

California plans significant changes to insurance rules as wildfires increase risk

EHN

California regulators propose major insurance reforms to address soaring costs and dwindling options for homeowners in wildfire-prone areas.

[Sharon Udasin reports for The Hill.](#)

In short:

- California is considering updates to Proposition 103, which currently limits insurance rate changes, to require firms to cover high-risk areas based on market share.
- The proposal includes using “catastrophe modeling” to better assess wildfire risks, though its impact on rates is debated.
- Experts worry that while these changes may attract insurers back, they could also raise costs for consumers.

Key quote:

“We are nervous. The reality is that prices are so high already, and affordability is so low right now.”

— Amy Bach, executive director of United Policyholders

Why this matters:

As wildfires worsen, Californians face fewer and costlier insurance options. These reforms could determine whether homeowners in high-risk areas can find or afford coverage. Read more: Insurance woes increase as climate change impacts profitability.