Safer from Wildfires in 1 2 3

Being safer from wildfires can help your insurance

May 19th Community Fire Safety Meeting
Met with more than **25,000** people over wildfires and insurance issues through **60 virtual events** in **40 counties** since 2019.
Creating additional consumer protections post-wildfire:

Initiated first-ever partnership with the State Legislature on laws:

- Increasing payouts and evacuation benefits for wildfire survivors (SB 872, Dodd, 2020)
- Creating new disclosures and coverage to meet upgraded building codes (AB 2756, Limón and Bloom, 2020)
More than 4 million policyholders have been protected from non-renewal over the past three years.

New state law gives one year of protection for all residents in area of a Governor-declared wildfire emergency – even if no losses suffered.

Contributed to overall decrease in non-renewals and helped to stabilize the market.
Progress report on wildfires and insurance

Insurance company non-renewals decreased by 10 percent

The number of homeowners non-renewed by insurance companies fell by 10 percent statewide in 2020 compared to the previous year — a decrease of 22,870 policies.
Increasing availability of insurance:

Insurance companies representing more than 46% of the market have committed to increase the number of new homeowners policies written and cease or limit non-renewals.
Progress report on wildfires and insurance

California has the nation’s largest residential insurance market

8.7 million residential policies

97% have regular homeowners insurance
3% have FAIR Plan coverage – California’s insurance safety net

We must modernize the FAIR Plan to better protect homes and businesses that need it.
The FAIR Plan is California’s insurance safety net and it needs to do more to help consumers.

- Doubled homeowners coverage limits to $3 million
- Increased commercial coverage limits for first time in 25 years – starting May 1
- Authorized agricultural coverage of farms, ranches, wineries and others under new state law

ONGOING – Ordered comprehensive homeowners’ insurance coverage option
Launched in January 2022, Safer from Wildfires is an interagency partnership between Insurance Commissioner Ricardo Lara and the state’s emergency response and readiness agencies to protect lives, homes, and businesses by reducing wildfire risk.
1 Protecting the structure

- Class-A Fire rated roof
- Maintain a 5 foot ember-resistant zone around a home (including fencing within 5 feet)
- Noncombustible 6 inches at the bottom of exterior walls
- Ember and fire-resistant vents (See Low-Cost Retrofit List, and Chapter 7A)
- Upgraded windows (Double pane or added shutters)
- Enclosed eaves
2 Protecting the immediate surroundings

- Cleared vegetation and debris from under decks
- Removal of combustible sheds and other outbuildings from the immediate surroundings of the home, to at least a distance of 30 feet
- Defensible space compliance (including trimming trees, removal of brush and debris from yard, and compliance with state law and local ordinances)
3 Working together as a community

- A community should have clearly defined boundary and a local risk assessment in consultation with the local fire district or state fire agency; an identified evacuation route, cleared of vegetative overgrowth, and evacuation plan contingencies; clear funding sources to implement community mitigation activities and meet clear risk reduction goals; and integrated and up-to-date local planning documents pertinent to community wildfire risk.
- Current examples include the Fire Risk Reduction Community designation under development by the Board of Forestry, Firewise USA communities in good standing, and Shelter-in-Place designations.
Regulations to lower costs & increase transparency

• Require insurance companies to factor consumers’ and businesses’ wildfire safety actions into their pricing

• Provide consumers with transparency about their “wildfire risk score” that insurance companies assign to properties.

• Give consumers the right to appeal their risk determination

Public hearing was April 13 — regulations expected to be in effect summer 2022
Regulations to lower costs & increase transparency

- **Premium discounts now available to 2 out of every 5 consumers**, with up to 20 percent discounts for wildfire-hardened homes – 6x increase since 2019

- Full list available at insurance.ca.gov

- With new regulations this will go from 40% to **100% of the market for the first time!**
QUESTIONS?

1-800-927-4357

insurance.ca.gov