California moves to create public wildfire algorithm to ease insurance crisis

NBC Bay Area

Fire and insurance experts convened on Tuesday to help California take a step toward solving its insurance issues with big data.

“We are here to try to tackle a crisis.,” said panelist Amy Bach, who heads the nonprofit advocacy group United Policyholders in San Francisco.

The meeting was virtual, but it tackled a harsh reality: California faces near-constant wildfire risk.

“It’s driven by humans, climate, and topography, and vegetation — all of which are changing,” said panelist Alexandra Syphard with the Conservation Biology Institute.

The state has only recently given insurance companies a green light to use complex computer models to assess risk and set prices. “What these models say has a very dramatic impact on policyholders… on what they get charged… and what options they have,” said Bach.

Earlier this year, we traveled to Boston to show you the teams at a company called Verisk, which makes computer models for some insurance companies. .

“Everything in catastrophe modeling starts with people,” said Verisk’s Jay Guin, who heads a team of 150 subject matter experts. We looked at the risk level a model estimated for my home — down to the dollar. Guin said Verisk can generate a similar number for every U.S. home. “Absolutely,” he said. “The entire country.”

The models are substantial, but largely behind closed doors.

The information presented in this publication is for general informational purposes and is not a substitute for legal advice. If you have a specific legal issue or problem, United Policyholders recommends that you consult with an attorney. Guidance on hiring professional help can be found in the “Find Help” section of www.uphelp.org. United Policyholders does not sell insurance or certify, endorse or warrant any of the insurance products, vendors, or professionals identified on our website.
Source: https://uphelp.org/california-moves-to-create-public-wildfire-algorithm-to-ease-insurance-crisis/ Date: September 8, 2026

“The information is not public,” said panelist Lloyd Dixon with Rand Corp. at Tuesday’s meeting. Dixon said the private model is just that: private. “It’s intellectual property. And that generates some skepticism.”

And so, the state is currently exploring whether to create a public catastrophe model that, essentially, keeps the private models honest. “We feel it’s very important that there be this public model,” said Bach.

The strategy group of experts in fire, insurance, and data is recommending the state move forward with creating a public model. On Tuesday, the group discussed some key needs, such as a common set of data — so catastrophe models are comparing apples to apples when setting the price of your insurance policy.

Panelists also touched on mitigation. Some noted that if you take action to protect your home, like high-tech roof-mounted sprinklers, the models should take that mitigation into account. The experts said developing a public robust model will require a long term commitment, likely years, and ongoing funding. They suggested housing the model at a university or collective of colleges.

“This is a process that is going to require maintenance over time, as we learn more about fire over time because it’s so complicated,” Syphard said.

The group’s recommendations will land on the insurance commissioner’s desk. He’ll decide whether to move forward with trying to build a public catastrophe model.

The information presented in this publication is for general informational purposes and is not a substitute for legal advice. If you have a specific legal issue or problem, United Policyholders recommends that you consult with an attorney. Guidance on hiring professional help can be found in the “Find Help” section of www.uphelp.org. United Policyholders does not sell insurance or certify, endorse or warrant any of the insurance products, vendors, or professionals identified on our website.
Source: https://uphelp.org/california-moves-to-create-public-wildfire-algorithm-to-ease-insurance-crisis/ Date: September 8, 2026