENCY STUDY

Background

Climate change is driving an increase in the frequency and severity of extreme weather events globally and in California, including heatwaves, droughts, flooding, and a significant increase in the incidence and severity of catastrophic wildfires. These extreme weather events impose profound risks to public health, natural resources, infrastructure, and California's economy.

To address this emerging climate-fueled economic crisis, California must evaluate new models to equitably socialize risk that balance 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.

Senate Bill 254

The California Legislature passed and Governor Gavin Newsom signed SB254, which requires a comprehensive assessment to analyze and develop long-term reforms that protect access to insurance, reduce litigation costs, provide fair and expeditious compensation to claimants, support wildfire mitigation, safety, and community resilience, and ensure large electrical corporations are accountable for safety and also have the financial health to attract low-cost capital on behalf of ratepayers.

Governor Newsom's Executive Order

California Governor Gavin Newsom issued his [Executive Order \(N-34-25\)](#) on September 30, 2025, to launch the next phase of his "whole-of-government response" to the economic and insurance consequences of the climate crisis and to direct robust governmental participation in the SB 254 Study.

The Governor's [press release](#) regarding this Executive Order contains additional information regarding his administration's collaborative support of the SB 254 study.

Next Steps

The California Earthquake Authority (CEA), in its capacity as Administrator of the California Wildfire Fund will oversee the preparation of the assessment (study) and seeks input from the stakeholder community. Planning and logistics have begun, and CEA is required to deliver a report on the study to the Legislature and Governor by April 1, 2026. Upon completion and delivery, the report on the natural catastrophe resiliency study will be published on this page.

We look to relevant stakeholders and subject matter experts as important contributors to the study. To support this effort, please email us your input to SB254input@calquake.com.

Request for Stakeholder Contributions

[Request for Stakeholder Contributions \(PDF\)](#)

Additional Resources

To sign-up for updates, please fill out the form below.

FIRST NAME *

LAST NAME *

EMAIL *

CONFIRM EMAIL *

APPLICATION *

INTEREST AREA *

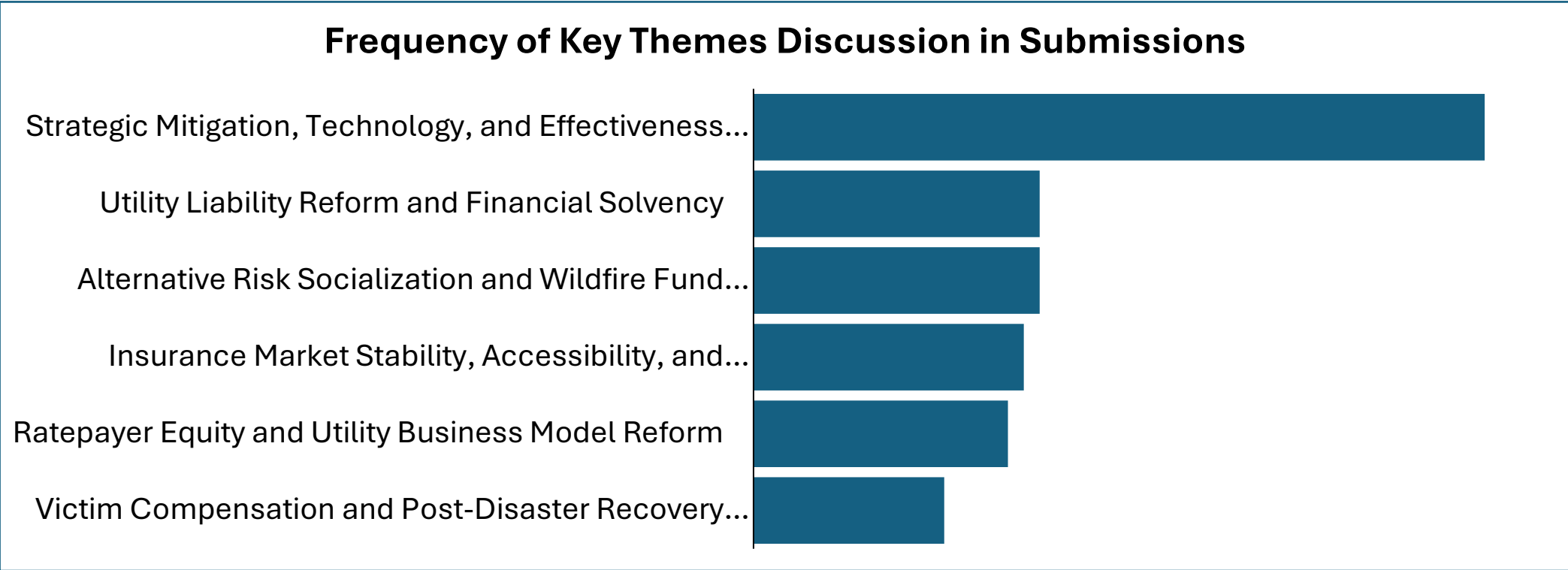
SUBMIT

Organizations Responding to SB 254 Open Call for Submissions

- All submission posted to CWF website: <https://www.cawildfirefund.com/sb-254-natural-catastrophe-resilience-study>
- Includes representatives of all SB 254 mandated stakeholder groups (ratepayer advocates, insurance policyholder advocates, electrical corporations, insurance companies, and claimant attorneys)

Utilities & Energy Sector	Insurance & Financial Sectors	Consumer & Survivor Advocates & Attorneys	Mitigation Technology & Advisory	Local Government	Environmental, Policy & Academic
<ul style="list-style-type: none">• American Clean Power Network• California Municipal Utilities Association (CMUA)• California Water Association (CWA) and Association of California Water Agencies (ACWA)• California Association of Mutual Water Companies (CalMutuals) JPRIMA• Golden State Power Cooperative• LADWP• Liberty Utilities (CalPeco Electric)• NextEra Energy Transmission• Paradise Irrigation District (PID)• PG&E• SDG&E/Sempra• Southern California Edison (SCE)	<ul style="list-style-type: none">• APCIA-PADIC-RAA• BofA Securities• Coalition for Sustainable Flood Insurance (CSFI)• Insurance Institute for Business & Home Safety (IBHS)• McKinsey & Company• Milliman• PIFC-NAMIC	<ul style="list-style-type: none">• Affordable Energy Campaign• C. Brown• Claimant Attorneys of California (CAOC)• Consumer Watchdog• Eaton Fire Residents United• Eaton Fire Survivors Network• K. Girard, PhD• M.J. Lee• M. Szarama• The Utility Reform Network (TURN)• Utility Wildfire Survivor Coalition	<ul style="list-style-type: none">• ASTM Task Group• California Conservation Corps Foundation• California Farm Bureau• Filsinger Energy Partners• FireAside• Firescape Inc.• Frontline Wildfire Defense• IND Technology• Mariposa Resource Conservation District• Matador Fire• Megafire Action• ROCKWOOL• Vibrant Planet	<ul style="list-style-type: none">• California State Association of Counties (CSAC)• Rural County Representatives of California (RCRC)• League of California Cities (Cal Cities)• Town of Los Gatos	<ul style="list-style-type: none">• Allotrope Cellulosic Development Company• Blue Forest• California Alliance for Community Energy• Climate & Community Institute (CCI)• Darwin Fund• Environmental Defense Fund (EDF)• Greenthread and Resilience Investments• Independent Institute• Natural Resources Defense Council• Putting California's Assets to Work• Reclaim Our Power! Utility Justice Campaign• Sierra Business Council (SBC)• Southern California Ignition Reduction Program (SCIRP)• The Nature Conservancy (TNC)• UC Berkeley, Goldman School of Public Policy• UCLA Luskin Center for Innovation

Submissions Analysis: Key Themes



While **Mitigation** was the most widely referenced topic, the greatest disagreement across submissions was on **Utility Liability Reform and Financial Solvency**.

Submissions Analysis: Areas of Consensus and Key Conflicts to Resolve

Areas of Consensus

- ✓ **Accelerate Mitigation:** California "cannot rate hike its way out of the climate crisis"; the only sustainable path is to reduce the physical risk of loss through aggressive mitigation.
- ✓ **Improve Data & Modeling:** Need a standardized way to track "risk bought down" per dollar invested and align what insurers see with what utilities and homeowners actually do.
- ✓ **Address Affordability & Equity:** Wildfire costs disproportionately burden low-income and vulnerable households through rising insurance premiums and electricity rates.

Key Areas of Disagreement

- ≠ **Inverse Condemnation:** Reformers view it as an unsustainable ratepayer burden; defenders argue it is vital to support victim recovery and incentivize utility safety.
- ≠ **Limitations on Damages and Attorneys' Fees:** Tension between limiting costs and supporting the Fund's claims-paying capacity, vs. ensuring victim access to representation and full compensation.
- ≠ **Role of Government and Cost Socialization:** Competing views on increased state role in e.g., reinsurance, greater cost socialization; vs. private market mechanisms and utility/ratepayer funding.

Workstreams' Stakeholder Engagement (late December – early February)

- Different engagement approaches taken by each workstream.
- We are tracking engagement to ensure that all SB 254 mandated stakeholder groups are included.

Financing Catastrophic Recovery	Property Insurance	Utilities	Risk Reduction and Financing
Individual/small group interviews: <ul style="list-style-type: none"> • California wildfire exposure and policy • California Wildfire Fund (CWF) administration and structure • Wildfire liability coverage, exposure and market dynamics, and potential reforms • California homeowners' insurance market • Alternative or new catastrophe risk financing models • Community recovery • Other finance and insurance mechanisms 	Stakeholder/SME focus groups: <ul style="list-style-type: none"> • Reinsurance/Backstop • Residual/surplus markets • Insurance & risk reduction • Affordability and low/mod income coverage 	Individual interviews: <ul style="list-style-type: none"> • CA electric utilities (IOUs, POUs) • Water and natural gas utilities • Re/Insurers • Legal – Attorneys, judicial officers • Community representatives • Consumer and investor representatives • Rating agencies • Academics/SMEs 	Stakeholder/SME focus groups: <ul style="list-style-type: none"> • CA Forward Wildfire Expert Working Group • Local Fire Agencies • Insurance • Research and Technical • Funding and Financing

SB 254 Mandated Stakeholder Groups

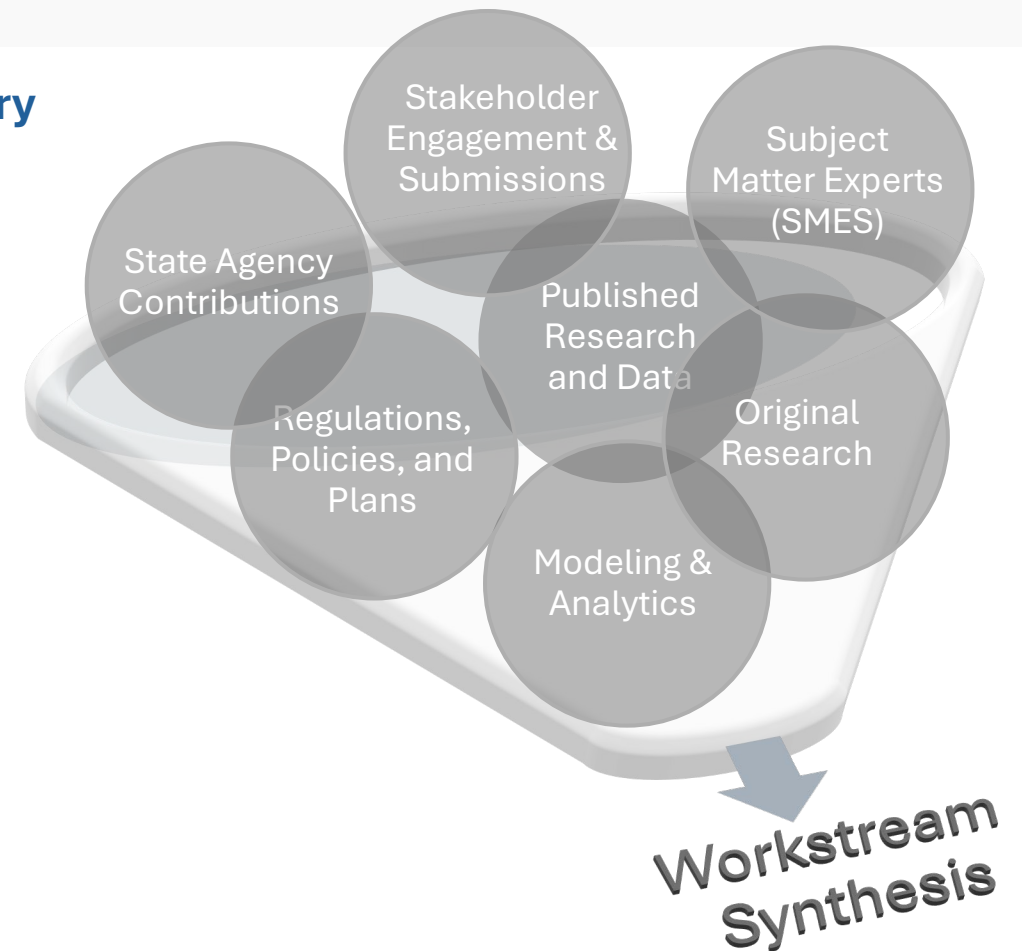
Engagement Type	Ratepayer Advocates	Insurance Policyholder Advocates	Electrical Corporations	Insurance Companies	Claimant Attorneys	Other Legal + Regulatory Advocates
Open Call Submissions	11	8	5	6	1	21
Workstream Engagements (Meetings, Focus Groups, Written)	3	5	18	13	2	22
Additional Scheduled Engagements	1	2	0	4	0	1
Totals	15	15	23	23	3	44

Other Key Stakeholder Groups

Engagement Type	Survivor Orgs/Reps	Local Gov't/ Tribes	Public Utilities	Gas Utilities	Local Gov't	Financial Sector	Industry/ Technology	Other Private Enterprise	Climate Resilience/ Environment	Philanthropy
Open Call Submissions	7	6	5	1	6	1	9	6	9	0
Engagements (Meetings, Written)	3	4	5	1	4	6	2	4	15	3
Scheduled Engagements	1	3	1	0	3	2	0	1	0	0
Totals	11	13	11	2	13	9	11	11	24	3

Part 3 Key Themes Emerging from the Workstreams

- **Financing Catastrophe Recovery**
- **Property Insurance**
- **Utilities**
- **Risk Reduction and Financing**



Key Themes

Financing Catastrophe Recovery

Focusing on SB 254 (2025) specific directives:

2. An evaluation of 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.

4. Financing, insurance and other mechanisms to expedite recovery for communities impacted by natural catastrophes, including wildfires, and to expedite compensation for property loss.

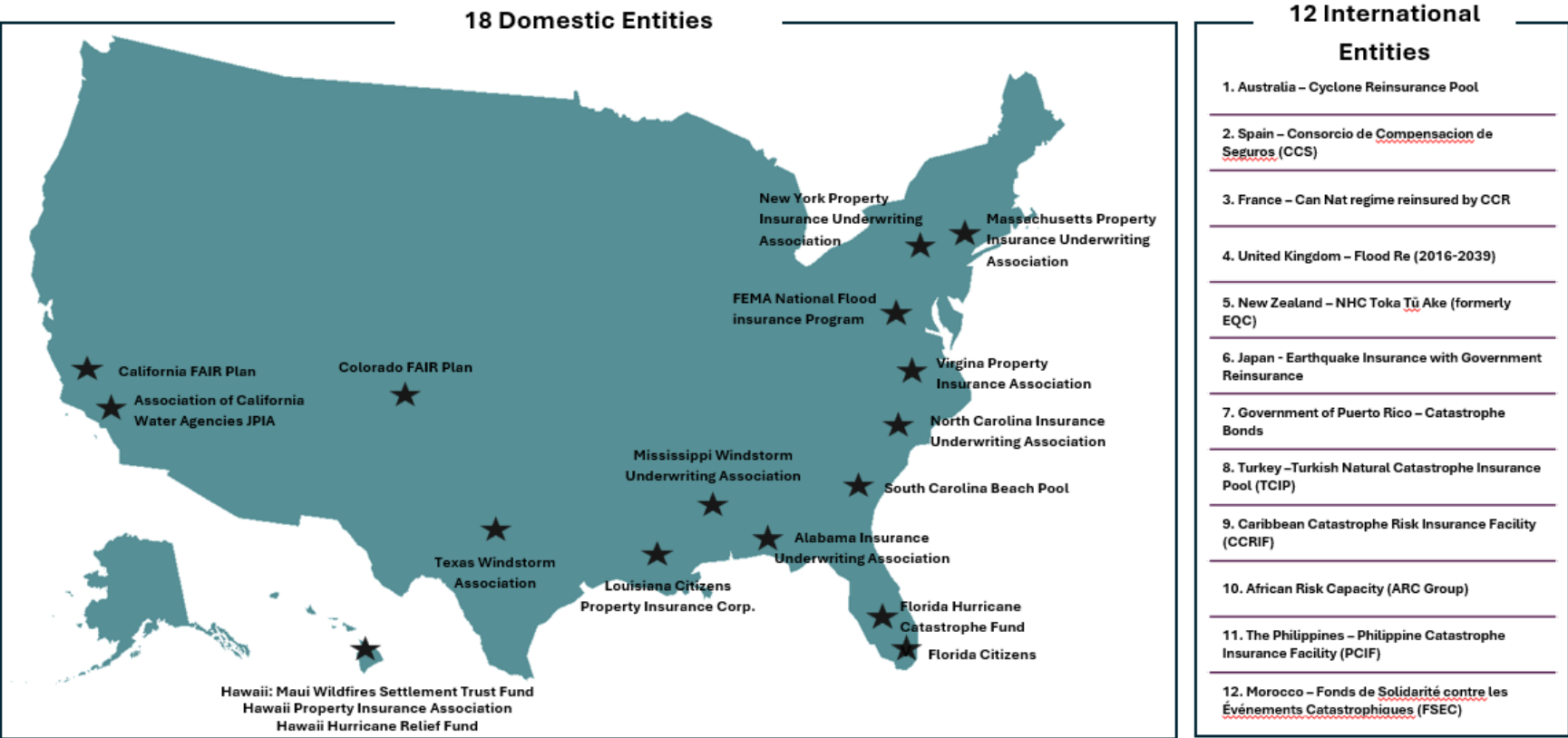
10. Options for new models to complement or replace the Wildfire Fund, such as state-supported property insurance, or reinsurance, or both insurance and reinsurance, for wildfires and potential catastrophic natural disasters; a mutual wildfire insurance fund; a publicly sponsored financial safety net to enhance long-term resilience and utility and insurance rate affordability; and improvements to the Fund to enhance its durability.



The California Wildfire Fund (CWF) is innovative, but its current form is not sustainable or durable.

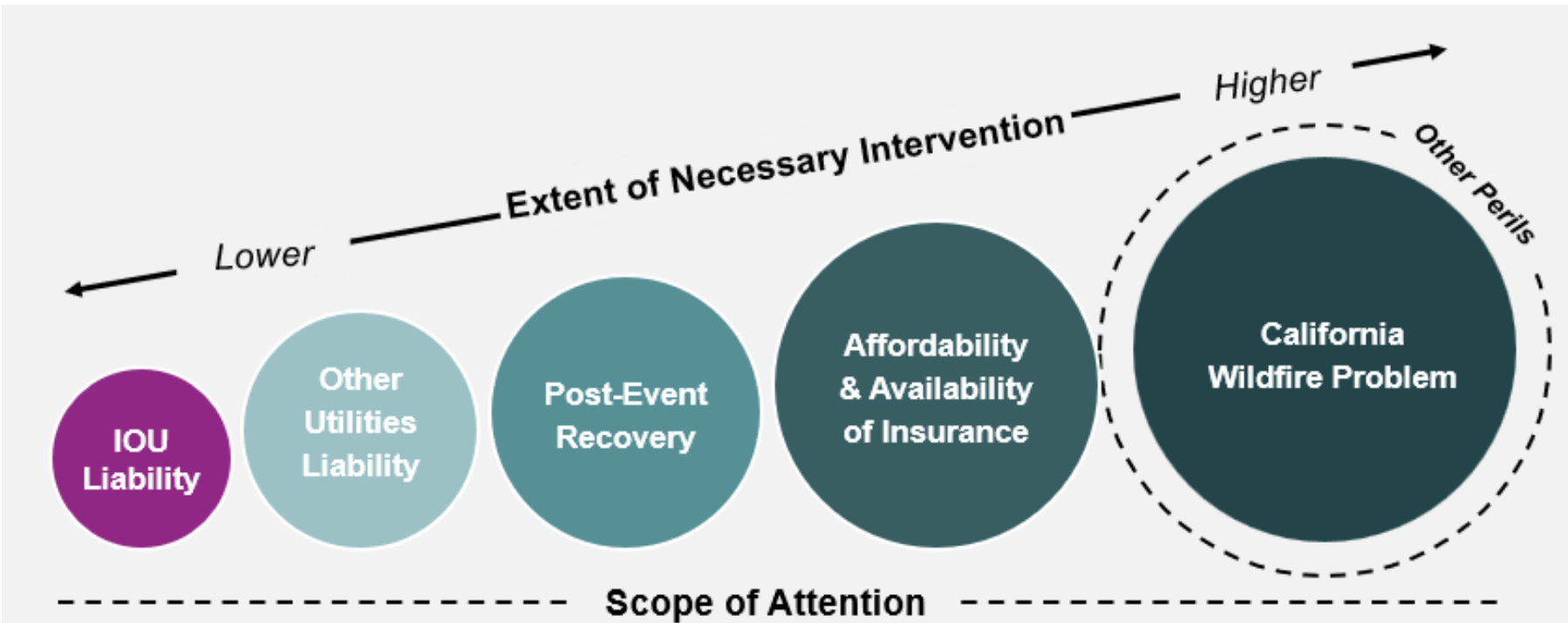
- Among 28 “protection gap entities” reviewed globally, the CWF is structurally and functionally distinct. Most entities address catastrophe funding needs for residential or commercial property losses.
- CWF’s core purpose is to cover wildfire-related liabilities of investor-owned utilities (IOUs), making it a unique, causation-linked liability financing mechanism.

“Protection Gap Entities” Analyzed Globally



California’s catastrophe risk challenges are highly interconnected and driven by broader systemic factors.

- Organizing issues into five scopes of attention provides a framework for modeling and analyzing the underlying components and targeting more specific challenges and opportunities.
- Within this framework, potential features are mapped to California’s challenges based on the magnitude and nature of their impact, making visible where and how costs shift across the system when one aspect is addressed.



- **Wildfire related risk is expanding due to climate change, extending beyond the wildland-urban interface (WUI) to include urban conflagration.** Addressing the state’s wildfire problem effectively requires large-scale mitigation of densely-built, older communities, and consideration of land-use patterns across all of California, not just in high-risk WUI zones.
- **Mitigation must be a central part of the catastrophe risk financing solution,** because it is the only lever that can truly bend the California’s risk curve downward.
- **There will need to be both a transition solution and a long-term solution for the catastrophe risk financing, including a durable Wildfire Fund,** and we will evaluate the options and trade-offs for each.

Key Themes

Property Insurance

Focusing on SB 254 (2025) specific directives:

1. Accessibility and affordability of property insurance in California in light of the accelerating costs of climate change-induced and other natural catastrophes.

6. Options for enactment of a streamlined, low-cost compensation mechanism to provide injured parties full compensation for damages resulting from wildfires.



- **California’s property insurance market has seen destabilization since the 2017/18 wildfires.**
 - This has taken the form of insurer pull-back, a growing number of policies in the FAIR plan, an increase in lender-placed policies, and an increase in premiums.
 - Availability constraints have grown faster than insurance price pressures.
 - While many factors contribute to this, the impacts are most pronounced in the high fire-risk areas of the state. Statewide, for example, less than 4% of policyholders are in the FAIR plan, but in high-risk areas, over a third of policyholders may be in the FAIR plan.

- **The Sustainable Insurance Strategy (SIS) is expected to help insurers better restore rate adequacy and consumer access to insurance.**
 - Previous regulatory constraints on insurers' ability to charge adequate rates and adjust rates in a timely fashion in response to evolving risk have exacerbated underwriting restrictions and availability challenges in the admitted insurance market.
 - Addressing both availability and affordability in the insurance market will require reducing the underlying risk.
 - Most insurance experts believe that wildfire is still insurable by the private market if supported by continued commitment to the SIS, as well as a strong state program to reduce the risk of urban conflagrations.
 - The SIS requires cooperation from the private insurance market.
 - Caution should be taken in altering core aspects of the SIS before it has had time to show impact.

Key Themes Emerging From the Study – Property Insurance

- **Addressing both availability and affordability in California’s insurance market requires a reduction in the underlying risk.** Most insurance experts believe that wildfire is still insurable by the private market if supported by continued commitment to the SIS, as well as a strong state program to reduce the risk of urban conflagrations.
- **Publicly-created insurance programs can address availability gaps in the private market, but different potential structures all involve trade-offs.** Care must be taken in determining how extreme disasters are financed and creating incentives for risk reduction.
- **Subrogation from California’s unique utility liability regime does reduce wildfire costs for insurers,** but this only partially offsets the scale and persistence of loss pressures, especially as wildfire risk continues to grow.
- **Socially vulnerable households and communities, particularly lower-income, face disproportionate needs for, and access to, financial resources for disaster recovery, including insurance.** This highlights the need for needs-based support.
- **Let’s not forget, take-up rates for flood and earthquake insurance in the state are very low.**

Key Themes

Utilities

Focusing on SB 254 (2025) specific directives:

5. Additional 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.

7. 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, restriction on the recovery of attorneys' 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.



- **The growing threat of wildfires is attributable to multiple factors that extend beyond ignition sources alone.** They also include climate change, WUI development, and building age and construction.
- **Utilities have made huge investments in mitigation and significantly reduced their wildfire risk but will likely always face some level of potentially catastrophic risk.**
- **Liability uncertainty increases costs, requiring either higher utility rates or reduced investments** to maintain the grid, mitigate wildfire risk, and support California’s economy.
- **Utility regulation and any potential liability reforms must appropriately balance and incentivize safety, reliability, and affordability.**
- **Recovery and compensation solutions for survivors of utility-caused wildfires should be fair and fast.**
- **Utilities, communities, and property owners must all contribute to reducing the consequences of wildfires.** Fragmented, siloed mitigations reduce effectiveness.

Key Themes

Risk Reduction and Financing

Focusing on SB 254 (2025) specific directives:

3. Additional mitigation measures and technology solutions to reduce the risk of ignition of wildfires and limit the spread of and damage from wildfires.

8. Options for enactment of programs to reduce the risk of wildfire spreading and becoming high-severity catastrophes, including improved state and local catastrophic event response capability, home fire risk reduction standards, vegetation management practices, and community wide wildfire hardening requirements.

9. Options for reducing the economic damage resulting from wildfires and potentially other catastrophic natural disasters, including minimal 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.



- **“Mitigations that Matter”** We need public & private alignment on a minimum core set of evidence-based mitigations to remove confusion and enable implementation at scale. Mitigation science and performance will evolve, but we know enough to start implementing them effectively within the specific context of the local community.
- **A foundation of tools, data sets, and analytical research infrastructure are needed to accelerate confidence in WUI community mitigation efficacy, investment, and maintenance.** Linking this to the significant risk analytic investments by the IOU’s will establish our understanding of baseline risk and start the data pool for reducing risk through integrated mitigation.
- **To enable sustained community risk reduction at scale, we need integrated program investment in mitigation, education, capacity, and workforce development,** and must transition from isolated sporadic project surges.
- **Governance for statewide risk reduction should consolidate funding, research, and policy outcomes while supporting maximum flexibility for implementation that is based on the local community risk context.**

Part 4 Q&A



Part 5 Closing and Next Steps



We have an explicit legislatively mandated deadline of April 1, 2026, but we are committed to robust engagement and input into the study.

There are a lot of options to be analyzed and modeled to determine their technical and economic feasibility (that’s February’s focus). We aim to provide the Legislature and the Governor with options that are:

- Actionable
- Viable
- Durable

Key Next Steps

- **Informational Webinar #3, Friday, Mar 6, 2026, 12 - 1 pm**
 - Theme: Study Findings
 - Opportunity for input provided in conjunction with the webinar
- **Updates**
 - Signup at <https://www.cawildfirefund.com/sb-254-natural-catastrophe-resilience-study>
- **Questions**
 - Email: SB254Questions@calquake.com

Stakeholder Engagement Feedback – SB 254 (2025) Natural Catastrophe Resiliency Study

Friday, February 6, 2026: 12:00 - 1:00 p.m. (Pacific Time)

Thank you for joining today's informational webinar. We appreciate your time and perspective and invite you to take a few minutes to complete this brief survey.

Your feedback helps the study team ensure the work continues to reflect the needs and questions of the stakeholder community.



Stakeholder Engagement Feedback Survey

SB 254 Natural Catastrophe Resiliency Study

Thank you for attending this meeting!

SB 254 Study website: <https://www.cawildfirefund.com/sb-254-natural-catastrophe-resilience-study>

Submissions: SB254Input@calquake.com

Questions: SB254Questions@calquake.com

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