New regulations introduced to improve wildfire safety and drive down cost of insurance

Lake County News

On Friday, Insurance Commissioner Ricardo Lara announced new regulations intended to improve wildfire safety and drive down the cost of insurance for homeowners and businesses.

Under the proposed regulations, which could be in effect by this summer, insurance companies would be required to factor consumers' and businesses' wildfire safety actions into their pricing of residential and commercial coverage.

The new regulations also will provide consumers with transparency about their "wildfire risk score" that insurance companies assign to properties.

These regulations address complaints Commissioner Lara heard from many consumers and businesses across the state that insurance companies are unwilling to account for steps taken to harden their properties and communities against wildfire, lowering their risk of loss and damage.

"With more Californians rolling up their sleeves and reaching into their own pockets to protect their homes and businesses, insurance pricing must reflect their efforts," said Lara. "Holding insurance companies accountable for accurately rating wildfire risk in the premiums they charge Californians will help save lives and reduce losses. My new regulations will help encourage a competitive insurance market for all by putting safety first and driving down costs for consumers."

The announced regulations incorporate the new "Safer from Wildfires" framework, a list of achievable, expert-endorsed actions that will help save lives and reduce risk for property owners.

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Source: https://uphelp.org/new-regulations-introduced-to-improve-wildfire-safety-and-drive-down-cost-of-insurance/ Date: September 11, 2026

Commissioner Lara unveiled the Safer from Wildfires framework with state emergency leaders on Feb. 14, marking the first time that state agencies have been brought together to identify a common insurance framework of mitigation actions for existing homes and businesses.

By requiring insurance companies to utilize the Safer from Wildfires framework in their pricing for insurance, Commissioner Lara said he is sending a strong signal to consumers about the need to better prepare for extreme wildfires — which will lead to a more competitive market for all California residents and businesses.

Specifically, the regulations will require insurance companies to comply with Proposition 103, passed by voters in 1988 to give the insurance commissioner authority to approve rates set by insurance companies, by incorporating the new framework in "wildfire risk scores" that insurance companies commonly use to rate individual and commercial properties.

In community meetings and town halls that Commissioner Lara held across California before the pandemic and in his virtual investigatory wildfire hearing in October 2020, consumers described taking action to protect their homes — often at the cost of thousands of dollars out of pocket — while many insurance companies simply declined to recognize the value of these actions.

Still other insurance companies assigned opaque wildfire risk scores to increase the price of insurance for a given property.

Consumers rarely know their property's wildfire risk scores let alone how to improve them, even though these scores are a critical factor in many insurance companies' decisions about how much to charge for insurance.

These regulations will help Commissioner Lara increase consumer discounts that insurance companies offer for safer homes and businesses, which has been a major focus of his comprehensive strategy to reduce the growing threat of wildfires.

Currently, 17 insurance companies representing 40% of the insurance marketplace have answered Commissioner Lara's call to offer discounts, up from just 7% of the market when Commissioner Lara took office three years ago, demonstrating expanding options for consumers. View the list of insurance

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companies currently offering discounts at the Department of Insurance website.

These regulations also increase transparency by providing an opportunity for consumers and businesses to review their property's risk score or other factors used in pricing for accuracy based on mitigation work they have undertaken. Consumers and businesses will be able to appeal scores or other factors insurance companies use to assess wildfire risk.

Fire chiefs and consumer advocates joined Commissioner Lara in calling for increased wildfire safety efforts.

"By rewarding homeowners and businesses for the wildfire safety actions they take, these regulations will be a huge assist to our efforts to prevent the severe loss of life and property from wildfires like we saw in the devastating Thomas Fire and debris flow that followed," said Montecito Fire Chief Kevin Taylor, who testified at the investigatory hearing the Department of Insurance held in October 2020. "I am glad to see the state supporting local communities like ours with wildfire safety programs like this."

"This is the most significant, concrete step forward on wildfire safety that brings all of the pieces together to help Californians maintain and obtain high quality insurance at a reasonable cost," said Novato Fire District Chief Bill Tyler, who also testified at the investigatory hearing. "This helps people take back control over their risk by having insurance companies recognize their efforts."

"Now that experts concur and the Safer from Wildfires framework has been established, we need regulations to ensure that consistent and clear rewards will be in place to incentivize and accomplish wildfire risk reduction at the parcel and community level," said Amy Bach, United Policyholders' executive director and architect of the Wildfire Risk Reduction and Asset Protection working group that contributed to the Safer from Wildfires framework. "United Policyholders commends Commissioner Lara for this important progress."

"California's farmers, ranchers and agriculture communities are very appreciative of Commissioner Lara's work to create an insurance framework we can all use to make our businesses safer from wildfires," said Jamie Johansson, president of the California Farm Bureau Federation. "By pricing insurance to recognize farmers' wildfire safety efforts, these regulations will help drive insurance companies to better support our agriculture sector, which is not only critical to our state but to our entire country."

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The Department of Insurance invites the public to testify on the new regulations at a hearing on April 13 or in writing.

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