

# CALIFORNIA DEPARTMENT OF INSURANCE

## *Wildfire Actions*



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# ROLE OF INSURANCE COMMISSIONER

## RICARDO LARA

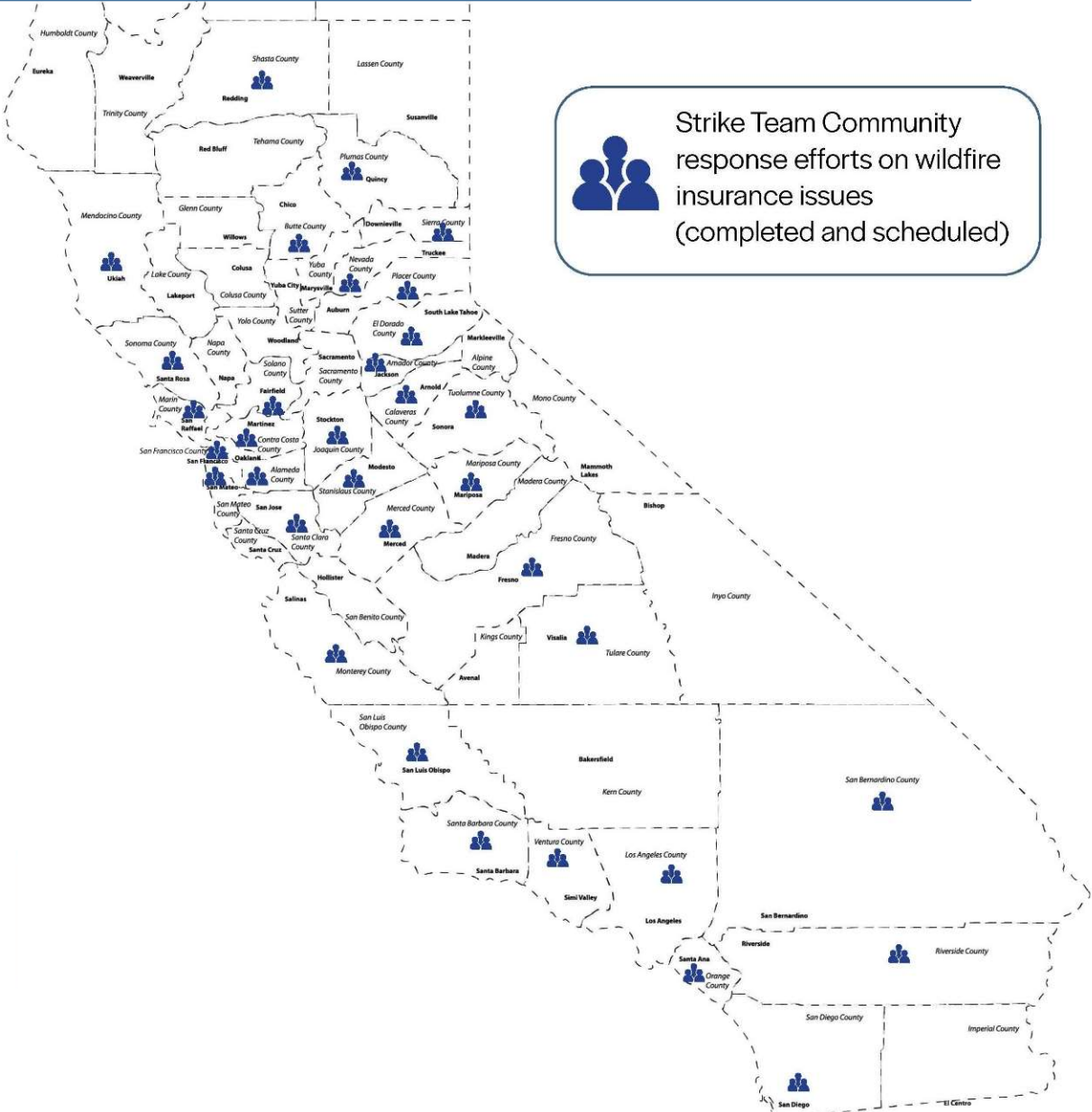
- **Protect consumers**
- **Maintain insurer solvency**
- **Set standards for agents and broker licensing**
- **Perform market conduct reviews of insurance companies**
- **Resolve consumer complaints**
- **Investigate and prosecute insurance fraud**
- **Cannot require or compel insurance companies to sell insurance**

## What CDI Has Done

**25,000** people  
to hear wildfire and  
insurance concerns  
through

# 60 virtual events in 40 counties

# Since 2019



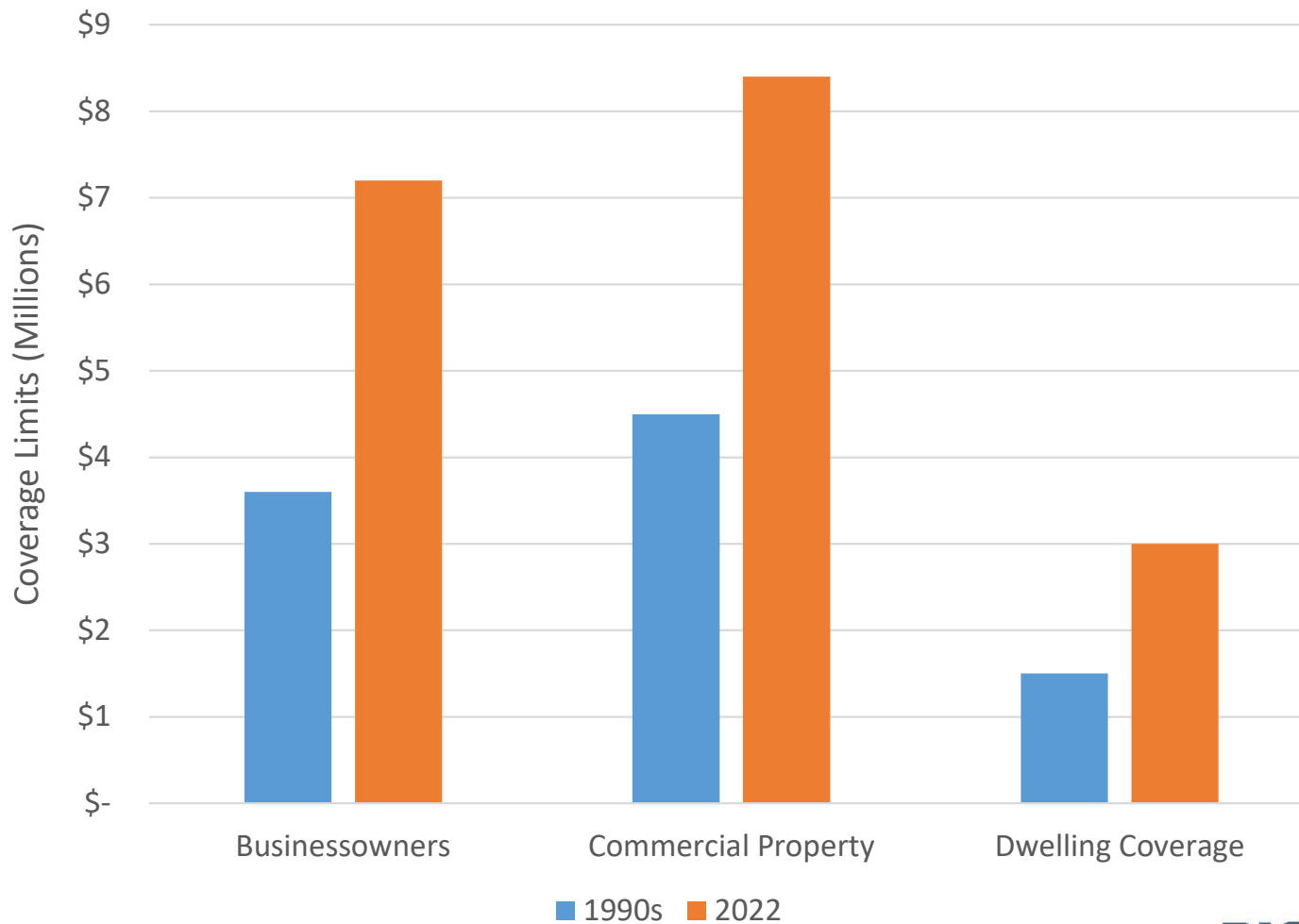
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# Progress Report



- Removed barriers to allow wildfire survivors to receive critical insurance benefits
  - Coverage for evacuation expenses
  - Extensions to additional living expenses
  - Created disclosures and coverage to meet upgraded building codes
- One year moratorium from non-renewals (More than 4 million policyholders protected)
- Increased non-renewal notice from 45 to 75 days

# Improving the FAIR Plan



# Safer from Wildfires in

1

2

3

Launched in January 2022, Safer from Wildfires is an interagency partnership between Insurance Commissioner Ricardo Lara and the state's emergency response and readiness agencies to protect lives, homes, and businesses by reducing wildfire risk.



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# Safer from Wildfires in



## 1 Protecting the structure



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



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# Safer from Wildfires in



## 2 Protecting the immediate surroundings



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



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# Safer from Wildfires in



## 3 Working together as a community



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



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## Regulations to lower costs and increase transparency

- Require insurance companies to **factor consumers' and businesses' wildfire safety actions into their pricing**
- Provide consumers with **transparency about their “wildfire risk score”** that insurance companies assign to properties
- Give consumers the **right to appeal** their risk determination
- Public hearing was April 13 — regulations expected to be in effect by summer 2022

# It Is Working!

- The number of homeowners non-renewed by insurance companies fell by 10 percent statewide in 2020 compared to the previous year — a decrease of 22,870 policies.
- **Premium discounts now available to 2 out of every 5 consumers**, with up to 20 percent discounts for wildfire-hardened homes – 6x increase since 2019



# QUESTIONS?

**1-800-927-4357**  
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