WILDFIRE INSURANCE & RESILIENCE

Rob Obedoza

Outreach Analyst
Community Relations & Outreach Branch
CA Department of Insurance

Wildfire Recovery

27,872
claims partially paid

$12.1 Billion
in claims paid to date

$435,000
average claim paid

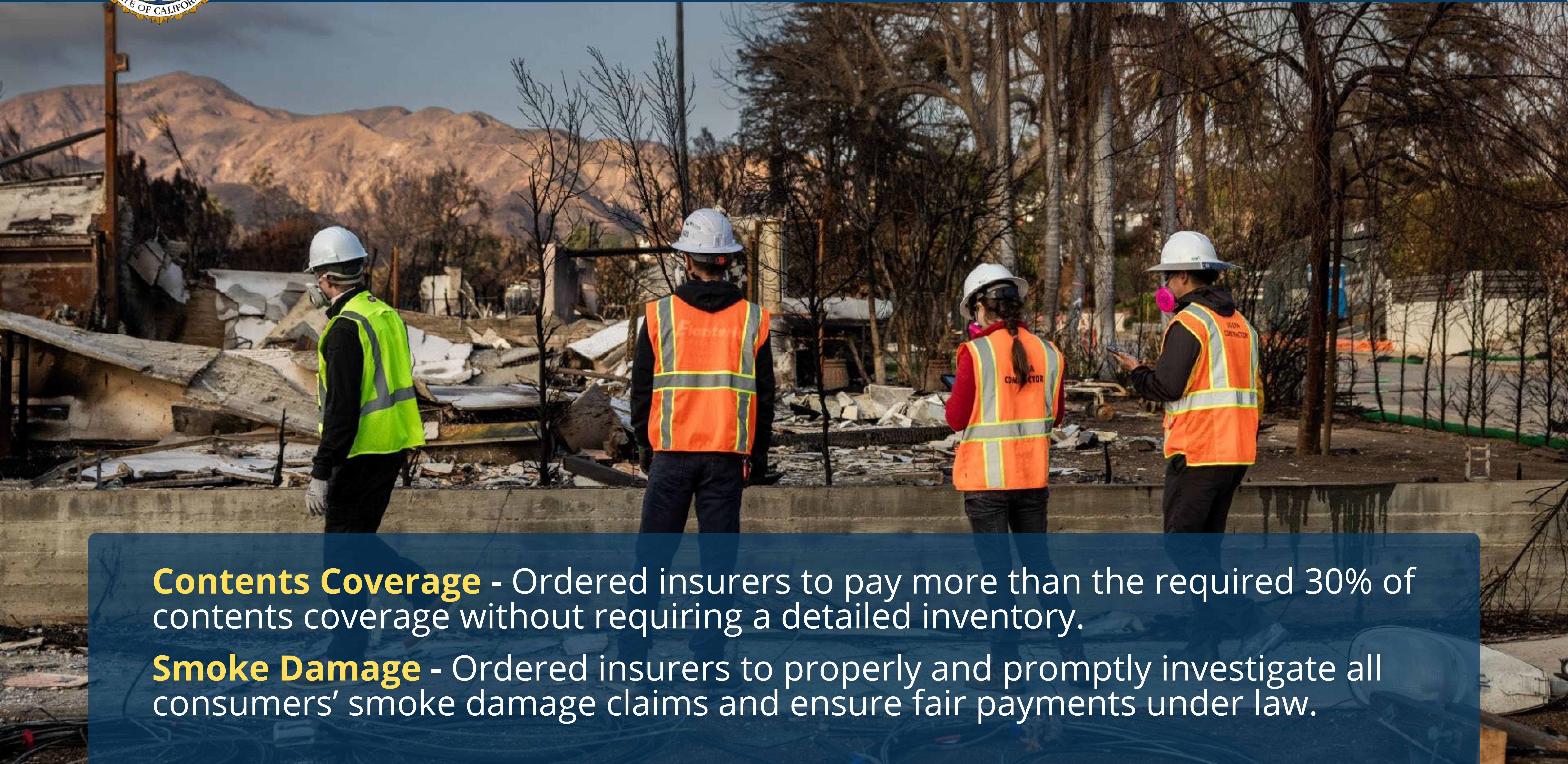
as of March 5, 2025

Emergency Actions

Insurance Moratorium - Declared One-Year Nonrenewal Moratorium for residential policies within or adjacent to wildfire perimeters.

Additional Living Expenses (ALE) - Ordered insurers to continue providing ALE coverage until wildfire survivors' homes are deemed habitable as a result of fire debris, ash, and other hazardous materials.

Emergency Actions



Contents Coverage - Ordered insurers to pay more than the required 30% of contents coverage without requiring a detailed inventory.

Smoke Damage - Ordered insurers to properly and promptly investigate all consumers’ smoke damage claims and ensure fair payments under law.

California's Insurance Market

Overall Market
Top 12 Companies Write 85% of State's Homeowners Market

Reduction of Policies
Since 2022, 7 of the top 12 insurance companies have paused or restricted new business despite rate increases approved or pending with Department of Insurance.

CA FAIR Plan
Increased to 4% of CA market – becoming the insurer of first resort, not last resort, for many.

Insurance Group and Ranking (2022)	Market Share	2023 Rate Increases (Pending & Approved)	Major Action Since 2022
1. State Farm	21.22%	28.1%	Paused new policies
2. Farmers (10 companies)	14.9%	17.7%, 12.5%	Limited new policies to 7,000 per month
3. CSAA (2 companies)	6.9%	18.55% (approved 2021)	
4. Liberty Mutual (6 companies)	6.6%	29%, 10.6%	
5. Mercury	6%	12.6%, 7%	
6. Allstate (5 companies)	6%	39.6%	Paused new policies
7. USAA (4 companies)	5.7%	30.6%, 16.5%, 6.9%, 3%	Restricted underwriting to low-risk only
8. Auto Club	5.1%	20%	
9. Travelers	4.2%	21.7%	Limited new policies
10. American Family (3 companies)	2.8%	22.7%, 6.9%, 6.9%	
11. Nationwide (2 companies)	2.5%	19.9%, 24.5%	Limited new policies
12. Chubb (8 companies)	2.2%		Ceased writing high-value homes with higher wildfire risk, and non-renewed some high-value homes

CALIFORNIA DEPARTMENT OF INSURANCE
INSURANCE COMMISSIONER RICARDO LARA

Building Communities Safer from Wildfires

Safer from Wildfires is a comprehensive approach to wildfire resilience, focusing on three key areas: the structure, its surroundings, and the community. California's Safer from Wildfires program provides clear, actionable steps for homeowners to reduce wildfire risk. The more steps you take, the greater your insurance savings.

Here are 10 ways to make your property safer from wildfires:

1. **Class-A fire rated roof**
   Most roofs qualify including asphalt shingles, concrete, brick, or masonry tiles, and metal shingles or sheets. Wood shake shingles are not Class A fire-resistant rated. The Office of the State Fire Marshal maintains a list of tested and approved materials: osfm.fire.ca.gov/what-we-do/fire-engineering-and-investigations/building-materials-listing
2. **5 foot ember resistant zone, including fencing**
   Removing greenery and replacing wood chips with stone or decomposed granite 5 feet around your home prevents fire from getting a foot in the door. Replacing wood fencing connecting to your home with metal is critical because it can act like a candle wick leading fire straight to your home.
3. **Ember- and fire-resistant vents**
   Installing 1/16 to 1/8 inch noncombustible, corrosion-resistant metal mesh screens over exterior vents can keep wind-blown embers out of your house.
4. **Non-combustible 6 inches at the bottom of exterior walls**
   Having a minimum of 6 vertical inches measured from the ground up and from any attached horizontal surface like a deck can stop embers from accumulating and igniting your walls. Noncombustible materials include brick, stone, fiber-cement siding or concrete.
5. **Enclosed eaves**
   Installing soffits under your eaves can prevent heat and embers from getting trapped and igniting. When enclosing eaves, non-combustible or ignition resistant materials are recommended.
6. **Upgraded windows**
   Multi-paned windows are more resistant to breaking during a wildfire, which helps keep flames from entering. Multi-paned glass or added shutters all qualify.
7. **Cleared vegetation, weeds and debris from under decks**
   Noncombustible materials like concrete, gravel, or bare soil are permitted.
8. **Removal of combustible sheds and other outbuildings to at least a distance of 30 feet**
   These include sheds, gazebos, accessory dwelling units (ADUs), open covered structures with a solid roof, dog houses and playhouses.
9. **Defensible space compliance**
   Following state and local laws requiring defensible space including trimming trees and removal of brush and debris from yard. See CAL FIRE's defensible space page and your local city or county for details: www.fire.ca.gov/dspace
10. **Being safer together**
    Safer from Wildfires recognizes two community-wide programs, Firewise USA and Fire Risk Reduction Communities as small as 8 dwelling units or as big as 2,500 can create an action plan and start being safer together. Firewise USA is a nationally recognized program with proven results, sponsored by the National Fire Prevention Association.

Follow this QR code for more information:
qrco.de/bdrVFB

800-927-4357 | www.insurance.ca.gov

Safer From Wildfires

Wildfire Risk Reduction
Addresses one biggest factor in insurability.

Discounts
First in the nation discounts to consumers for wildfire mitigation.

Wildfire Risk Score
Transparency allows consumers to request and appeal your property risk score.

Protect Your Home or Business

- Class A fire-rated roof
- 5-foot ember-resistant zone, including fencing
- Non-combustible 6 inches at the bottom of exterior walls
- Ember- and fire-resistant vents
- Double pane windows or added shutters
- Enclosed eaves

Protect Your Immediate Surroundings

- Clear vegetation, weeds, and debris from under decks.
- Move combustible sheds and other outbuildings to at least 30 feet away
- Trim trees and remove brush in compliance with state and local defensible space laws.

Protect The Whole Community

- **Firewise USA** and **Fire Risk Reduction Communities** as small as 8 dwelling units or as big as 2,500 can create an action plan and start being safer together.

Meets wildfire standards set by the **Insurance Institute for Business & Home Safety (IBHS).**

Build/rebuild with an emphasis on **wildfire resiliency**.

Sustainable Insurance Strategy

Modernizing Our Insurance Market

Accessible Insurance For Californians

Create a Resilient Insurance Market

Protect Communities From Climate Change

Sustainable Insurance Strategy

Insurer Commitments To Write More Policies In Wildfire Distressed Areas

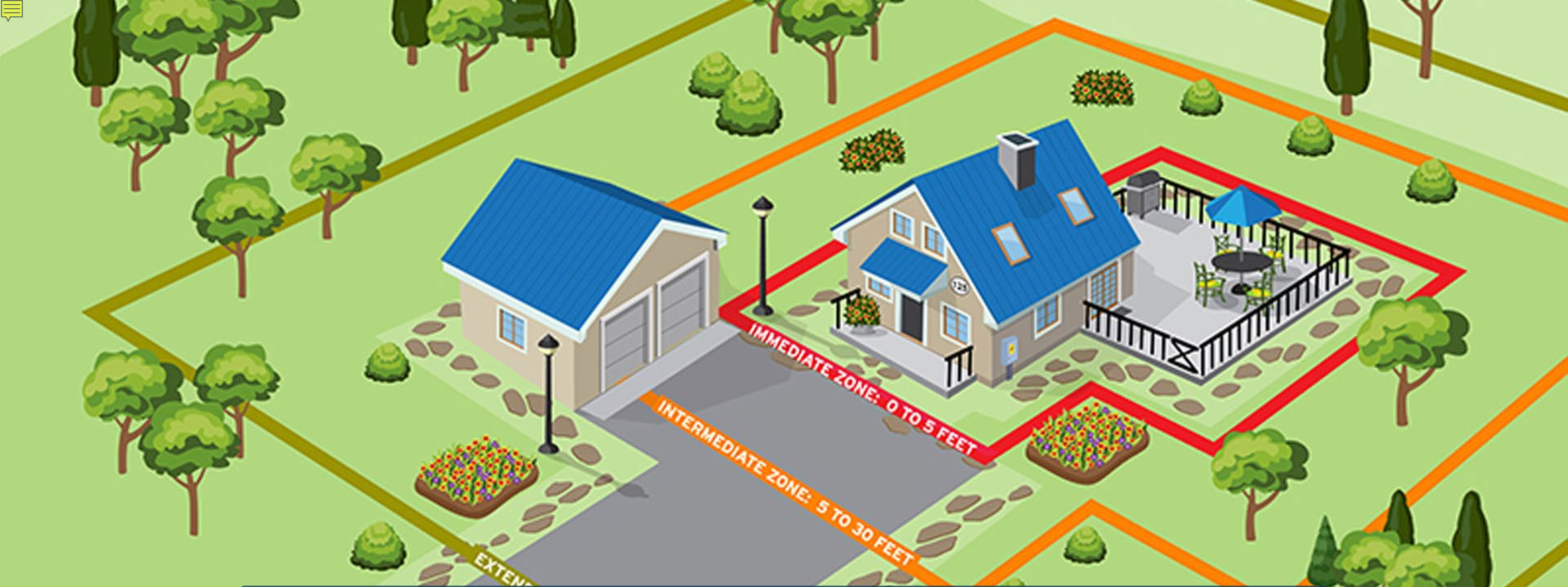
- Requiring insurance companies to write no less than 85% of homes and businesses in distressed areas and reduce FAIR Plan policies in order to achieve greater insurance availability for consumers

Introduce New Climate Risk Management Tools In Ratemaking

- Catastrophe Modeling and Reinsurance Costs

Continued Modernization of the FAIR Plan

- Ensure it remains financially solvent and sustainable while providing more – yet temporary – comprehensive commercial coverage for HOAs, affordable housing developers, and larger businesses.



The California Safe Homes Act

AB 888 - Asm. Lisa Calderon

Establishes a grant program within the Department of Insurance to support qualifying residents in obtaining new or replacement fire-safe roofs, and other fire-safe actions within 5 feet of the structure, covering part or all of the costs.

The California Community Fire Hardening Commission Act

SB 616 - Sens. Susan Rubio, Dave Cortese, & Henry Stern

Creates statewide wildfire safety commission designed to develop a more effective inspection system that enables individuals to receive insurance discounts for home hardening, thereby improving wildfire safety for entire communities.

Privacy Protection and Transparency In Aerial Imagery

AB 75 - Asm. Lisa Calderon

- Requiring 30-day advance notice before insurers conduct aerial inspections.
- Grants homeowners access to the images insurers use in coverage decisions.
- Ensuring transparency and accountability in the insurance inspection process.

Legislative Proposals

Business Insurance Protection Act (SB 547) Sen. Sasha Renee Perez & Sen. Susan Rubio
EExpands insurance moratoriums to businesses, HOAs, and non-profits.

The Insurance Payment Protection Act (AB 597) Asm. John Harabedian
Caps public adjuster fees to protect wildfire survivors.

Eliminate "The List" Act (SB 495) Sen. Ben Allen
Ensures full contents coverage without detailed inventory.

The Deceptive Disaster Relief Advertising Act (AB 637) Asm. Heath Flora
Requires transparency in post-disaster advertising to prevent scams.

The Insurance and Wildfire Safety Act (AB 1) Asm. Damon Connolly
Mandates regular updates to wildfire safety regulations.

The FAIR Plan Stability Act (AB 226) Asm. Lisa Calderon & Asm. David Alvarez
Strengthens FAIR Plan with catastrophic bond access.

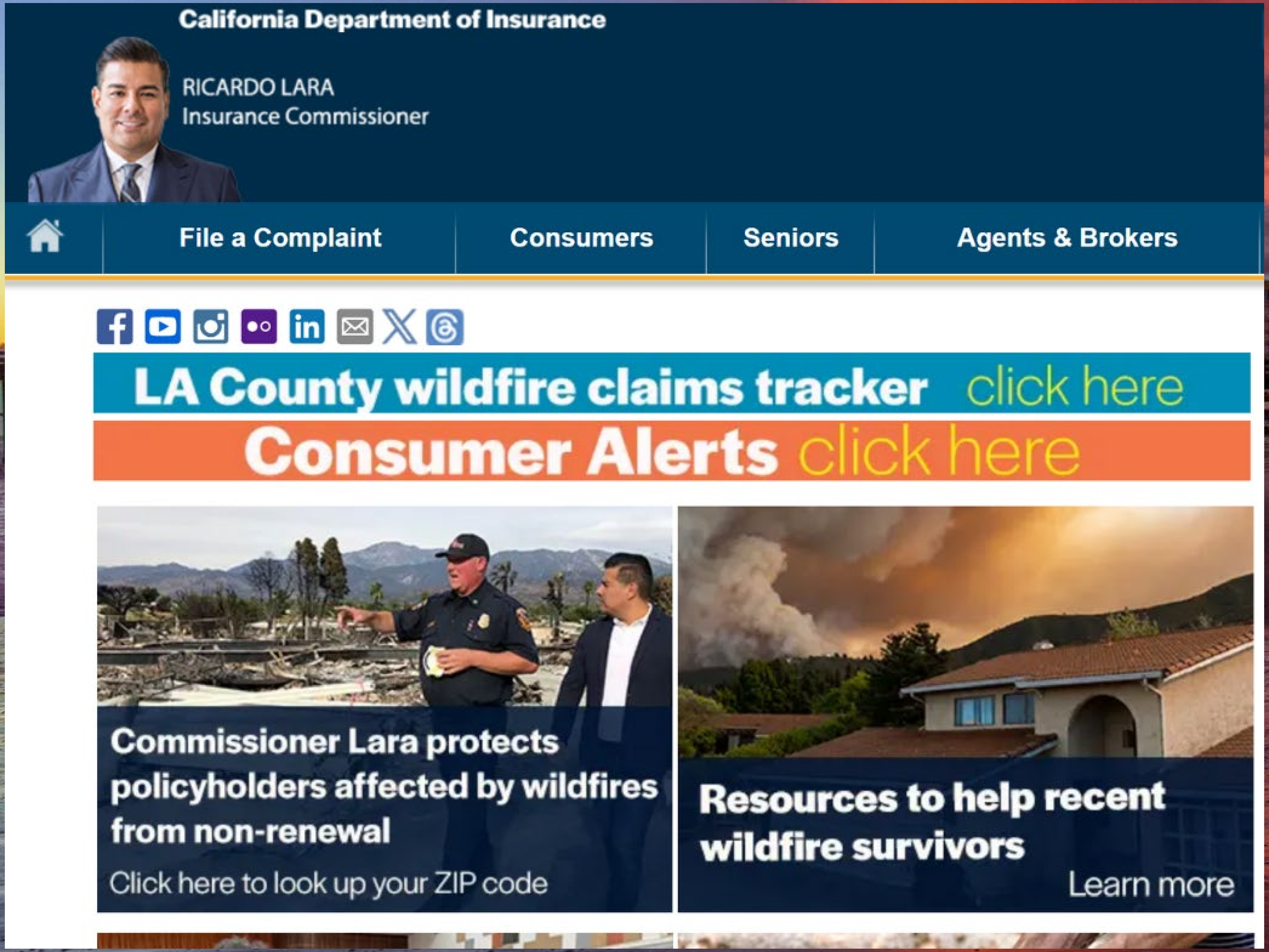
The California Public Wildfire Model Act (SB 429) Sen. Dave Cortese
Establishes first public wildfire risk model for transparency.

The Savings Accounts for Mitigation and Catastrophes Act (AB 232) Asm. Lisa Calderon & Asm. Mike Gipson
Creates tax-free savings for home hardening and disaster costs.

Tips To Find Residential Insurance

- After a nonrenewal notice, contact your insurer to discuss actions that may help you retain coverage.
- File a complaint with CDI if you believe your nonrenewal was unfair.
- Mitigate fire risk on your property and promptly begin searching for new coverage.
- Use CDI's Residential Insurance Company Contact List to find licensed insurers and obtain quotes.
- Find agents who speak your preferred language using CDI's Find an Agent or Broker tool.
- Compare premiums and coverages with CDI's Homeowner Premium Comparison and Coverage Comparison tools.
- If your agent can't find coverage beyond the FAIR Plan, contact other agents using CDI's Home Insurance Finder tool.
- Understand that the FAIR Plan is a last-resort option with limited coverage; consider supplementing it with a Difference in Conditions policy.
- Explore the non-admitted/surplus lines market if other options fail.

INSURANCE.CA.GOV



Contact Us

- Phone: 1-800-927-4357 (Consumer hotline for insurance complaints, questions, and assistance)
- Website: insurance.ca.gov
- Facebook: @insurancecagov
- Twitter/X: @CDInews
- Instagram: @cadeptofinsurance
- CDI Consumer Alerts