

Affordability and Availability Playbook Outline Choose an item.

Audience: State Insurance Regulators, Legislators, and Policymakers

Purpose: A resource for state insurance regulators to address the growing challenges regarding homeowners' insurance affordability and availability, by peril and macroeconomic conditions, with a focus on innovation, collaboration, and emerging risk adaptation.

PART I: Direct Consumer Impact, Macro Trends, and Factors Increasing Existing Risks

A. Overview:

Intent: This section aims to provide a comprehensive understanding of the macro-level factors that affect the affordability and availability of homeowners' insurance.

Structure: The content is organized based on various macro-level factors.

Focus: It highlights how these macro-level dynamics are influencing insurance market pressures.

B. Homeowners' Insurance Availability and Affordability: Direct Consumer Impact

i. Affordability

- a. Homeowners Affordability Brief.pdf
- b. Increased rate trends, therefore, higher policyholder premiums

ii. Policyholder Impact and Availability

- a. Lack of or limited offering of insurance coverages and/or options
- b. Growing Protection Gap
 - i. [A majority of U.S. homes are underinsured by over 20 percent](#)
 - ii. [Inflation and rising rebuilding costs are widening the protection gap](#)
 - iii. Policyholders' share of the claim burdens is increasing
 - 1. Higher deductibles
 - 2. Percentage-based deductibles
 - 3. Exclusions, limitations, and sublimits
 - 4. Increased premiums
 - 5. Depreciation of claims
 - 6. ACV v. RCV
- iv. Expansion of residual markets
 - 1. An increasing number of people are denied home insurance coverage in the private market and must instead turn to state-sponsored plans
- v. Growth of the Surplus Lines Market
 - 1. An increasing number of people are denied home insurance coverage in the admitted market and must instead turn to surplus lines carriers with less consumer protections: no guaranty fund, unregulated policies, and rates.

iii. Interconnectedness of homeowners insurance on related markets

- a. The tightening availability and affordability of homeowners' insurance affects everything from property values and mortgage accessibility to local economies and government budgets, necessitating a reassessment of risk management and underwriting strategies nationwide.
- b. Instability in the insurance market can also directly affect renters as landlords pass on higher insurance costs.
- c. [Falling home values can affect local economies, especially those reliant on real estate and construction.](#)
- d. Affordable housing initiatives (informed by testimony in CO)

C. Macro-Factors and Emerging Risks Impacting Availability and Affordability

i. How the Insurance Market Regulatory Structure Shapes Insurance Solutions

- a. Role of regulatory structures and how evolving models and assumptions influence what is considered in insurance decision-making

ii. Reinsurance

- a. Reinsurance is an extremely important layer of protection that ultimately is the insurer of insurers. Reinsurance appetite, availability, and capacity helps promote protective layers of reinsurance protections to insurers for catastrophic exposure levels widening availability and affordability to consumers. Pricing for insurers can fluctuate annually when negotiating reinsurance contracts/agreements based on prior years' profits/losses. Layers of protection complementing the reinsurance layer are typically guarantee associations and governmental entities.
- b. Current environment includes reduced capacity, increased costs, and tightening terms and conditions, lower limits, and a strong push for higher retentions from reinsurers <https://www.reinsurancene.ws/>
- c. A strong correlation exists between an insurer's credit rating (like an AM Best rating) and its reinsurance premiums
- d. Emerging Risk: Weather-correlated losses, increased litigation and nuclear verdicts, cyber risk, unknown risks with AI adoption, pandemic, and social inflation reduce reinsurer appetite

iii. Ongoing catastrophic weather events (emphasis on future risks)

- a. Multiple convective storms in the Midwest
 - i. Minnesota is experiencing warmer winters and heavier rainfall, leading insurers to raise deductibles and reduce wind and hail coverage as claims increase.
 - ii. Severe convective storm perils in Iowa—including flood, hail, lightning, and wind—can cause widespread destruction. The wind peril can include derechos, downdrafts, hurricanes, straight-line winds, and tornadoes.
- b. Tornadoes in the Southeast

- i. Tornadoes are shifting east towards the Southeastern United States, resulting in more severe storms and fatalities in less prepared areas. Alabama's urban regions face increasing tornado impacts as activity migrates eastward. Mississippi experiences frequent, intense nighttime tornadoes. In Oklahoma, this shift makes it harder to predict the locations of the most severe storms, complicating preparedness and response efforts.

[Where is the highest tornado risk this year? Hint: Not Tornado Alley](#)
[Tornadoes are spinning up farther east in US, study finds | AP News](#)
[The regionality and seasonality of tornado trends in the United States | npj Climate and Atmospheric Science](#)

c. High Wind and Hail

- i. Eastern and southeastern Wyoming face major risks from frequent high winds, severe storms, and hail.

d. Wildfires

- i. CA: Drought-stressed forests and WUI (wildland-urban interface) expansion
 - [Compounding effects of climate change and WUI expansion quadruple the likelihood of extreme-impact wildfires in California | npj Natural Hazards](#)
 - [California's wildfire crisis: Expert insights on causes, spread, and solutions | Institute of Energy and the Environment](#)
- ii. Drought and bark beetles have made some Wyoming forests highly flammable, and increased development in these areas could raise the risk of large fires and limit insurance options. Officials warn that unchecked expansion into forests may cause insurance problems similar to California's, prompting a focus on mitigation grants and potential regulatory action.
- iii. In Oregon and Washington, drought and increased recreation have resulted in significant increases in human-caused fires, as outdoor recreation increases and the buildup of fuel and droughts make the areas more combustible.
- iv. As the wildland-urban interface expands and fire seasons lengthen, Colorado faces rising wildfire risks and volatile insurance markets.

e. Hurricane

- i. In Florida, coastal migration and rising sea levels are intensifying exposure zones, while in Alabama, many areas face emerging risks due to an aging housing stock that lacks storm resilience.

f. Snow, rainstorms, and flash floods

- ii. Minnesota is increasingly challenged by more intense storms, urban flash floods, and shifting precipitation patterns, all of which place mounting pressure on both infrastructure and insurance systems.

g. Flood/Inland Flood

- i. Inland flooding from snowmelt and heavy rain is a significant concern for Minnesota and states throughout the Mississippi River region.
- ii. A recent UNC [study](#) found that Coastal communities are inundated with flooding more often than previously believed, and floodwaters take longer to recede in rural areas than in urban areas.
- iii. Flash floods in July 2025 from Tropical Storm Chantal inundated streets, submerged vehicles, and forced evacuations in central North Carolina. Hurricane Helene in 2024 caused catastrophic flooding in western North Carolina, with some areas exceeding the 1916 flood levels
- iv. These rapid-onset floods can occur due to intense rainfall, often triggered by thunderstorms or heavy rain bands associated with hurricanes or tropical storms.
- v. The flood peril creates the most losses and has the largest insurance protection gap nationwide. The flood peril itself can impact nearly all territories nationwide and globally.
- vi. The NFIP (National Flood Insurance Program), as well as a growing private flood insurance market, are working concurrently to get more people covered from this potentially catastrophic peril. The pooling mechanism of insurance can work much better for individual flood protection coverage if there is a larger pool of protection in place. Technological advancements in predictive modeling specific to the flood peril have made insuring losses from it much more feasible than in the past.

h. Earthquake and Tsunami

- i. [Climate-Driven Sea Level Rise](#) Exacerbates Alaskan and Cascadian Tsunami Hazards in Southern California

iv. Data Transparency and its Impact on Availability and Affordability

- a. Use of Proprietary Wildfire Maps and Lack of Consistent Standards and Risk Classification
 - i. The use of proprietary wildfire maps by insurers has resulted in inconsistent and often unclear definitions of wildfire risk and protection classes. These inconsistencies can occur even within the same town. Insurers' refusal to share this data, including with their own agents, further complicates matters. As a result, regulators in wildfire-prone states like Wyoming, Colorado, and California struggle to verify nonrenewals. The lack of a consistent standard for wildfire risk zones raises worries that insurers might adopt their own proprietary protection class ratings, making it difficult for homeowners to contest or appeal decisions.
- b. Flood Mapping Concerns and the Need for a Common Standard

- i. In Minnesota, FEMA flood maps poorly represent the risk where flood disaster areas may occur, underscoring the gap between publicly available data and actual risk on the ground. Similarly, Alabama’s floodplain property assessment project revealed inconsistencies in FEMA maps, highlighting the broader need for unified, up-to-date standards—such as those provided by NOAA. These discrepancies raise concerns about basing insurance decisions on potentially flawed mapping.
 - ii. As a result, the importance of alternative models, like First Street’s flooding model, is increasing, especially as they are adopted by housing finance agencies. Insurance is thus emerging as a crucial link between the financial and risk sectors. However, the National Flood Insurance Program (NFIP) continues to face limitations due to insufficient sophistication and funding. NFIP needs reauthorization by 9/30/2025. The CAT bonds for it are being allowed to lapse and not be renewed.
 - iii. A notable gap also exists between public risk models and those used by insurers, such as differences between FEMA flood maps and the First Street Foundation’s models. A potential solution is to empower the private market to address coverage gaps, while also advocating for standardized national mapping frameworks—possibly based on NOAA data—to reduce inconsistencies among insurers and enhance overall transparency.
 - c. Continued Access to NOAA and FEMA data for weather modeling
 - v. **Communication and Education gaps**
 - a. How consumers access and understand insurance information.
 - b. Consumer-level access challenges and how limited transparency affects decision-making.
 - vi. **Influence of Adjacent Industries**
 - a. HOAs
 - b. Housing development and rebuilding costs
 - i. Housing costs and building requirements directly affect insurance, since higher-cost areas are typically more expensive to rebuild.
 - ii. Impact of inflation and supply chain disruptions on rebuilding costs
 - 1. State measures to index dwelling coverage to inflation trends <https://www.corelogic.com/>
 - 2. [Persistent inflation and supply chain issues since the Pandemic, followed by tariffs in the current administration impacting material costs Here’s How Trump’s Tariffs May Affect Home Insurance Prices in 2025](#)
 - 3. [Where homeowners insurance costs are rising the most - and how Trump's tariffs could make them worse | Morningstar](#)

4. [Tariffs Could Raise Home Insurance Costs up to 38% Faster | Insurify](#)
5. Emerging Risk: Labor and materials shortages, tariff uncertainty
- iii. Impact of building codes on insured losses and the need to bolster the resilience of the built environment
- iv. Trial Bar - Impact of excessive litigation and social inflation
 1. States addressing litigation abuse in claims
 2. FL AOB reform <https://www.flsenate.gov/Session/Bill/2023/837>
 3. Emerging Risk: Growth of weather-related liability lawsuits is raising carrier risk aversion

PART 2: Peril-Specific State Innovation and Action

A. Overview:

- **Explain intent:** to provide potentially replicable strategies for policymakers to leverage when addressing affordability and availability for homeowners' insurance.
- **Explain the structure:** State peril profiles (by peril, state, actions/resources)
- **Explain focus:** 1) strategies various states have used that could be leveraged by other states, 2) Peril dynamics, including how emerging risks are driving peril intensity and insurance market pressures

B. Cross-peril strategies

i. Tort Reform

- a. FL Senate Bill 2A has reduced lawsuits by over 30% year-over-year and helped insurers return to profitability by:
 - i. Eliminating Automatic Awards of Attorney Fees in Property Insurance Lawsuits
 - ii. Eliminating Most Assignments of Benefits in Property Insurance Claims
 - iii. Reducing Claim Filing Deadline
 1. Reduces the deadline for policyholders to report a claim from 2 years to 1 year for a new or reopened claim, and from 3 years to 18 months for a supplemental claim.
 2. Legislative changes, like time limits for filing claims, have helped stabilize the market.
 - iv. Bad Faith Failure to Settle Actions Against Property Insurers

ii. Parametric Insurance

- a. Affordable alternative financial protection solutions known as parametric insurance are beginning to become more available to consumers. These products can not only help fill some of the protection gaps created by higher deductibles and reduced coverage, but their "triggers" for payment allow them to get money to consumers much more quickly when disasters such as floods and tornadoes strike. However, because of the lower limits available for this type of protection, standard insurance contracts and coverage should still be a part of the consumers' overall insurance and financial services protection package.
- b. Examples of affordable nontraditional solutions to help fill the gap left by deductibles and other costs:
 - i. For more information on Sola: <https://solainsurance.com/>.
 - ii. Neptune Flood <https://coastalinsurancesolution.com/neptune-flood-insurance-private-vs-femas-national-flood-insurance-program-public/>
 - iii. [Mississippi River Project](#)

iii. Risk Mitigation and Incentives

- a. Overview and role of incentive and grant programs (FORTIFIED, NFIP CRS)
 - i. [List of Mitigation Insurance Discounts and Tax Savings - Smart Home America](#)
 - ii. <https://www.fema.gov/grants/mitigation/building-resilient-infrastructure-communities>
 - iii. [Financial Incentives - FORTIFIED - A Program of IBHS](#)
- b. Premium incentives tied to verified mitigation action
- c. Emerging building technologies
 - i. fireproof siding, impact-resistant roofing, smart home technologies, such as water intrusion devices and automatic utility shutoffs
- d. Resilience Policy Resource Guide and Retrofitting Program Playbook
- e. [CIPR Playbook](#) mitigation program resource

iv. Public and Private Sector Collaboration

- a. [Community-Based Catastrophe Insurance pilots](#)
- b. State-led risk pools and regional modeling consortia
- c. Education campaigns with nonprofit and local partners
- d. State programs to backstop risk (e.g., catastrophe funds)

v. Technology and Data Innovation

- a. GIS/satellite-based risk scoring and post-disaster verification
- b. AI for claims triage and fraud reduction
- c. Climate model integrations with state affordability forecasting
<https://firststreet.org/>

vi. Equity and Market Access

- a. Monitoring insurance deserts and coverage gaps
- b. Addressing affordability in tribal, low-income, and rural regions

- c. Balancing risk-based pricing with social protections

https://content.naic.org/cmte_ex_race.htm

C. Hurricanes, Severe Convective Storms, Wind – Florida (FL), Mississippi (MS), Alabama (AL), Minnesota (MN), Wyoming (WY):

ii. Florida

b. Reports

- i. [IBHS Study Rating-the-States-report.pdf](#) State building code enforcement impact

c. Regulations:

- i. The Florida Administrative Code Rule 69O-170.0155 is the regulation that governs the Uniform Mitigation Verification Inspection Form (OIR-B1-1802). [§627.0629, F.S.; Rules 69O-170.0155/017](#)
- ii. [Rule 69O-170.017, F.A.C.](#), mandates that all residential property insurers provide windstorm mitigation discounts based on forms like OIR-B1-1700 (for non-single family residences) and OIR-B1-1699 (for single family residences). These forms incorporate discounts based on studies on wind-resistive features of residential structures.
- iii. [Section 627.0629, F.S.](#) requires OIR to periodically review and update the fixtures or construction techniques that reduce windstorm damage and the related insurance discounts.

d. Adopted Legislation:

- i. [SB 2A \(2022\)](#): 1) Eliminating Automatic Awards of Attorney Fees in Property Insurance Lawsuits, 2) Eliminating Most Assignments of Benefits in Property Insurance, 3) Reduced Claim Filing Deadlines, 4) Bad Faith Failure to Settle Actions Against Property Insurers
- ii. [SB 2D \(2022\)](#) establishes the My Safe FL Home Program only for homes in wind debris regions with a Separate Roof Deductible and Roof Age criteria
- iii. [House Bill 881](#) expands the My Safe FL Home Program to all FL homes that meet specific criteria
- iv. [Senate Bill 7028](#) implemented a priority scale for the My Safe FL Home Program, starting with low-income homeowners at least 60 years old, additional funding. [Program Website](#)
- v. [CS/HB 1549](#) revising the criteria for exporting insurance coverage to the surplus lines market. Removes diligent effort requirement. Only disclosure requirement

- e. [2025 Legislation that Did Not Pass:](#)
 - i. Proposed legislation impacting affordability:
 - 1. H 705 & 1448: Suggests that mandated rate increases for Citizens Property Insurance Corporation would not apply to new policies after a certain date.
 - 2. H 957: Aims to cap rate increases for property insurers at a certain percentage.
 - 3. H 1433 & S 1740: These bills link My Safe Florida Home grants to mitigation improvements and require increased surpluses for insurers.
 - 4. H 1541 & S 1746: These bills clarify that certain policy provisions don't prevent insurers from offering policies with roof covering reimbursement schedules.
 - 5. S 1020: Proposes changes to Citizens Property Insurance Corporation eligibility and mandates rate increases in specific counties.
 - 6. S 1222: Would alter the consumer advocate's powers and restrict the Office of Insurance Regulation's ability to approve certain rate filings.
 - ii. Proposed legislation impacting availability
 - 1. H 13: Requires Citizens Property Insurance Corporation to offer windstorm coverage for both residential and commercial structures.
 - 2. H 841 & S 790: These bills would prohibit insurers from canceling or not renewing certain policies damaged by hurricanes or wind within specific timeframes.
 - 3. H 1073: Revises eligibility for Citizens Property Insurance Corporation coverage in certain counties and requires rate increases in those areas.
 - 4. S 114: Would rename the state Catastrophic Storm Risk Management Center and require collaboration with the Office of Insurance Regulation to analyze the market.
 - 5. HM 4003 & HM 4069: These federal measures urge Congress to create a federal catastrophe risk pool and reform homeowners' insurance to spread risk and lower costs.
 - 6. S 230: Clarifies prohibitions on certain damage claims, requires specific damages to be available through a policy, and revises circumstances for policy cancellations.
- f. Data Collection:
 - i. [Catastrophe Claims Data](#)
- g. Strategy, Initiatives, & Resources:
 - i. My Safe FL Home – <https://mysafehome.com/>

- ii. [The Florida Hurricane Catastrophe Fund \(FHCF\)](#) represents a governmental, tax-exempt fund that all property residential companies in Florida must place a reimbursement contract with, applicable to their catastrophe reinsurance program (named storms only)
- iii. OIR's **Florida Public Hurricane Loss Projection Model** developed by Florida International University see section 627.06281, F.S.
 - 1. OIR runs insurer experience in public model to compare insurer indications in rate filings
 - 2. OIR runs insurer experience for catastrophe stress testing
 - 3. FIU has also developed a Public Flood Loss Projection Model and is working on a Public Severe Convective Storm Loss Projection Model.

iv. [Florida Wind Mitigation Programs](#) Adopted Forms

- 1. [Uniform Mitigation Inspection Form \(OIR-B1-1802\)](#)
 - a. Licensed home inspector completes the form, validating mitigation attributes or construction. The insurer evaluates the form to determine if any discounts are eligible to reduce the hurricane wind premiums.
 - b. This form, along with the discount tables listed below, must be used by all Florida residential property insurers, unless the insurer opts to conduct a separate study from OIR's to reevaluate and update the fixtures or construction techniques demonstrated to reduce the amount of loss in a windstorm and the discounts, credits, other rate differentials, and appropriate reductions in deductibles that reflect the full actuarial value of such fixtures or construction techniques.
- 2. [Windstorm Mitigation Discounts; Single Family Residences \(OIR-B1-1699\)](#) form displays the range of wind premium credits for existing construction on single-family residences.
- 3. [Windstorm Mitigation Discounts; Non-Single Family Residences \(OIR-B1-1700\)](#) form displays the range of wind premium credits for existing construction on non-single family residences.
- 4. [Notice of Premium Discounts for Hurricane Loss Mitigation \(OIR-B1-1655\)](#) form is provided by the insurer to the policyholder for any personal lines residential policy at the time of issuance and at each renewal, describing what actions the policyholder may be able to take to reduce their windstorm premium.

h. Partnerships:

- i. [Citizens Property Insurance Corporation – Depopulation/Takeout Program](#)
- ii. [FLOIR: Takeout Company Approvals](#)

- i. Consumer Outreach and Educational Materials:
 - i. [Consumer Outreach & Education webpage](#)
 - 1. Consumer Education Programs
 - a. [Plan Prepare Protect: Are You Disaster Ready?](#)
 - b. [Demolish Contractor Fraud: Steps to Avoid Falling Victim](#)
 - 2. Consumer Education Resources
 - a. [Applying For Homeowners Insurance](#)
 - b. Etc.

iii. Mississippi

- a. Reports
 - i. 2024 Extreme Wind Conference - [State leaders discuss hurricane mitigation program during Extreme Wind Conference](#)
- b. Regulations:
 - i. The 2022, the [Mississippi Building Code Council](#) implemented a building-code update in hurricane/flood zones
 - ii. The Mississippi Homeowner Insurance Policyholder Bill of Rights was enacted through [19 Miss. Admin. Code, Part 1, Chapter 34](#)
 - iii. 19 Miss. Admin. Code, Part 5, Chapter 7: Strengthen Mississippi Homes Program. Effective January 1, 2025
- c. Adopted Legislation:
 - i. 2024 MS SB2130 Homeowners' insurance; prohibits an insurer from cancelling or denying coverage solely due to a roof's age.
 - ii. [§83-7-1](#), mandates that insurance companies provide premium discounts to homeowners who mitigate their properties according to the standards set by the Insurance Institute for Business and Home Safety (IBHS).
 - iii. [H 1611](#) extends the required notice period for changes to p/c policies from 30 days to 45 days
- d. Upcoming Legislation:
- j. Data Collection:
- k. Strategy, Initiatives, & Resources:
 - i. [Strengthen MS Homes Grant](#) shut down for political reasons
 - ii. [MWUA Mitigation Incentives](#)
 - iii. [Premium Discounts: FORTIFIED](#)
 - 1. Targeting new construction is essential in implementing IBHS standards.
 - iv. Proactive building code conversations
 - v. Policyholder education on retrofitting, risk-based pricing, and local hazard zones
 - vi. Focus on rural tornado-prone communities and safe housing retrofits

- I. Partnerships:
 - i. [Windstorm Insurance Network](#) (WIND) is a member association that hosts an annual conference to bring together defense and policyholder professionals to engage on property/windstorm insurance claims issues, regional mitigation lessons, and emerging policy innovations.
- m. Consumer Outreach and Educational Materials:
 - i. Disaster prep resources
 - ii. Resources to assist homeowners, including a Homeowner's Insurance Shopping Tool, Consumer Hurricane Checklist, and information on the Mississippi Residential Property Insurance Underwriting Association.

iv. Alabama

- a. Reports
 - i. [FORTIFIED Homes Study: The Alabama Department of Insurance \(.gov\)](#) commissioned a study by the University of Alabama's Center for Risk and Insurance Research, which found that FORTIFIED homes, built to a higher standard of construction, suffered significantly less damage and required fewer insurance claims during Hurricane Sally compared to standard construction homes. This study highlights the potential for mitigation efforts to improve insurance affordability and availability in coastal areas.
 - ii. [Affordable Homeowners Insurance Commission Report](#): Governor Bentley created this commission to address the rising cost and limited availability of homeowners insurance, particularly in coastal areas vulnerable to storms. The commission produced a report with recommendations to address these issues.
 - iii. [Coastal Insurance Working Group Report](#): This group, created by Governor Bentley, focused on public policy and multi-state approaches to address the cost of property insurance along Alabama's Gulf Coast. Their report includes potential solutions for lowering insurance costs by decreasing expected losses, expenses, and capital costs according to the Alabama Department of Insurance
 - iv. [Hurricane Sally IBHS Study](#) found that the data from the Hurricane Sally data call demonstrated significant claim reductions for homes built to Fortified standards.
- b. Regulations:
 - i. [IBHS FORTIFIED code adoption](#)
- c. Adopted Legislation:
 - i. Alabama Act 2009-500 (Ala. Code §§ 27-31D-1 et seq.): Passed in 2009, requires insurance companies to provide discounts to homeowners in specific coastal counties who receive a FORTIFIED Home™ designation.

- ii. Alabama Code Section 27-31D-2.1: This code requires insurers to offer an endorsement for coastal homeowners insurance policies that helps cover the cost of rebuilding damaged homes to the FORTIFIED Roof standard.
 - iii. Alabama House Bill 283 (HB 283): Enacted in 2020, this legislation mandates that insurance companies writing homeowners insurance must offer a fortified bronze roof endorsement. This endorsement covers the additional costs associated with bringing a roof up to FORTIFIED Roof standards when a full roof replacement is covered by the insurer.
- d. Upcoming Legislation:
 - i. House Joint Resolution 220 (HJR220): Adopted in April 2025, HJR220 emphasizes the need to address the challenges of instability and affordability in commercial property insurance in coastal areas. While focusing on commercial insurance, the strategies outlined could potentially impact the broader insurance market and indirectly affect homeowner insurance. These strategies include exploring state reinsurance initiatives, incentivizing risk reduction, and enhancing oversight of insurer practices.
 - ii. Pending H 106 and S 73 (Catastrophe Savings Accounts)
 - iii. Pending H 275 (State Insurance Regulations) defines replacement cost in insurance regulations.
- e. Data Collection:
 - i. Hurricane Sally data call
 - ii. Property Insurance Clarity Act requires insurers to report annual data on homeowners' policies, premiums, and losses.
- f. Strategy, Initiatives, & Resources:
 - i. Alabama's building code adoption and Fortified program has led to 25% of coastal homes now meeting Fortified or improved standards.
 - ii. [Strengthen Alabama Homes](#)
 - 1. Mitigation grant programs such as AL's are growing adoption of mitigation practices by homeowners nationwide, even without code changes
 - iii. [Premium Discounts-FORTIFIED](#)
 - 1. FORTIFIED Roof: 25–35% discount on the wind portion of the premium.
 - 2. FORTIFIED Silver: 35–45% discount.
 - 3. FORTIFIED Gold: 45–55% discount.
 - iv. Tax incentive for home mitigation
 - 1. Retrofit Tax Deduction
 - 2. Catastrophe Savings Accounts
- g. Partnerships:

- i. [Alabama Insurance Underwriting Association](#)
 - ii. The [Hurricane Insurance Issues Task Force](#) discussed during its April 20, 2025, meeting creating an insurance referral service for homeowners in challenging coastal coverage areas
- h. Consumer Outreach and Educational Materials:
 - i. [County Safe Rooms](#)
 - ii. Speaking to community and consumer groups throughout the state.
 - iii. After major storms, deploys staff to Disaster Recovery Centers to assist Alabamians with insurance issues.
 - iv. Distributes thousands of information packets at events like the Alabama National Fair.
 - v. Offers a "Consumer's Guide to Homeowners Insurance"
 - vi. The ALDOI website offers tools to compare homeowners insurance premiums from different companies.

v. Minnesota

- a. Reports
 - i. [Homeowners Report](#) provides Minnesota residents with a general understanding of trends in the Minnesota homeowners insurance marketplace annually.
 - ii. The Minneapolis Federal Reserve released a [report](#), finding multi-family housing providers have seen massive increases in their insurance costs.
- b. Regulations:
- c. Adopted Legislation:
 - i. Minnesota [Statutes Section 72A.20](#), Subdivision (b) replaces existing geographic rating laws with a prohibition on using more than one rating territory within certain cities
 - ii. Minnesota [Statutes, sections 65A.28 and 65A.29](#) require insurers to submit certain types of data related to homeowners' insurance on an annual basis.
 - iii. Minnesota Statutes, Chapter 62E, Section 62E.23 allows the commissioner of commerce to call a public hearing if an insurer proposes a premium rate increase of 25% or more within a 12-month period.
 - iv. [Minnesota Statute 65A.298](#) mandates that insurance companies offer premium discounts or rate reductions to homeowners who build or renovate their properties to meet specific [FORTIFIED Home program standards](#)
 - v. [Minnesota Statutes, sections 65A.31 to 65A.42](#) established the FAIR plan
 - vi. [Minnesota Statute 65A.01](#) mandates that all homeowners' insurance policies include fire insurance coverage.

- vii. [Minnesota Statutes Section 72A.20](#) addresses unfair and deceptive acts and practices in the insurance business, including prohibiting underwriting decisions based solely on factors like neighborhood or environmental hazards outside the owner's control.
- viii. Bills [SF 2205](#) and [HF 2228](#) aim to establish a legislative task force to explore solutions to Minnesota's property insurance crisis.
- ix. HF 1519 and SF 2230 propose that surplus lines brokers must notify policyholders of possible FAIR Plan eligibility when placing homeowner's or property insurance with non-admitted insurers.
- d. [Upcoming Legislation](#):
 - i. HF 2460 and SF 665 address when insurers can cancel policies before renewal, typically allowing midterm cancellations only for reasons like non-payment.
- e. Data Collection:
 - i. Homeowner Insurance Reporting: The Department of Commerce requires insurance companies in Minnesota to submit specific data related to homeowners' insurance annually. This data is used to produce reports and track trends in the market, including factors impacting availability and affordability.
- f. Strategy, Initiatives, & Resources:
 - i. Protects availability through a [FAIR plan](#), mandatory fire insurance, [underwriting standards](#), limits on coverage to replacement value, and restricted cancellation reasons.
 - ii. Protects affordability by requiring homeowners insurance policies to provide [replacement cost coverage](#) and adjustable coverage limits and prohibits insurers from adjusting rates based on certain factors.
 - iii. [Strengthen Minnesota Homes Grant Program](#), once launched, will help homeowners improve resilience against severe weather by funding upgrades to meet IBHS FORTIFIED standards.
 - iv. Minnesota will require insurance companies to offer a premium discount for roofs upgraded or built to the FORTIFIED standard
- g. Partnerships:
- h. Consumer Outreach and Educational Materials:
 - i. Consumer website resources: [basics of homeowner insurance](#), [Disaster Information Center](#), tips for managing costs, common gaps in coverage, advising homeowners to check their policies for coverage changes related to wind and hail damage deductibles.

vi. Wyoming

- a. Reports
- b. Regulations:

- i. Wyoming Insurance Regulation Chapter 26 does not allow depreciation of labor for the installation and tear-off of roofing materials. It also addresses adjustment practices for claims when roofing materials are obsolete and unable to be replaced.
- c. Adopted Legislation:
 - i. Wyoming Statutes § 26-23-107 (2024) places restrictions on cancellation and Nonrenewal of Homeowners' Insurance Policies for natural Causes.
- d. Upcoming Legislation:
- e. Data Collection:
 - i. WY does not regulate rates/rules but have recently conducted data calls for rules on the top 7 companies that sell homeowner's insurance. This was done as there is more language leaving the policy and being added to the rules.
- f. Strategy, Initiatives, & Resources:
 - i. Some insurance companies are offering water detection devices, free of charge, to their homeowner customers to reduce water claims.
- g. Partnerships:
 - i. The Department of Insurance regularly communicates with the professional trade organizations that represent Property and Casualty Insurance companies in an effort to keep the public aware of ongoing issues that impact property insurance.
- h. Consumer Outreach:
 - i. Consumer's Guide to Home Insurance and a Home Insurance Shopping Tool
 - ii. Concerted effort to make the public aware of common claims issues in WY, one of which is high wind. This is done through the DOI website and Public Service Announcements every month.

D. Tornadoes – Alabama (AL), Iowa (IA), Oklahoma (OK), Mississippi (MS)

i. Alabama

- a. Reports:
 - i. [Affordable Homeowners Insurance Commission Report](#) (2012): Recommendations to address tornado-related affordability and transparency.
 - ii. Hurricane Sally IBHS Study: Validates effectiveness of FORTIFIED construction. [<https://ibhs.org>]
- b. Regulations:
 - i. [Insurance Regulation 482-1-135](#): Mediation for disputed claims from tornadoes, hurricanes, and tropical storms

- ii. [Alabama Code §§27-22-40 through 27-22-45](#) will require new and renewal homeowners insurance policies to include an [Outline of Coverage and a Comprehensive Policy Checklist](#). In addition, all insurance companies writing residential policies in Alabama must post on their websites the twelve “minimum standards” to be followed.
 - iii. [2024 Code of Alabama Title 40 - Revenue and Taxation. Chapter 18 - Income Taxes. Article 12 - Catastrophe Savings Account](#)
 - iv. [Ala. Admin. Code r. 482-1-125-.07 - Standards For Prompt, Fair And Equitable Settlements Applicable To All Insurers](#)
 - v. Alabama has building codes in place to address storm safety, particularly in areas prone to tornadoes. These codes reference the International Code Council (ICC) 500 standard for storm shelter design and construction, which is also referenced by the International Building Code (IBC) (non-mandatory local enforcement).
 - vi. [2024 Code of Alabama. Title 27 - Insurance. Chapter 31D - Homeowners Insurance Discount for Windstorm Mitigation. Section 27-31D-2](#) - Premium Discount or Insurance Rate Reduction - Fortified Existing Homes.
- c. Adopted Legislation:
 - i. [SB 210 \(2012\): Property Insurance Clarity Act](#). Insurance Department, required to collect information from insurance companies on homeowners insurance policies and premiums by counties and zip code and post aggregate information on website, Catastrophe Savings Accounts Law (2012).
- d. Upcoming Legislation:
 - i. [H 106](#) and [S 73](#) amend Sections 40-18-310, 40-18-311, and 40-18-312, Code of Alabama 1975; to expand expenditures and raise caps on catastrophe savings accounts
 - ii. [H 275](#) Establish a statutory definition of "replacement cost" that includes quality factors that must be used to determine cost.
- e. Data Collection:
 - i. Annual insurer reporting via SB 210.
 - ii. Post-catastrophe claims data calls
- f. Strategy, Initiatives, & Resources:
 - i. Strengthen Alabama Homes Grant Program
 - ii. Mitigation discounts (20–60%).
 - iii. Catastrophe Savings Accounts
 - iv. AIUA (Wind Pool) coverage.
- g. Partnerships:
 - i. IBHS and Smart Home America for FORTIFIED
 - ii. FEMA and AEMA collaboration

- iii. The Alabama Center for Insurance Information and Research at The University of Alabama Culverhouse College of Commerce has partnered with PCIAA, the Alabama Department of Insurance and Smart Home America to produce the “[2016 Tornado Preparedness Guide & Insurance Tips](#)”
- h. Consumer Outreach and Educational Materials:
 - i. Deployment of mobile help centers
 - ii. Post-tornado consumer bulletins and hotline.
 - iii. Community safe rooms

ii. Mississippi

- a. Reports:
 - i. Clarity Act data sets (HB 739)
- b. Regulations:
 - i. Mississippi Code [§ 17-2-4](#), also known as the State Uniform Construction Code set requirements for building code opt-in
 - ii. 19 Miss. Admin. Code, Part 5, Chapter 7: Strengthen Mississippi Homes Program. Effective January 1, 2025
- c. Adopted Legislation:
 - i. HB 739 (2015): Property Insurance Clarity Act
 - ii. [SB2224](#) Assignment of Benefits Reform
 - iii. HB 888 (2023–24): Wind Damage Mitigation Program
 - iv. [S.1708](#) Storm Shelter Act establishes a tax credit for installing a storm shelter
- d. Upcoming Legislation:
- e. Data Collection:
 - i. Clarity Act database
 - ii. NAIC catastrophe data calls
 - iii. Post-event loss tracking
- f. Strategy, Initiatives, & Resources:
 - i. Strengthen MS Homes grants (FORTIFIED Roof).
 - ii. MEMA Safe Room Grant Program.
- g. Partnerships:
 - i. MID and MEMA coordination
 - ii. FEMA and IBHS relationships
 - 1. Collaborate with FEMA's Hazard Mitigation Assistance (HMA) to provide additional safe room funding
 - iii. Smart Home America program alignment
 - iv. 2024 Tornado/Wind Conference
- h. Consumer Outreach and Educational Materials:
 - i. Tornado Claims Bulletin
 - ii. Claims and Preparedness Guides

- iii. Home inventory tools
- iv. Consumer alters and annual Severe Weather Preparedness Weeks
- v. In-person help at Disaster Centers
- vi. Safe room education

iii. Iowa

- a. Reports:
- b. Regulations:
 - i. Unfair Claims Settlement Practices Act §507b.4
 - ii. [Flexibility in claims and coverage timelines during a disaster](#)
 - iii. Fair and equitable settlement of a claim pursuant to Iowa Code sections 507B.3 and 507B.4.
 - iv. [Bulletin 25-04](#) describes how a significant portion of SF 619 implements new regulations for how adjusters and contractors operate following disasters like tornadoes.
 - v. Iowa Code Chapter 515F: Iowa FAIR Plan Association
- c. Adopted Legislation:
 - i. Disaster assistance, including a revolving loan fund ([SF 619 \(2025\)](#)) provides funding for Iowa's recovery efforts (prompted by the 2024 floods and tornadoes), makes significant changes impacting how public and independent adjusters operate following disasters, including new state licensing rules for individuals involved in the insurance claims process to protect homeowners from fraud during the insurance claims process.
- d. Upcoming Legislation:
 - i. [HF 988](#) (Pending): Catastrophe Savings Accounts
 - ii. [Senate Study Bill 1188](#), introduced on February 25, 2025, improves and expands state disaster aid programs, assistance for short-term housing, and solutions to provide for damaged city and commercial buildings affected by natural disasters.
- e. Data Collection:
- f. Strategy, Initiatives, & Resources:
 - i. State strategy and initiatives, not specific to the IA DOI
 - 1. Enhanced Mitigation Plan
 - 2. [Natural Hazard Mitigation Loan Program](#)
 - 3. [Disaster Housing Assistance Fund](#)
 - 4. [Public Safe Room Grants](#)
 - 5. [Iowa Individual Disaster Assistance Grant Program \(IIAGP\)](#)
 - 6. A Strengthen Iowa Homes program has been developed and proposed, but it will need to gain future legislative support.
- g. Partnerships:
 - i. State and IA State University partnership: [Iowa State University tornado research](#), [NEWRITE project](#)

- ii. Iowa Department of Homeland Security and Emergency Management ([HSEMD](#)) and Finance Authority on resilience loans.
- iii. Iowa is among 15 states with a FEMA-approved Enhanced Mitigation Plan, qualifying it for extra disaster mitigation funding. [FEMA HMGP](#)
- h. Consumer Outreach:
 - i. [Consumer Connection bulletins](#)
 - ii. [Claims guide circulation post-disaster](#)
 - iii. DRC representatives for on-site claim help
 - iv. [Community Action Agencies and Disaster Case Advocacy](#) (rural)

iv. Oklahoma

- a. Reports:
 - i. [Tornado Damage Mitigation: Benefit–Cost Analysis of Enhanced Building Codes in Oklahoma](#) uses data provided by the OK DOI
- b. Regulations:
 - i. Oklahoma Statutes [Section 1151.30 of Title 59](#) prohibits roofing contractors from waiving insurance deductibles as an advertisement or inducement for sale
- c. Adopted Legislation:
 - i. OK [HB 1084](#) takes effect Nov. 1, 2025, and regulates the assignment of post-loss insurance benefits related to auto, residential, and commercial property insurance. The intention is to reduce potential abuse that can drive up costs for insurers and, subsequently, homeowners.
- d. Upcoming Legislation:
 - i. Inhofe Disaster Savings Accounts ([HB 1834](#) pending) would allow individuals to create a Disaster Savings Account specifically for covering insurance deductibles and self-insured losses related to catastrophic events such as hurricanes, tornadoes, and floods.
- e. Data Collection:
 - i. [Pre and Post Disaster Data Calls](#)
- f. Strategy, Initiatives, & Resources:
 - i. [SoonerSafe Safe Room Rebate Program](#)
 - ii. [OK-MAP](#) program is a high-risk pool for homeowners who have been denied coverage in the regular market at least 2 times.
 - iii. In 2025, OK OID opened applications for the [OKReady](#) grant program, helping homeowners upgrade to IBHS FORTIFIED Home standards for wind and hail resistance as part of the Strengthen Oklahoma Homes initiative.
 - iv. [Prior National Tornado Summits- Insights](#)
- g. Partnerships:
 - i. OK, OID and OEM cooperation
 - ii. OK OID partners with IBHS to administer the SOH program

- iii. The UCO, OEM, and OID partner on the [“Get Ready”](#) campaign
- h. Consumer Outreach:
 - i. Bulletins, such as the "Are You Ready for Storm Season?" bulletin
 - ii. Fraud prevention guides
 - iii. Distribute pre-storm public awareness tools (e.g., NAIC inventory app)
 - iv. [Mulready Minutes Podcast](#)
 - v. Onsite post-disaster resource centers (MARC)s)
 - vi. [Statewide public education campaigns and early warning investments](#)

E. Wildfire (California, Colorado, Wyoming, Washington)

ii. California

In just the last few years, records have been set in the number of acres burned, structures destroyed, people evacuated, and overall costs. This is not anomalous. As the wildland urban interface—areas in which development occurs within or adjacent to wildlands—continues to be developed, in conjunction with increased heat and drought, and the legacy from decades of severe fire suppression in forested areas, high-severity wildfires will occur more frequently. The California Fourth Climate Assessment found that, if greenhouse gas emissions continue to rise, the frequency of extreme wildfires will increase, and the average area burned statewide will grow by 77 percent by 2100. In recent years, wildfire insurance availability and affordability challenges have significantly increased.

- a. Reports
 - i. [Sustainable Insurance Roadmap](#): In 2022, Insurance Commissioner Ricardo Lara and the United Nations’ Principles for Sustainable Insurance Initiative (PSI) announced a first-of-its-kind “Sustainable Insurance Roadmap” for the nation’s largest insurance market. The Roadmap highlights the four interlocking goals of reducing emissions, accelerating community mitigation, keeping insurance affordable and available for vulnerable communities, and closing protection gaps between insured and uninsured losses.
 - 1. The Roadmap addresses different strategies to reduce risks of wildfire, such as (1) Collaborate with state agencies and engage with risk scientists to establish a list of home and community hardening actions (see Required Wildfire Mitigation Discounts Regulation), (2) Support Cultural and Prescribed Fire to reduce wildfire risks, (3) Identify areas of high risk and wide protection gaps.

- ii. [Climate Insurance Report](#): Senate Bill 30 (Chapter 614, Statutes of 2018) established a working group of environmental advocates, researchers, and insurance experts making recommendations for policies to reduce the costs from wildfires, extreme heat, and flooding. They released the first-ever report in 2021 titled "Protecting Communities, Preserving Nature, and Building Resiliency; How First-of-Its-Kind Climate Insurance Will Help Combat the Costs of Wildfires, Extreme Heat, and Floods."
 - 1. The report's wildfire recommendations include: (1) Develop a publicly available mitigation model that can be used by local governments and state mitigation investments, (2) Make Fire Hazard Severity Maps more comprehensive, including by creating moderate, high, and very high hazard designations for the entire state, rather than only for the State Responsibility Areas. (3) Align insurance incentives with mitigation requirement, (4) Close the community wildfire mitigation gap with stronger planning and documentation of successful home and community mitigation.

b. Regulations

- i. [Mandatory One Year Moratorium on Non-Renewals](#):
 - 1. Requires a mandatory one-year moratorium on insurance companies canceling or non-renewing residential insurance policies in certain areas within or adjacent to a fire perimeter after a declared state of emergency is issued by the Governor.
- ii. [Consideration of Mitigation Factors; Wildfire Risk Models. \(Safer from Wildfire Regulations\)](#) An insurer that applies or uses a rate that is developed with, determined by, or relies upon a rating plan that segments, creates a rate differential, or surcharges the premium based upon a policyholder or applicant's wildfire risk must comply with Section 2644.9 of Title 10 of the California Code of Regulations. Under this regulation, insurance companies are required to take into account completed property-level mitigation efforts and community-level designations in their rating plans.
- iii. [Sustainable Insurance Strategy](#): Since 2017, California has experienced the eight largest wildfires in state history, as well as fourteen of the most destructive wildfires, and seven of the deadliest wildfires, which include the Camp Fire - the single deadliest wildfire in the history of the state, resulting in the loss of 85 lives. In 2023, a number of insurance carriers representing more than 60% of the admitted market share announced plans to either limit or stop issuing new homeowners and commercial property insurance policies. To address the critical affordability and availability issues impacting policyholders, CDI developed a comprehensive package of reforms designed to modernize,

strengthen, and stabilize California's marketplace for homeowners' insurance and commercial property insurance. Key regulatory components included:

1. Complete Rate Application: CDI amended Sections [2648.1](#), [2648.2](#), and [2648.4](#) of Title 10 of the California Code of Regulations to specify the materials and information that must be included initially in a complete rate filing application submitted to the California Insurance Commissioner. This rulemaking increases expediency and transparency in the prior rate approval process by reducing unnecessary delays in the rate review and approval process, providing consumer representatives more opportunity to timely review all of the materials, information, and documents required as part of a complete rate application in order to decide whether to intervene in the rate review process, . Finally, by clarifying the steps that must be taken to submit a complete rate application to CDI before the clock on reviewing the application begins, and eliminating lengthy exchanges of communications about incomplete applications before the rate review process may actually begin.
2. Catastrophe Modeling and Ratemaking: CDI amended or adopted Sections [2644.4](#), [2644.4.5](#), [2644.4.8](#), [2644.5](#), [2644.8](#), and [2644.27](#), of Title 10 of the California Code of Regulations. Prior to this rulemaking, California insurance rates were determined based, in part, on projections from insurers' historical losses. This rulemaking permits insurance companies to use catastrophe modeling to determine their catastrophe losses adjustment in the ratemaking formula, where they are presumed to have demonstrated a need to do so by committing to take on the risk of writing additional business or maintaining existing business in higher-risk wildfire-prone areas.
3. Pre-Application Required Information Determination ("PRID") Procedure: CDI adopted Section [2648.5](#) of Title 10 of the California Code of Regulations, which sets forth a new process where insurers, before submitting a complete rate application to the Commissioner, can submit information and data regarding a model and obtain a nonadjudicative determination specifying all information and data regarding a model that are required to be submitted as part of a complete rate application that relies upon the model for purposes of requesting a proposed rate change.

4. Standard Net Cost of Reinsurance (NCOR): CDI amended Sections [2342.7](#), [2644.16](#), [2644.25](#), [2644.27](#), and adopted Section [2644.25.1](#), [2644.25.2](#), and [2644.25.3](#), of Title 10 of the California Code of Regulations which allows the consideration of the cost or benefits of reinsurance for specific catastrophe perils and exposure for commercial property insurance and residential property insurance within specific property lines. Allowing insurance companies to recognize and recover their California-only NCOR in their rates will encourage carriers to re-enter and expand their business in the California property market because their rates will more accurately reflect the cost of doing business in California. In addition to providing necessary insurance coverage to protect consumers and businesses, the calculation and inclusion of the NCOR in residential and commercial property insurance rates promotes insurer solvency and market stability. Companies utilizing reinsurance must commit to increasing coverage in the higher-risk wildfire-prone areas defined by the CDI in its separate Catastrophe Modeling and Ratemaking regulation.

c. Adopted Legislation Highlights

- i. Climate Risk Insurance Solutions: [SB-30 Insurance: climate change](#). (Insurance Code, section [12922.5](#)). With California communities increasingly exposed to climate change-related threats, Commissioner Ricardo Lara wrote the nation's first climate insurance law, passed by the State Legislature and signed by the Governor in 2018. The law requires the Insurance Commissioner to convene a working group to identify, assess, and recommend risk transfer market mechanisms that, among other things, promote investment in natural infrastructure to reduce the risks of climate change related to catastrophic events, create incentives for investment in natural infrastructure to reduce risks to communities, and provide mitigation incentives for private investment in natural lands to lessen exposure and reduce climate risks to public safety, property, utilities, and infrastructure.
 1. [Climate Insurance Working Group](#): Pursuant to SB-30, Commissioner Lara appointed a working group of environmental advocates, public policy experts, researchers, and insurance experts to make recommendations to reduce the threat from wildfires, floods, mudflows, urban high heat, sea-level rise, and other issues facing California. In 2021, the group published a report titled "Protecting Communities, Preserving Nature, and Building Resiliency; How First-of-Its-Kind Climate

Insurance Will Help Combat the Costs of Wildfires, Extreme Heat, and Floods." (see Reports section).

- ii. One Year Wildfire Insurance Moratoriums: : [SB-824 Insurers: declared disaster: homeowners' insurance policies](#). (Insurance Code, section [675.1](#).) The law prohibits, subject to certain exceptions, an insurer from canceling or refusing to renew a policy of residential property insurance for one year after the declaration of a state of emergency based solely on the fact that the insured structure is located in an area in which a wildfire has occurred, with respect to an insured property located within or adjacent to the fire perimeter, as specified.
- iii. [Wildfire Data Collection: SB-824 Insurers: declared disaster: homeowners' insurance policies](#). The law requires an admitted insurer with written California premiums above a specified threshold to submit a report with specified fire risk information on its residential property policies to the commissioner biennially. Reports can be found on CDI's website (see Data Collection section).
- iv. Defensible Space Guidelines: [SB-190 Fire safety: building standards: defensible space program](#). (Government Code, 51189; Health and Safety Code, 18931.7 and 13159.5). The law requires the State Fire Marshal to develop model defensible space guidelines that local governments can use to enforce rules on reducing flammable vegetation around at-risk homes.
- v. Insurance availability for Agricultural Structures: [SB-11 The California FAIR Plan Association: basic property insurance: exclusions](#). (Insurance Code, Section 10094.5). The law allows for the FAIR Plan to sell commercial coverage to farms covering structures. (See section on "Modernization of FAIR Plan")
- vi. Promoting Safe Prescribed Burning and Insurance Coverage: [SB-332 Civil liability: prescribed burning operations: gross negligence](#). (Civil Code, section [3333.8](#)) The law provides that a burn boss and a private landowner upon whose property a burn boss carries out a prescribed burn are immune from liability for damages or injuries to persons or property as a result of a prescribed burn, unless the burn was conducted in a grossly negligent manner. CDI helped create and develop a state-backed liability fund to cover prescribed and cultural burning. Cultural and prescribed burning is an essential practice to meet diverse objectives, including wildfire risk reduction and biodiversity stewardship. These practices have faced insurance barriers. Together with the Nature Conservancy, CAL FIRE, and the University of California Cooperative Extension, CDI, has helped create the "[Prescribed Burn Claims Fund Pilot](#)", which removes a significant barrier to obtaining insurance for potential damages from a prescribed fire or cultural burn

conducted by a certified prescribed fire burn boss or a cultural fire practitioner. The Fund was codified a year later through [SB-926](#) (Dodd, 2022).

- vii. In 2024, a follow-up bill, [SB-310](#), passed (Civil Code, section [3333.8](#); Public Resources Code, sections [4002.4](#) and [4002.6](#)) authorizing the Secretary of the Natural Resources Agency and local air districts to enter into written agreements with federally recognized California Native American Tribes to waive certain state requirements for cultural burns in ancestral territories and expands the definition of burn boss.
 - viii. Promoting Resilience Through a New Type of Financing Districts: [SB-852 Climate resilience districts: formation: funding mechanisms](#). (Government Code, section [62300](#)). This law authorizes local city and governments to establish Climate Resilience Districts. These districts are empowered to finance and implement projects aimed at mitigating impacts of climate change such as wildfires, sea-level rise, extreme heat, drought, and flooding.
 - ix. Planning and Zoning: [SB-182 Local government: planning and zoning: wildfires](#). This bill would have imposed certain fire hazard planning responsibilities on local governments and requires cities and counties to make specified findings on fire standards prior to permitting development in the very high fire hazard severity zone.
 - x. Tax Incentives for Home Hardening: [SB-295 Personal income taxes: Fire Safe Home Tax Credits](#). The bill would have created two 50% tax credits under the Personal Income Tax Law for qualified homeowners who live in moderate, high, or very high fire hazard severity zones who incur expenses for vegetation management and/or make qualified home hardening improvements.
- d. Upcoming Legislative Highlights
- i. [AB-888 California Safe Homes Grant Program](#). This bill would establish the California Safe Homes grant program to be developed by CDI to reduce local and statewide wildfire losses, among other things. The bill would require CDI to prioritize specified needs when awarding grant funds, and would require eligible program applicants, which would include individuals, cities, counties, and special districts, to meet specified criteria. The bill would establish the Sustainable Insurance Account within the Insurance Fund and would make the funds available to CDI for the program upon appropriation by the Legislature or upon receipt of federal or other grants or funds. The bill would require CDI to collect specified information about the performance of the program and, on or before January 1, 2027, and every 2 years thereafter, to publish a performance report that would be posted to its internet website and submitted to the Legislature.

- ii. [SB-429 Wildfire Safety and Risk Mitigation Program](#). This bill, upon appropriation for these purposes, would establish the Wildfire Safety and Risk Mitigation Program to fund the development, demonstration, and deployment of a public wildfire catastrophe model, as defined, and to provide grant funding to one or more universities for eligible projects with specified criteria for the purpose of creating a research and educational center responsible for developing, demonstrating, and deploying a public wildfire catastrophe model that provides significant wildfire safety benefits to California communities and assists alignment of federal, state, and local wildfire risk reduction efforts. The bill would create the Wildfire Safety and Risk Mitigation Account within the Insurance Fund for these purposes. The bill, also upon appropriation for these purposes, would require CDI to create a framework and multiyear plan with available data for the development, demonstration, and deployment of a public wildfire catastrophe model that includes specified information and to publish the plan on CDI's internet website. The bill would require CDI to provide recommendations to the Senate Committee on Insurance, Assembly Committee on Insurance, Assembly Committee on Emergency Management, Budget Committees, and the Governor for future budget allocations related to these provisions before September 1, 2026.
- iii. [AB-1236 Insurance: Climate and Sustainability Insurance and Risk Reduction Grant Program](#). This bill would require the department to establish and administer the Climate and Sustainability Insurance and Risk Reduction Grant Program, to be funded upon appropriation by the Legislature, for the purpose of achieving specified goals, including developing proofs of concept that expand insurance options and testing community-purchased insurance to reduce overall insurance costs, as specified. The bill would require the department to report to the Senate Committee on Insurance and the Assembly Committee on Insurance on program results on or before January 1, 2029, and on or before January 1 every 3 years thereafter. The bill would repeal these provisions on January 1, 2035.
- iv. [SB-495 Insurance](#). This bill would require, on or before March 1, 2026, and on or before March 1 every year thereafter, an admitted insurer in a group with written premiums in the prior year from specified lines of insurance totaling \$50,000,000 to submit a report to the commissioner that includes data and information necessary to understand its reinsurance program placement data and use of probabilistic catastrophic models for the previous year. The bill would require the report to include data from the latest available reinsurance treaty year. The bill would require the insurer to promptly respond to inquiries from

the commissioner upon submission of the report. The bill would require the commissioner to post to the department's internet website an aggregated report of the data in the report from insurers. The bill would require all other information submitted to the commissioner under these provisions be confidential, among other things, and exempt from the California Public Records Act. The bill would require an admitted insurer to pay a civil penalty, to be fixed by the commissioner, but not to exceed \$5,000 for each 30-day period the insurer is not in compliance with the reporting provisions. The bill would authorize an insurer to request, and the commissioner to grant, a 30-day extension to submit the report if needed due to unintended or unforeseen circumstances. The bill would authorize the commissioner to find that the failure to submit the report on time was willful and to increase the civil penalty to an amount not to exceed \$10,000 for each 30-day period, up to a maximum of \$100,000.

e. Data Collection:

- i. The Data Analytics and Reporting (DAR) Division collects, analyzes, and reports data on non-renewals and FAIR Plan policies in the residential market, implements data collections on losses in relation to wildfire risk categories, and delivers regular updates to CDI's [wildfire data webpage](#) to provide a consistent, publicly accessible place for data resources related to wildfire. This data provided the backbone of information used to develop the implementation approach for the Commissioner's Sustainable Insurance Strategy.

f. Strategies, Initiatives and Resources

- i. Modernization of the FAIR Plan: As discussed in the Regulations section above, the Sustainable Insurance Strategy is a comprehensive initiative aimed at modernizing the state's insurance market to ensure accessible insurance for all Californians, creating a resilient insurance marketplace, and protecting consumers and communities from the adverse impacts of climate change. While the regulations adopted as part of the Sustainable Insurance Strategy were foundational components of the approach (*Complete Rate Application, Catastrophe Modeling and Ratemaking, Pre-Application Required Information Determination ("PRID") Procedure, and the Standard Net Cost of Reinsurance (NCOR)*), another crucial component of the strategy is the modernization of the FAIR Plan. For decades, the FAIR Plan has functioned as a last-resort backstop for many Californians. However, in the past 10 years, its expansion has revealed deep flaws in a system that was never designed to bear the weight it now carries today. Allowed under Proposition 103 to bypass high-risk areas, insurance companies have left a growing number of homeowners and business owners with no option but costly,

limited FAIR Plan coverage. The Sustainable Insurance Strategy, CDI is continuing to restore the FAIR Plan to its original purpose – as a temporary solution, not a permanent one – while giving Californians more options and stronger protections in the traditional insurance market. CDI’s major FAIR Plan reforms include:

1. Greater coverage: FAIR Plan coverage has been temporarily expanded for high-value commercial properties, homeowners associations, and affordable housing developments, available July 26, 2025. This new “high-value” commercial coverage option would cover properties with limits up to \$20 million for each building with a total maximum limit of \$100 million per location and would sunset in 2028.
 2. Improved transparency: FAIR Plan transparency expansions became effective July 1, 2025, including the requirement that total exposures, policy counts, financial data, and other information be publicly posted on the FAIR Plan website and shared with policymakers.
 3. Full and fair payment of Los Angeles wildfire claims: CDI is currently investigating the FAIR Plan’s handling of smoke damage claims from the Los Angeles wildfires, to resolve consumers’ complaints and help get people back on their feet as they recover their lives.
 4. Improved processes and staff adequacy: CDI required the FAIR Plan to hire more staff, improve its claims process, and shift costs away from consumers.
 5. Greater operational accountability: Commissioner Lara expects to file in the coming weeks the Department’s Report of Examination for an ongoing financial examination of the FAIR Plan, including its compliance with recommendations from CDI’s 2022 Operational Assessment Report. The report called for significant changes in the FAIR Plan’s governance, operations, underwriting and claims handling, risk management, customer service, and financial planning strategies and policies.
 6. Additional fiscally responsible tools: Commissioner Lara is proud to co-sponsor Assembly Bill 226, jointly authored by Assembly Members Lisa Calderon and David Alvarez. This bill would authorize the FAIR Plan to access bonds, loans, and lines of credit, subject to prior approval by the Insurance Commissioner, to make fire insurance more accessible.
- g. Inclusive and Innovative Insurance Pilot Projects
- i. CDI is working to develop innovative wildfire insurance options in the communities, aligning with California’s support of home and

neighborhood hardening efforts through the California Wildfire Mitigation Program Authority.

- h. Engagement with Universities and Researchers
 - i. CDI continues to partner with researchers at the University of California, California State University, and other research institutions to examine risk assessment and risk reduction measures.
 - 1. CDI has collaborated with Dr. LeRoy Westerling and colleagues, researchers at University California Merced, who focus on wildfire scenario modeling, to create a suite of mapping models for predicting fire severity and statistically downscaling simulated wildfires burned areas by severity class to 30-meter resolution.
 - 2. [Public Wildfire Catastrophe Model Strategy Group](#): Cal Poly Humboldt has convened a strategy group of researchers and wildland fire experts to make recommendations to Insurance Commissioner Ricardo Lara for steps to create the nation's first public wildfire catastrophe model. A public wildfire catastrophe model predicts future losses and can be a benchmark for use in the review of catastrophe risks for the insurance sector, provide accessible data for wildfire safety efforts, and create educational and career opportunities for California students. Cal Poly Humboldt chairs the strategy group, which is made up of researchers, wildfire risk reduction experts, and higher education leaders from across the California State University, the University of California, and other areas. (See related pending legislation above)
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 - i. [Public Wildfire Catastrophe Model Strategy Group](#): Cal Poly Humboldt has convened a strategy group of researchers and wildland fire experts to make recommendations to Insurance Commissioner Ricardo Lara for steps to create the nation's first public wildfire catastrophe model. A public wildfire catastrophe model predicts future losses and can be a benchmark for use in the review of catastrophe risks for the insurance sector, provide accessible data for wildfire safety efforts, and create educational and career opportunities for California students. Cal Poly Humboldt chairs the strategy group, which is made up of researchers, wildfire risk reduction experts, and higher education leaders from across the California State University, the University of California, and other areas. (See related pending legislation above)
 - j. Partnerships among Insurance Regulators
 - i. [NAIC Climate and Resiliency Task Force](#): In 2021, CDI led the NAIC in establishing an Executive Committee Task Force on Climate Risk and Resilience. The Task Force developed recommendations that were

adopted by the NAIC through the [National Climate Resilience Strategy for Insurance](#). CDI will continue to work closely with our fellow state insurance regulators at the NAIC on pre-disaster mitigation, solvency, technology, and innovation.

- ii. [International Association of Insurance Supervisors \(IAIS\)](#): CDI engage with the IAIS to advance initiatives on [closing protection gaps, solvency standards and tools](#) and building capacity among regulators.
- k. Consumer Outreach and Engagement
 - i. [Partnership Initiative](#)
 - 1. CDI's consumer outreach activities aim to empower every household in California with the knowledge to understand basic insurance concepts, guard against fraud, and protect their most valuable financial assets, especially as climate-related disasters and market instability continue to rise. The social and economic value of equipping Californians with this critical insurance education is both significant and far-reaching.
 - 2. Initiative Goals
 - a. Increase consumer awareness of CDI's role, responsibilities, and available services
 - b. Expand awareness of insurance access and fraud prevention
 - c. Host monthly "Partnership Introduction Webinars"
 - ii. [Local Climate Planning Hub](#): This local government outreach portal serves as a centralized resource for cities, counties, and municipalities to navigate the evolving risks of climate change and learn about innovative insurance strategies aimed [at reducing these risks and promoting resilience](#).
- l. Consumer Resources: To help policyholders access and maintain insurance coverage, CDI has developed several tools and fact sheets that provide guidance on risk mitigation, insurance availability, and claims support. These include:
 - i. [Safer from Wildfires Consumer FAQ](#): Fact sheet to inform residential and commercial policyholders [of the insurance mitigation discounts under the "Consideration of Mitigation Factors" regulation \(see section on Regulation\)](#).
 - ii. [Home Insurance Finder](#): [This online service allows consumers to search insurance companies and licensed agents/brokers who have been identified to sell homeowners, renters, condominium, or mobile home insurance in a specific area. Consumers may search by:](#)
 - 1. Type of insurance (homeowners, renters, condominium, or mobile home, etc.)
 - 2. Desired spoken language (Cantonese, English, Spanish, etc.)
 - 3. Agents/brokers who are located within either 5, 10, 25, 50, or 75 miles of a selected ZIP code or city in California.

iii. Wyoming

a. Reports:

- i. Wildfire risk is analyzed in broader state plans
- ii. The Wyoming State Forestry Division's 2020 Forest Action Plan mapped statewide wildfire risk and forest conditions, finding that a large majority of the state faces moderate wildfire risk. stateforesters.org.
- iii. The Office of Homeland Security maintains a State Mitigation Plan that identifies wildfire as a key hazard (updated in 2023).
- iv. 2024 Wyoming Wildfire Update to legislators in June 2025 summarized the severe 2024 fire season (850,000+ acres burned, ~70% on state/private lands) and recovery needs wyofile.com.
- v. 2023 Insurance Commissioner's briefing warned that utility companies' rising wildfire liability insurance costs could drive up electric rates for consumers, underscoring the cross-sector impacts of wildfire risk. everettpost.com

b. Regulations:

c. Adopted Legislation Highlights:

- i. Wyoming's Legislature has taken steps to bolster wildfire prevention, mitigation, and recovery, particularly after the intense 2020–2021 and 2024 fire seasons, indirectly influencing insurance risk.
- ii. Wildfire Liability & Mitigation (HB 0192, 2025): This act not only requires utility wildfire plans but was promoted as a way to temper rising insurance rates by reducing utilities' legal exposure.
- iii. Post-Fire Recovery Funding (SF 152, 2025): Wildfire recovery grant fund.
- iv. Disaster Loans (SF 195, 2025): Established a \$25 million emergency bridge loan program for small businesses impacted by natural disasters, including wildfires.
- v. Wildfire Risk Reduction Resolution (2024): The legislature informally called for the exploration of wildland-urban interface (WUI) issues. Lawmakers and the State Forestry Division highlighted that Wyoming's WUI is rapidly expanding into dense forests with high fuel loads, increasing wildfire hazard.

d. Upcoming Legislation Highlights:

e. Data Collection

- i. Wyoming Wildfire Risk Assessment Portal (WYWRAP): This web tool maps wildfire risk across the state, helping officials and insurers pinpoint high-exposure areas for targeted mitigation. wsfd.wyo.gov
- ii. The DOI informally tracks homeowners' insurance availability in fire-prone regions via complaints and agent feedback.

f. Strategies, Initiatives, and Resources

- i. Internal capacity building/hiring, including designating an analyst to focus on property insurance availability, including wildfire issues and NAIC-led training on climate risk assessment.
- ii. The department coordinates with the State Fire Marshal and Forestry Division for technical expertise on fire behavior and mitigation when reviewing insurance filings or consumer complaints related to wildfire.
- iii. The State Forestry Division's "What is your risk?" campaign directs residents to the Wyoming Wildfire Risk Portal for risk assessment and defensible space guidance, helping homeowners reduce wildfire exposure and potentially improve insurance access. wsfd.wyo.gov
- iv. Wildfire Mitigation Grants through WSFD (often in partnership with the USDA Forest Service)
 - 1. Western States WUI Grants for hazardous fuel reduction projects;
 - 2. State Fire Assistance (SFA) grants for fuel breaks and defensible space on non-federal lands;
 - 3. Volunteer Fire Assistance grants to equip rural fire departments;
 - 4. the federal Community Wildfire Defense Grant (CWDG) program for developing/updating Community Wildfire Protection Plans and implementing projects. wsfd.wyo.gov
 - 5. All 23 Wyoming counties have County Wildfire Protection Plans (CWPPs) that identify high-risk areas and set priorities for fuel reduction. Homeowners are urged to participate and follow CWPP guidelines, as insurers may consider these efforts during underwriting. hls.wyo.gov

g. Partnerships

- i. Wyoming engages with neighboring states through the Western Governors' Association and informal regulator networks to share wildfire mitigation and insurance strategies.
- ii. The State Forestry Division and DOI have a liaison working group that exchanges data—e.g., locations of high-risk homes from WSFD maps are shared (in aggregate) with the DOI, and the DOI alerts WSFD if certain areas see spikes in non-renewals or premium hikes.

h. Consumer Outreach and Educational Materials

- i. DOI offers disaster insurance resources online and through brochures, covering preparation, coverage reviews, and claim processes.
- ii. After major fires, the DOI advises policyholders to confirm adequate coverage and consider wildfire-related endorsements.

- iii. The DOI provides information on how consumers can seek coverage from surplus lines insurers or specialized carriers if they are unable to find coverage elsewhere.
- iv. DOI hosts “insurance fairs” at county events, distributing brochures on wildfire preparedness and insurance tips.
- v. The Insurance Commissioner uses local media to stress the importance of adequate home coverage and annual policy reviews.
- vi. The DOI has a “Wildfire and Homeowner Insurance FAQ” webpage
- vii. The State Forestry Division, County Fire Wardens, and insurance agents conduct annual “Wildfire Preparedness” workshops in high-risk areas to educate homeowners on property protection and insurance options.

iv. Colorado

a. Reports

- i. Marshall Fire Insurance Claims Study (2024) by the University of Colorado, of nearly 5,000 Marshall Fire insurance claims, revealed homeowners moving their policies around due to increased pricing, thus losing coverage.
https://papers.ssrn.com/sol3/papers.cfm?abstract_id=5057551 and 36% were "severely" underinsured
- ii. [Marshall Fire Operational After-Action](#) Report: Improve response to future disasters
- iii. The [DOI's 2023 report](#) on homeowners insurance availability highlighted trends in the Colorado market.

b. Regulations

- i. Emergency Rule on ALE & Rebuilding Timelines ([Reg. 23-E-03, 2023](#)): In April 2023, Colorado DOI mandated insurers to waive ALE waiting periods, extend disaster coverage deadlines, and pause claim time limits for delays they cause, protecting policyholders recovering from disasters like the Marshall Fire.

c. Adoption Legislation Highlights

- i. [Senate Bill SB23-166](#): Wildfire resiliency code board created in 2023 to set statewide building codes for wildfire resilience for anything existing in the WUI as determined by the WRCB for new construction, external addition, alteration, or repair to a structure or the defensible space around the structure. This includes WUI areas that are considered low, moderate, high, and extreme risk levels.
- ii. [Colorado Senate Bill \(SB\) 25-142](#) clarifies the definition of the wildland-urban interface and gives local governments more time to implement codes developed by the Wildfire Resiliency Code Board

- iii. HB 23-1288 (2023) created the Colorado FAIR Plan Association as a last-resort insurer. The Act pertains to all property and casualty insurers authorized to do business in Colorado, including stock and mutual insurers and those writing commercial property insurance.
 - iv. HB24-1315 requires the Division to undertake a study on remediation standards for smoke, soot, and ash.
 - v. HB24-1108 requires the Colorado Insurance Commissioner to conduct a study of the market for property and casualty insurance policies issued to associations of common interest communities and owners of lodging facilities in Colorado. The study must consider the availability and affordability of coverage, identify areas with particular availability concerns, and make recommendations to ensure the long-term sustainability and availability of such policies.
 - vi. HB 25-1182 (2025) requires insurers to consider and disclose wildfire mitigation actions in risk assessments and rates, publicize discounts, explain risk scores, and provide an appeal process, ending the use of “black box” risk scores.
 - vii. Additional related laws/regulations for wildfire insurance claims.
- d. Other Legislation Highlights
 - i. HB 25-1302 (failed) would have created a state Wildfire Reinsurance Enterprise and a grant program for reinforced roofs, addressing both wildfire and hail risk.
- e. Data Collection
 - i. DOI data calls to get insurer reports: non-renewals, average premiums by ZIP code, new policies, and wildfire risk scores. Annual reporting on mitigation credits is planned to monitor how many homeowners receive discounts. After the Marshall Fire, DOI reported on claims payouts and underinsurance.
 - ii. Insurers in Colorado must complete the NAIC Insurer Climate Risk Disclosure Survey.
- f. Strategies, Initiatives, and Resources:
 - i. Wildfire Partners, originating in Boulder County, provides expert home assessments, retrofit suggestions, and mitigation certification. Certified homes may receive insurance benefits, and the initiative has expanded to other counties with regulatory and grant support.
 - ii. Firewise USA, a voluntary program developed by the National Fire Protection Association (NFPA) provides guidance to both individual homeowners as well as local communities on mitigation efforts to prepare homes and neighborhoods to withstand wildfires. Communities annually invest in both educational and wildfire risk reduction actions to become or stay a Firewise USA recognized site.

- iii. Fire Adapted Colorado, an independent nonprofit, dedicated to support Colorado wildland fire mitigation professionals including wildfire councils, fire departments and districts, and local governments working towards fire adaptation.
- iv. Community Wildfire Protection Plans (CWPPs) are required for unincorporated areas of a county identified by the CSFS as facing a substantial and recurring risk of exposure to severe fire hazards. Smaller entities like municipalities, communities, and HOAs can establish one.
- v. The Community Navigator Program places navigators in underserved areas to connect them with mitigation funding, helping maintain affordable insurance and equitable access to resources. [co-co.org]
- vi. The Wildfire Risk Reduction Grant Program was expanded in 2022 and funds local mitigation projects.
- vii. Community Wildfire Mitigation Loan Fund, approved in 2022, allows local governments and HOAs to finance large-scale mitigation projects.
- viii. On July 1, 2025, Colorado adopted a model code. [The path to wildfire-resistant building codes in Colorado offers lessons for other states](#)

g. Partnerships

- i. The DOI participates in the State Recovery Task Force calls and in State Technical Assistance for recovery Strategies.
- ii. The Central Colorado Forest Collaborative (CCFC) unites land managers, insurers, and community groups to address wildfire risk and improve insurance education.

h. Consumer Outreach and Educational Materials

- i. The Division of Insurance offers a Wildfire Insurance Resources webpage with FAQs, checklists, and assistance contacts. It also partners with United Policyholders for webinars on maximizing claims and accessing additional aid. [United Policyholders]
- ii. After the East Troublesome and Marshall Fires, the DOI held town hall meetings virtually and in-person in the affected neighborhoods.
- iii. In 2023, Boulder, Colorado, launched a public campaign encouraging homeowners to reduce wildfire risk and maintain insurance, sharing mitigation tips and informing about new laws and discounts, with materials in English and Spanish. [bouldercounty.gov]
- iv. Colorado DOI, with Fire Adapted Colorado, created the free guide “Demystifying Insurance for Wildfire Survivors” and participates in workshops and town halls.

v. Washington

a. Reports

- i. In 2020, the [Disaster Resiliency Work Group](#) report recommended improved coordination on climate risks, a possible resilience office, and insurance incentives for mitigation.
 - ii. The Wildfire Mitigation and Resiliency Standards Work Group (2025) will release a report by Dec 1, 2025, with recommendations on standards, mitigation, data sharing, transparency, and home hardening grants. This report will guide future legislation. [insurance.wa.gov]
 - iii. December 2024, the OIC submitted a [report](#) to the Washington State Legislature on insurance affordability and availability for housing providers serving extremely low-income households.
 - iv. Annual Wildfire Risk Insurance Reports
- b. Regulations:
 - i. SB 6109 (2018) brought the International Wildland-Urban Interface Code (IWUIC) into the state building code, requiring new construction in WUI areas to use fire-resistant materials and features.
 - ii. SB 6120 (2024) refined WUI code by directing DNR to create a more targeted wildfire risk map and making defensible space voluntary. The new map redefines WUI zones. [washingtonstatestandard.com]
 - iii. The Washington Utilities and Transportation Commission (UTC) now requires investor-owned utilities to file Wildfire Mitigation Plans, with HB 1522 (2025) giving the UTC authority to approve plans.
 - iv. Washington requires annual Climate Risk Disclosure from insurers and participates in ESG and climate-related disclosure requests, increasing transparency on how insurers address wildfire risks. [insurance.wa.gov]
- c. Adopted Legislation Highlights
 - i. SB 6109 (2018) required the State Building Code Council to adopt the IWUIC Code for at-risk areas, mandating fire-resistant construction standards to reduce fire damage and insurance risk. [documents.ncsl.org]
 - ii. HB 1032 (2023) mandated all electric utilities to create wildfire mitigation plans detailing prevention steps like vegetation management and shutoff procedures. [everettpost.com]
 - iii. HB 1522 (2025) gave UTC oversight to approve or reject private utilities' wildfire plans, ensuring quality, public input, and cost balance for consumers. Takes effect mid-2025. [everettpost.com]
 - iv. SHB 1539 (2025) established a Wildfire Mitigation & Resiliency Work Group, requiring collaboration between the Insurance and Public Lands Commissioners to recommend policy and grants for resilience and insurance incentives.
 - v. HB 1622 (2022) invested heavily in forest health and community wildfire resilience, funding programs like Wildfire Ready Neighbors and defensible space grants to reduce risk

- vi. HB 1138 (2023) provided drought and water grants, supporting wildfire mitigation by improving water resources for firefighting.
- vii. Earlier laws improved emergency management and disaster recovery, making post-fire recovery and permitting easier to keep communities viable and insurable.
- d. Upcoming Legislation Highlights
 - i. [HB 1539](#) - 2025-26 Addressing wildfire protection and mitigation, establishing a grant program
 - ii. HB 1563 - 2025-26 Establishing a prescribed fire claims fund pilot program
- e. Data Collection
 - i. DNR's Wildfire Ready Neighbors (WRN) program collects data on wildfire vulnerabilities and mitigation participation, which OIC uses to monitor insurance availability trends.
 - ii. In 2024 the DOI began collecting annual insurer non-renewal data, including wildfire-related reasons, to track insurance market changes.
 - iii. The OIC gathers claims data after wildfires, such as the 2020 Cold Springs/Pearl Hill fires and 2023 Washington Gray and Oregon Road wildfires.
- f. Strategies, Initiatives and Resources
 - i. The DOI built internal capacity by forming a Climate Risk Unit, hiring a Wildfire Insurance Program Manager, and upgrading IT for geospatial data, online submissions, and exploring AI to quickly identify wildfire-related complaints.
 - ii. The OIC is exploring innovative options like community-based parametric insurance for wildfires to support rapid rebuilding. rmi.org
 - iii. Strategy of supporting risk reduction—such as home hardening grants—to keep insurance viable
 - iv. Wildfire Ready Neighbors (WRN) connects residents with experts and risk assessments to improve fire resilience, supported by OIC
 - v. The Fire Adapted Communities Learning Network published “Demystifying Insurance: A Focus on Wildfire,” which OIC helps distribute to explain insurance and premiums to residents.
 - vi. Community Wildfire Protection Plans (CWPPs) are promoted by OIC because insurers may consider them in underwriting, and residents are encouraged to push for one if absent.
 - vii. The OIC's Consumer Advocacy Program and hotline helps wildfire victims and those struggling to find insurance, pointing to FAIR Plan or surplus options
- g. Partnerships
 - i. The previous commissioner hosted a Western States Climate Summit [climateproof.news]

- ii. Through PNWER, Washington collaborates with neighboring states and Canadian provinces on disaster resilience, including insurance aspects for mutual aid and cross-border fires.
 - iii. The DOI partners with industry groups like PCI and NW Insurance Council to create accurate consumer wildfire FAQs and messaging
 - iv. United Policyholders and IBHS contribute research, especially on mitigation strategies. [insurance.wa.gov]
 - v. The OIC and DNR now co-chair a work group, drafting policy together, and OIC coordinates with the Military Department's Emergency Management Division and State Fire Marshal on recovery and fraud issues. [insurance.wa.gov]
 - vi. Washington joins multi-state catastrophe response exercises.
 - vii. Department of Natural Resources [Programs & Services](#): Community Wildfire Protection Plan Guidance, Community Wildfire Protection Plans, Community Wildfire Resilience Resource Library, Firewise USA-Prepare Your Home, Wildfire Ready Neighbors
- h. Consumer Outreach and Educational Materials
 - i. The state promotes "Washington Wildfire Preparedness Month" held in May, with OIC issuing reminders for residents to review policies, deductibles, and inventories.
 - ii. Provides details about its FAIR Plan for wildfire coverage on the DOI website.
 - iii. The DOI holds Climate Insurance Listening Sessions.
 - iv. The OIC's Wildfires and Homeowners Insurance page offers FAQs, including steps if coverage is canceled or unavailable, and preparation tips for wildfire season. This resource is promoted each fire season.
 - v. The Insurance Commissioner uses media appearances after major fires to share insurance resources and highlight success stories, often alongside other state leaders.
 - vi. OIC staff attend county fairs and expos, especially in fire-prone regions
 - vii. Insurance materials are available in multiple languages and consumer information is shared via local radio, especially for Spanish-speaking agricultural communities.
 - viii. OIC offers claims advocacy after wildfires, assisting with claims issues and enforcing the Insurance Fair Conduct Act to support consumers.

F. Earthquake, Fire Following Earthquake, Tsunami – California (CA)

i. California

a. Statutes

- i. [Mandatory Offer](#): Insurers must offer earthquake insurance when issuing a homeowners policy, which can be underwritten directly by the insurer, an affiliate, or a nonaffiliated insurer.

- ii. [Fire Following Earthquake](#) is covered by the underlying homeowners insurance policy.
 - iii. [Grant funding and Increase awareness of the Earthquake Brace and Bolt program](#): AB-548 (Insurance Code, section 10089.396) requires the California Residential Mitigation Program (CRMP) to provide outreach to low-income households to increase awareness of the Earthquake Brace and Bolt program in communities where the program is offered. The law also requires the CRMP to set aside at least 10% of the funds available each year for the Earthquake Brace and Bolt program to provide supplemental grants to homeowners of low-income households who were selected to receive grants pursuant to the program.
- b. Earthquake Insurance:
 - i. [California Earthquake Authority \(CEA\)](#): The CEA is a not-for-profit, publicly managed, privately funded entity. It is the largest earthquake insurer in the state. It writes earthquake policies on behalf of insurers that participate in the CEA program.
 - ii. Earthquake insurance is also available through other [Nonaffiliated Earthquake Insurance Providers](#)
 - iii. [Parametric Earthquake Insurance](#) with coverage up to \$20K is available to cover a policyholder's immediate needs following an earthquake. It is not homeowners insurance.
- c. Residential Earthquake Retrofit Grants and Premium Discounts:
 - i. [CA Seismic Retrofit Grants - Earthquake Retrofit Grants](#): The CEA is required to set aside funds for loss mitigation grants. Accordingly, the CEA created the California Residential Mitigation Program (CRMP) to provide grants and assist with developing building codes for earthquake retrofits.
 - ii. An [incentive program](#), run by the CRMP, that offers grants of up to \$3,000 to qualified homeowners with eligible houses in a select number of higher-earthquake-risk ZIP Codes.
 - iii. In addition to the CRMP grants, [other financial assistance options for earthquake retrofits](#) are available.
- d. Structural Risks and Other Hazard Mitigation
 - i. [Structural Risks](#) to residential properties are explained at the CRMP website.
 - ii. Additional [Hazard Mitigation](#) resources are available at the California Earthquake Alliance website.
- e. Research
 - i. [Statewide California Earthquake Center](#): (SCEC) collaborates with academic, government, industry, and other organizations to: (1) Gather and analyze data from field observations and laboratory experiments. (2) Develop system-level models and simulations of

earthquake processes to synthesize knowledge as a physics-based understanding of seismic hazard. (3) Communicate that understanding to expand knowledge and reduce earthquake risk.

- f. Emerging Risk
 - i. [Climate-Driven Sea Level Rise Exacerbates Alaskan and Cascadian Tsunami Hazards in Southern California](#)
- g. Earthquake Brace + Bolt: An incentive program, run by the California Residential Mitigation Program, that offers grants of up to \$3,000 to qualified homeowners with eligible houses in a select number of higher-earthquake-risk ZIP Codes. The California Brace and Bolt program provides eligible homeowners with grants to retrofit their homes, making them more resistant to earthquake damage by bracing crawl space walls and bolting houses to their foundations

G. Flood

i. Iowa

- a. Reports:
- b. Regulations:
- c. Adopted Legislation:
 - i. [House File 822](#) (2009) provided funding to the state board of regents to establish and administer a flood center at the University of Iowa College of Engineering.
- d. Upcoming Legislation
 - i. [H 499](#): Establishment of a Disaster Grant Program
 - i. [H 622](#): Cat Savings Account
 - ii. [S 591/H 957](#): Natural Hazard Mitigation Financing Program
- e. Data Collection:
 - i. 2020 2018 AND 2019 NAIC Private Flood Data Calls
 - ii. NAIC PCMI data call participating state
- f. Strategy, Initiatives, & Resources:
- g. Partnerships:
 - i. The [Iowa Flood Center](#) was established by the legislature in response to record-setting flooding in 2008 that devastated the eastern part of the state. The Center works cooperatively with state and federal agencies on flood-related projects that help residents understand their flood risk and better prepare for flooding. Among their many [projects](#) are a cost-efficient sensor network to better monitor stream flow, a library of flood-inundation maps for more than 30 communities, and floodplain maps for all 99 counties.
- h. Consumer Outreach and Educational Materials:

- i. Agent education is crucial in Iowa due to frequent flooding from major rivers like the Missouri, Mississippi, and Des Moines, which increases the need for flood insurance coverage.
- ii. [Post Disaster Resources | Iowa Insurance Division](#)

ii. **Minnesota**

- a. Reports:
- b. Regulations:
 - i. 2020 Minnesota State Building Code, which includes flood design data requirements for buildings located in flood hazard areas 3. The code mandates that new construction and substantial improvements in flood hazard areas be designed to resist the effects of flood hazards and flood loads
- c. Adopted Legislation:
- d. Upcoming Legislation:
- e. Data Collection:
- f. Strategy, Initiatives, & Resources:
 - i. Flood and Stormwater mitigation incentives/grants:
 - 1. [Minneapolis](#): Up to 45% stormwater utility fee reduction for installing rain gardens, pervious pavement, or green roofs.
 - 2. [Roseville](#): Credit for properties with effective stormwater runoff controls
 - 3. [Drainage Grants](#)
 - 4. [State-funded set of community adaptation and resiliency programs](#) that began in 2023.
 - 5. [Franklin project](#)
 - 6. [Resilience Grants](#)

- g. Partnerships:
 - i. [Mississippi River Cities and Towns Initiative](#) (MRCTI) announced a new parametric insurance pilot with Munich Re to help river towns recover from flood.
- h. Consumer Outreach and Educational Materials:
 - i. The Commerce Department provides "Flood Insurance Fact Sheet for Property Owners Final" and the "Flood Insurance Fact Sheet April 2020 Update"

iii. Florida

- a. Reports:
 - i. Sea-Level Impact Projection (SLIP) study
 - ii. [Resilience Inference Performance Level \(RIPL\) report](#) aims to help insurance regulators, builders and homeowners identify cost-saving, risk-reducing strategies for residential construction.
- b. Regulations:
- c. Adopted Legislation:
 - i. Florida [House Bill 7053](#) (2022)—Establishes the Statewide Office of Resilience and requires a report on flood resilience and mitigation efforts.
 - ii. Florida [House Bill 111](#) (2023)—Requires all publicly funded projects to conduct a
 - iii. House Bill 7019 created the Florida Flood Hub for Applied Research and Innovation in 2021
- d. Upcoming Legislation:
 - i. Please review [NCOIL listing](#) and determine what to include
- e. Data Collection:
 - i. 2018-2020 NAIC Private Flood Data Call
 - ii. FL DOI [Data Call Page](#) for drafter's reference
- f. Strategy, Initiatives, & Resources:
 - i. [SAMPL](#)™ — short for Sustainable Adaptive Material Performance Level is a resilient design tool, especially for water-related damage.
 - ii. [FAW Dashboard](#)
 - iii. FDEM's Elevate Florida program may offer resources and support for homeowners seeking to elevate their homes to reduce flood risk
 - iv. Florida Public Flood Loss Projection Model created by Florida International University
- g. Partnerships:

- i. The Florida Flood Hub for Applied Research and Innovation, based at the University of South Florida, partners with the Resilient Florida Program to provide open-source resources that support statewide flood mitigation and adaptation, including technical workgroups on sea level rise and rainfall.
 - ii. The Flood Mitigation Assistance Program is funded by FEMA and administered through a partnership with the Florida Division of Emergency Management (FDEM).
- h. Consumer Outreach and Educational Materials:
 - i. Florida's Office of Insurance Regulation [Flood Insurance page](#) provides consumer resources and information on private flood insurance options.

iv. Mississippi

- a. Reports:
- b. Regulations:
 - i. [19 Miss. Admin Code, Part 5, Chapter 3 \(2006-2\)](#) Insurers to Inform Policyholders of Flood and Earthquake Exclusions in Homeowners and/or Windstorm Residential Policies.
- c. Adopted Legislation:
- d. Upcoming Legislation:
- e. Data Collection:
- f. Strategy, Initiatives, & Resources:
 - i. Requires disclosure of flood risks and prior flood damage
- g. Partnerships:
 - i. The MS DOI and the Mississippi Collision Repair Association [have teamed up](#) to protect residents from buying cars damaged by flood
- h. Consumer Outreach and Educational Materials:
 - i. March 16-22, 2025, is Mississippi Flood Insurance Awareness Week

v. Louisiana

- a. Reports:
- b. Regulations:
 - i. Requires sellers to disclose known flood risks and prior flood damage.
- c. Adopted Legislation:
- d. Upcoming Legislation:
- e. Data Collection:
- f. Strategy, Initiatives, & Resources:
- g. Partnerships:
- h. Consumer Outreach and Educational Materials:
 - i. DOI provides a list of private flood insurance writers and their contact information on its website and has a [landing page](#) for flood with multiple resource links

PART 3: Emerging Protection Gaps

A. Overview:

- **Explain intent:** to provide potentially replicable strategies for policymakers to leverage when addressing affordability and availability for homeowners' insurance.
- **Explain the structure:** State peril profiles (by peril, state, actions/resources)
- **Explain focus:** 1) strategies various states have used that could be leveraged by other states, 2) Peril dynamics, including how emerging risks are driving peril intensity and insurance market pressures

B. Atmospheric Rivers and Flooding

i. California

a. Introduction:

- i. One important source of flooding risk in California is a meteorological phenomenon known as “atmospheric rivers.” Atmospheric rivers are long, narrow regions of the atmosphere that transport water vapor, sometimes referred to as “rivers in the sky.” While atmospheric rivers are a key component of the global water cycle and contribute significantly to California’s water supply, they can also cause heavy precipitation and present serious flood risks. Extreme atmospheric rivers can disrupt travel, induce mudslides, and cause catastrophic damage to life and property. Research has found that atmospheric rivers are responsible for the majority of flood damage in the West, with average damages at about \$1 billion per year. Although hurricanes and tropical storms are well categorized, atmospheric rivers are not. Recent research by the state and federal government is now beginning to better understand and assess this risk. But an effective categorization-based warning system has not yet been fully developed. In early February 2024, two atmospheric rivers brought extensive flooding, intense winds, and power outages to portions of California. The storms caused record-breaking rainfall totals to be observed in multiple areas, as well as the declaration of states of emergency in multiple counties in Southern California. Even though every county in the state has seen an emergency declaration for flooding since 1992, uptake of flood insurance is only at 2%.

b. Reports

i. [Climate Insurance Report](#)

1. Senate Bill 30 (Chapter 614, Statutes of 2018) established a working group of environmental advocates, researchers, and insurance experts making recommendations for policies to reduce the costs from wildfires, extreme heat, and flooding.

They released the first-ever report in 2021 titled "Protecting Communities, Preserving Nature, and Building Resiliency; How First-of-Its-Kind Climate Insurance Will Help Combat the Costs of Wildfires, Extreme Heat, and Floods."

2. The report's flooding recommendations include: (1) Conduct high rainfall event vulnerability analysis, (2) Make risk reduction information more accessible, (3) Create a market for natural infrastructure investment to reduce flooding risk, (4) Develop proof of concept for nature-based solution and risk transfer (see pilot projects below).

ii. [Sustainable Insurance Roadmap](#)

1. In 2022, Insurance Commissioner Ricardo Lara and the United Nations' Principles for Sustainable Insurance Initiative (PSI) announced a first-of-its-kind "Sustainable Insurance Roadmap" for the nation's largest insurance market. The roadmap marks a strategic shift for insurance's role in combating the consequences of climate change for California residents and businesses, especially on mitigation and resilience. The Roadmap highlights the four interlocking goals of reducing emissions, accelerating community mitigation, keeping insurance affordable and available for vulnerable communities, and closing protection gaps between insured and uninsured losses.
2. The Roadmap addresses different strategies to reduce risks of flooding and close protection gaps, such as (1) Catalyze community-based Flood Insurance (see pilot projects below), (2) Combine risk reduction and insurance through innovative community approaches, (3) Close the Protection Gap by Targeting Resilience Outreach and Education towards Vulnerable Communities, (4) Launch a "Demystifying Insurance" initiative to increase understanding of insurance options and financial literacy.

c. Regulations

- i. [Sustainable Insurance Strategy](#): Since 2017, California has experienced the eight largest wildfires in state history, as well as fourteen of the most destructive wildfires, and seven of the deadliest wildfires, which include the Camp Fire - the single deadliest wildfire in the history of the state, resulting in the loss of 85 lives. In 2023, a number of insurance carriers representing more than 60% of the admitted market share announced plans to either limit or stop issuing new homeowners and commercial property insurance policies. To address the critical affordability and availability issues impacting policyholders, CDI developed a comprehensive package of

reforms designed to modernize, strengthen, and stabilize California's marketplace for homeowners' insurance and commercial property insurance. Key regulatory components included:

- ii. [Catastrophe Modeling and Rate Making Regulations](#): In December 2024, CDI amended or adopted Sections [2644.4](#), [2644.4.5](#), [2644.4.8](#), [2644.5](#), [2644.8](#), and [2644.27](#) of Title 10 of the California Code of Regulations. Prior to this rulemaking, California insurance rates were determined based, in part, on projections from insurers' historical losses. This rulemaking permits insurance companies to use catastrophe modeling to determine their catastrophe losses adjustment in the ratemaking formula, where they are presumed to have demonstrated a need to do so by committing to take on the risk of writing additional business or maintaining existing business in higher-risk wildfire-prone areas. The regulation requires catastrophe models to account for risk mitigation at the property, community, and landscape scales, including but not limited to forest management, prescribed fire, **nature-based flood risk reduction**, and risk mitigation initiated by local and regional utility companies.

d. Legislation Highlights

- i. [Climate Resilience Districts](#): In 2022, California enacted Senate Bill 852 ([SB 852](#)), co-sponsored by Insurance Commissioner Ricardo Lara. This law authorizes local city and governments to establish Climate Resilience Districts. These districts are empowered to finance and implement projects aimed at mitigating climate change impacts such as wildfires, sea-level rise, extreme heat, drought, and flooding.
- ii. [Sea Level Rise Planning and Adaptation](#): SB-867 would have required a local government lying within the coastal zone to implement sea level rise planning and adaptation. The bill would have also prioritized these local governments for sea level rise funding for the implementation of projects in the local government's approved sea level rise adaptation plan. It also would have required the California Coastal Commission, in close coordination with the Ocean Protection Council and the California Sea Level Rise State and Regional Support Collaborative, to establish guidelines for the preparation of that planning and adaptation.

e. Strategies, Initiatives, and Resources

- i. [Inclusive and Innovative Insurance Pilot Projects](#): CDI is supporting local jurisdictions and communities with innovative insurance approaches, such as:
 - 1. [Community-Based Flood Insurance in the City of Isleton](#): Community leaders in Isleton are using grant money from the California Department of Water Resources to test if a

community-based flood insurance program could work in flood-prone communities like Isleton as a supplement to the National Flood Insurance Program (NFIP).

2. [Innovative Insurance Strategies in Imperial Beach](#): With the support of CDI of Insurance, Imperial Beach, California, has been awarded an \$848,000 grant by the California Ocean Protection Council to develop strategies addressing coastal flooding risks. The city will evaluate these risks, explore parametric insurance solutions, and establish a climate resilience financing district to fund mitigation efforts, thereby enhancing resilience against future hazards.

f. Consumer Outreach and Engagement

i. [Partnership Initiative](#)

1. CDI's consumer outreach activities aim to empower every household in California with the knowledge to understand basic insurance concepts, guard against fraud, and protect their most valuable financial assets, especially as climate-related disasters and market instability continue to rise. The social and economic value of equipping Californians with this critical insurance education is both significant and far-reaching.

2. Initiative Goals

- a. Increase consumer awareness of CDI's role, responsibilities and available services
- b. Expand awareness of insurance access and fraud prevention
- c. Host monthly "Partnership Introduction Webinars"

- ii. [Local Climate Planning Hub](#): This local government outreach portal serves as a centralized resource for cities, counties, and municipalities to navigate the evolving risks of climate change and learn about innovative insurance strategies aimed at reducing these risks and promoting resilience.

ii. Oklahoma

- a. Reports:
- b. Regulations:
 - i. Floodplain Management Act Oklahoma Admin Code 785:55-1-1
- c. Adopted Legislation:
 - i. [HB 2293](#) (2023) creates the Oklahoma Flood and Drought Management Task Force
 - ii. [Oklahoma Floodplain Management Act](#)
- d. Upcoming Legislation:
- e. Data Collection:
 - i. Most storm damage is collected through the DOI's partners at OEM via <http://damage.ok.gov>.
- f. Strategy, Initiatives, & Resources:
 - i. Oklahoma Flood and Drought Management Task Force develops and recommends state drought and flood response, recovery, and mitigation initiatives.
- g. Partnerships:
 - i. [OEM](#), County Commissioners, and VOAD
 - ii. NWS Flooding webpage: <https://www.weather.gov/safety/flood-states-ok>
- h. Consumer Outreach and Educational Materials:
 - i. [Consumer Assistance Flood Insurance Webpage](#)
 - ii. [Consumer Assistance Flood Insurance FAQs](#)

C. Extreme Heat

i. California

- a. Reports
 - i. [Sustainable Insurance Roadmap](#)
 - ii. [Climate Insurance Report](#)
 - iii. Protection Gap Study for Extreme Heat
 - 1. [Download Full Report](#)
 - 2. [Download Key Findings and Recommendations](#)
 - 3. [Extreme Heat Ranking System CalHeatScore](#)
- b. Introduction:
 - i. Extreme heat is expected to increase in frequency, duration, and intensity in California. Studies show that extreme heat events significantly raise health risks, such as heatstroke-related hospitalizations, and have resulted in substantial economic costs. These effects disproportionately impact vulnerable groups, including communities of color, seniors, children, and low-income populations. The insurance protection gaps in extreme heat response highlight the need for better risk mitigation and insurance solutions to avoid

overwhelmed hospitals, business disruptions, and increased costs for local governments. Extreme heat also strains energy grids, lowers labor productivity, and damages infrastructure, exacerbating inequities. Therefore, reducing risks and closing protection gaps to heat impacts will help safeguard health and the long-term sustainability of local economies.

c. Reports and Studies

- i. [Insuring Extreme Heat Risks](#): In 2019, CDI commissioned a first-of-its-kind extreme heat and insurance report. This study is the first in the world to assess the legal and policy issues and opportunities for insurance to reduce the impacts from extreme heat events.
- ii. [Climate Insurance Report](#):
 1. Senate Bill 30 (Chapter 614, Statutes of 2018) established a working group of environmental advocates, researchers, and insurance experts making recommendations for policies to reduce the costs from wildfires, extreme heat, and flooding. They released the first-ever report in 2021 titled "Protecting Communities, Preserving Nature, and Building Resiliency; How First-of-Its-Kind Climate Insurance Will Help Combat the Costs of Wildfires, Extreme Heat, and Floods."
 2. CDI has already implemented several of the report's extreme heat recommendations, such as, (1) performing extreme heat public sector cost analysis (see 2024 study below), (2) improving warning systems by naming and ranking heat waves (see AB 2238 legislation below), (3) and developing pilot projects for extreme heat (see Initiatives below).

d. Protection Gap Study for Extreme Heat:

- i. In July 2024, CDI completed and published a comprehensive analysis titled "Impacts of Extreme Heat to California's People, Infrastructure, and Economy." This first-of-its-kind report, the result of legislation that Commissioner Lara sponsored in 2022, meticulously quantifies the uninsured and insured costs of seven recent extreme heat events across the state, highlighting the urgent need for adaptive strategies to mitigate the growing threat of extreme heat.
- ii. The report creates a framework to measure the true costs of seven significant extreme heat events over the past decade, providing a detailed analysis of the financial and human tolls they exacted on our communities. The full spectrum of costs is likely much deeper than the report's preliminary estimates. Some kinds of insurance are available to cover costs connected to extreme heat, such as health coverage, workers' compensation insurance, and crop insurance. However, the report exposes significant gaps in traditional insurance coverage for heat-related losses and calls for the development of

innovative insurance mechanisms and investments in adaptation and resilience. Key findings of the report include:

1. The preliminary estimates on the cumulative cost of the seven studied heat events amounted to \$7.7 billion, affecting nearly the entire population of California.
2. Adverse health outcomes disproportionately impacted Black, Hispanic, and Native American communities, with significant mortality rates among older adults and heat-related illnesses among younger populations.
3. Due to extreme heat, labor productivity losses ranged between \$7.7 million and \$210 million per event, with substantial uninsured wage losses.
4. Power outages during heat events resulted in substantial economic impacts, with the 2022 Coastal Inland event incurring the highest costs at \$230 million.
5. Infrastructure costs due to heat-related damage repair and delays ranged from \$3.8 million to \$35 million per event, predominantly affecting roads and rails.
6. Pursuant to Public Resources Code 71410 (f), this report was also used as one part of the information considered for the creation of California's extreme heat ranking tool, called CalHeatscore, by the California Environmental Protection Agency in early 2025.
 - A. Download Full Report; Download Key Findings and Recommendations; Extreme Heat Ranking System: CalHeatScore

e. Legislation Highlights

- i. Climate Risk Insurance Solutions: [SB-30 Insurance: climate change](#). (Insurance Code, section [12922.5](#))
- ii. With California communities increasingly exposed to climate change-related threats, Commissioner Ricardo Lara wrote the nation's first climate insurance law, passed by the State Legislature and signed by the Governor in 2018.
- iii. The law requires the Insurance Commissioner to convene a working group to identify, assess, and recommend risk transfer market mechanisms that, among other things, promote investment in natural infrastructure to reduce the risks of climate change related to catastrophic events, create incentives for investment in natural infrastructure to reduce risks to communities, and provide mitigation incentives for private investment in natural lands to lessen exposure and reduce climate risks to public safety, property, utilities, and infrastructure.

- iv. [Climate Insurance Working Group](#): Pursuant to SB-30, Commissioner Lara appointed a working group of environmental advocates, public policy experts, researchers, and insurance experts to make recommendations to reduce the threat from wildfires, floods, mudflows, high urban heat, sea-level rise, and other issues facing California. In 2021, the group [published a report](#) titled "Protecting Communities, Preserving Nature, and Building Resiliency; How First-of-Its-Kind Climate Insurance Will Help Combat the Costs of Wildfires, Extreme Heat, and Floods." (see Reports section).
- v. [AB-2238 Extreme heat: statewide extreme heat ranking system. \(California Public Resources Code, Section 71410\)](#)
 - 1. In 2021, the California Department of Insurance's (CDI) [Climate Insurance Workgroup recommended](#) that California build a system to rank heat waves to better communicate the deadly risks to Californians and help communities prepare, similar to how tropical storms and hurricanes are described by "category" level.
 - 2. Assembly Bill No. 2238 codified CDI's recommendation by requiring the California Environmental Protection Agency (CalEPA) to develop a statewide extreme heat ranking system. AB 2238 requires the Integrated Climate Adaptation and Resiliency Program (ICARP) to disseminate the system's information to communities and local leaders, and the Governor's Office of Emergency Services (Cal OES) to support ICARP's dissemination and communications campaign. The Department of Public Health (CDPH) provides consultation on the system and will support the Office of Environmental Health Hazard Assessment (OEHHA), under CalEPA, to adapt the system for use at locally relevant scales. AB 2238 also required CDI to release a [report](#) on the insurance-related costs of extreme heat, described above.
 - 3. [In May of 2025](#), California's extreme heat ranking tool, called [CalHeatscore](#), was released by OEHHA.
- vi. Assembly Concurrent Resolution [No. 109 Extreme heat: state response](#).
 - 1. This measure declared the California Legislature's recognition of extreme heat as a serious and urgent threat and would call on the state's agencies and departments to invest resources in increasing resilience to extreme heat, with priority given to communities that are most at risk and vulnerable, and to develop strategies to mitigate urban heat island effects, enhance building resilience, and evaluate the

effectiveness of measures to improve protection in the face of continually rising temperatures.

f. Initiatives

i. [Inclusive and Innovative Insurance Pilot Projects](#)

1. CDI is supporting local jurisdictions and communities with innovative insurance approaches. In 2021, CDI hosted a convening to identify specific pilot projects it could support to address the risks of extreme heat in low-income and disadvantaged or marginalized communities, including cool technologies, urban forests, pre-disaster mitigation and increased community resilience.
2. [California Extreme Heat Parametric Concept](#): CDI has catalyzed a concept to develop parametric insurance programs for communities exposed to extreme heat challenges, where payouts would be specifically dedicated to pre-defined heat interventions and relief mechanisms. Similar models have already been implemented in India, where a [parametric insurance program](#) covers 50,000 informal women workers, which pays out when temperatures exceed set limits, helping mitigate health risks and lost income.
3. [Urban Forest Insurance Concept](#): In 2025, CDI hosted a convening to explore insurance solutions for urban forests. Urban forests provide vital benefits like improved air quality, temperature regulation, and recreation, but face growing threats from climate change, including wildfires, storms, and droughts. Parametric insurance can offer a solution by providing funds to repair damaged tree canopies or plant new trees when specific triggers, such as wind speed, rainfall, or pest infestation, are met.

g. Consumer Outreach and Engagement

i. [Partnership Initiative](#)

1. CDI's consumer outreach activities aim to empower every household in California with the knowledge to understand basic insurance concepts, guard against fraud, and protect their most valuable financial assets, especially as climate-related disasters and market instability continue to rise. The social and economic value of equipping Californians with this critical insurance education is both significant and far-reaching.
2. Initiative Goals
 - A. Increase consumer awareness of CDI's role, responsibilities and available services

- B. Expand awareness of insurance access and fraud prevention
 - C. Host monthly “Partnership Introduction Webinars”
- ii. [Local Climate Planning Hub](#): This local government outreach portal serves as a centralized resource for cities, counties, and municipalities to navigate the evolving risks of climate change and learn about innovative insurance strategies aimed at reducing these risks and promoting resilience.

PART 4: Strategies and Implementation Considerations

A. Overview:

- i. This section offers insights for state insurance regulators aiming to implement approaches featured in other states across the Playbook. The guidance is structured around practical considerations.

B. Supporting Mitigation Incentives

- i. Encourage insurer filings that recognize FORTIFIED or similar standards.
- ii. Use IBHS data and other states' pilot programs to guide outreach and insurer participation.
- iii. Coordinate with grant programs and share claims data to support targeted mitigation efforts.

C. Legislative and Regulatory Tools

- i. Informing Legislative Efforts
 - a. Use market data (see Section D) to highlight access challenges and support legislative proposals on transparency, rating flexibility, and mitigation incentives.
- ii. Reviewing and Updating Rules
 - a. Conduct post-implementation reviews of regulations to assess impact on affordability and access.
 - b. Update rules as needed to reflect changing market conditions or emerging risks.

D. Regulatory Data and Transparency Tools

- i. Risk and Exposure Data
 - a. Examine insurers' risk rating methods and require modifications to classifications or zone definitions to improve consistency and fairness.
- ii. Claims and Market Monitoring
 - a. Issue data calls after disasters to track claims, nonrenewals, and policy lapses.
 - b. Use ZIP-code-level insurer filings to identify coverage gaps or premium spikes
- iii. Internal Reporting Tools
 - a. Maintain dashboards to support regulatory and legislative decisions.

E. Market Access

- i. Mapping Insurance Deserts
- ii. Structuring Subsidies and Discount Programs
 - a. Refer to strategies in Section B to align mitigation incentives with affordability measures for income-eligible homeowners.
 - b. Support use of federal BRIC and CDBG funds to supplement state-based affordability measures.
- iii. Enforcing Fair Underwriting
 - a. Monitor for discriminatory practices, enforce cancellation protections, and ensure FAIR Plans address availability gaps.

F. Partnerships and Capacity Building

- i. Support engagement of insurance, fire, emergency management, and forestry agencies to align goals.
- ii. Support local planning efforts using insurance data insights from Section D.
- iii. Grow internal expertise by creating dedicated units, joining NAIC workstreams, and partnering with universities for training

G. Consumer Education and Engagement

- i. Develop education campaigns that use plain language and include multilingual outreach via town halls, preparedness events, and awareness campaigns.
- ii. Provide Tools
 - a. Share step-by-step guidance on applying for insurance, appealing cancellations, and accessing mitigation discounts (see Section B).
 - b. Provide consumer-facing tools to compare coverage options and understand rights.