Informational Hearing

WILDFIRE RESILIENCE: INNOVATION IN MITIGATION

Senate Committee on Insurance

Thursday March 17, 2022
Senate Chamber

Summary

Public and private conversations surrounding wildfire preparedness and community resiliency have expanded with great speed since the 2017 and 2018 wildfire seasons amounted to over $25 billion in insured losses, and billions more in uninsured losses. The shock of these unexpectedly high loss years affected the collective consciousness of everyday Californians as well as those in government and the insurance industry, and the continued increase in wildfire severity seem to confirm the beginning of a new era in climate change-driven catastrophic wildfire. In response, both public agencies and the private sector have promoted novel risk-management solutions to address this heightened threat. In true California fashion, this often means looking to science and technology to help solve problems that contribute to worsening insurance affordability or availability, and to help build resiliency into communities that were planned and built long before the severity of this modern risk was known. In this hearing, the Committee will hear public and private actors present initiatives and innovations aimed at increasing resiliency to wildfire, and review these efforts in light of the continued challenges facing the homeowners and commercial insurance markets in high wildfire risk regions.

Introduction

Insurance is a critical element of disaster preparedness. As an industry, its key objective is to as accurately as possible predict and rate risks of loss so that appropriate financial resources are collected through premiums and available to victims when disaster strikes, in addition to providing a sufficient rate of return to the company. This requires studying past events and applying the knowledge gathered about the past to present circumstances. When risks are certain and predictable, insurance operates smoothly in this manner on a year-by-year basis. As the fire peril has become more catastrophic, insurers have increasingly advocated for using the information from the past, along with ever more sophisticated data sources from the present, to model what is likely to occur in the future.

The unanticipated, severe losses of the 2017 and 2018 wildfire seasons caused as a massive upheaval in the homeowners insurance market to occur as insurers adjusted their business to match the growing risk. Modeled insurance rating is promoted as a potential solution to guard against the large price hikes and widespread non-renewals that have occurred in recent years in the aftermath of unanticipated catastrophic losses. However, their use should be balanced with appropriate transparency protections to ensure the data sources and assumptions used do not unduly benefit or burden some homeowners over others.

The California Department of Insurance (CDI) and insurers alike are actively looking for ways to better identify and understand, rate, and reduce fire risks. Consumer groups have also pushed the conversation on developing standardized home hardening measures the average homeowner can understand and perform. In the years since the 2017 and 2018 fires, the Legislature has tasked several agencies with projects to assist consumers in understanding their wildfire risks, and has provided significant funding to reduce these risks, including by leveraging federal grant dollars for homeowners to retrofit their homes.

A core principle of insurance is that as risks increase, so do rates. The apparent increase in wildfire risk has accelerated the desire across stakeholder groups to promote concerted risk reduction measures that would reliably benefit consumers, under the theory that understanding, measuring, and reducing risks will increase the amount of insurance available to Californians and relieve current upward cost pressures. Complicating the task, several agencies share responsibility for various risk reduction activities, including providing guidance to consumers. Coordinating this guidance has coalesced into an interagency partnership known as “Safer From Wildfires,” which is a collaboration between CDI, the Public Utilities Commission (PUC), the Governor’s Office of Planning and Research (OPR), the California Department of Forestry and Fire protection (CAL FIRE), and the Governor’s Office of Emergency Services (CalOES). The goal of this partnership is to protect consumers by relying on the experience of first responder agencies and the latest wildfire research to create a consistent approach across agencies to reducing wildfire risk.

Insurers have also taken an increased role in reducing risk. The insurance industry’s research arm, the Insurance Institute for Business and Home Safety (IIBHS), has worked briskly to develop a “Wildfire Prepared Home” designation for wildfire resiliency. This research and data development moves the industry closer to the goal of assessing an individual parcel risk based on

a variety of specific home or property features. Those who promote crediting homeowners for hardening activities have long sought after this level of risk differentiation, a necessity for insurers to build actuarially sound rating and underwriting plans that account for hardening. Important to this goal is the creation, measurement, and inclusion of community-level features under a total risk profile for an individual home.

The devastating fires in California, Australia, and elsewhere has led to a widespread innovation sprint in the development of technologies that provide heightened sensing capabilities, and other innovative solutions to prevent losses once a fire has been detected. Some insurers have introduced a benefit to policyholders where specially trained crews are dispatched to homes within wildfire evacuation zones to conduct last minute mitigation activities like removing flammable materials, taping vents, clearing leaves and brush, laying retardant, and other activities that increase survivability of the home.

Central in this sprint has been the adoption of computer loss modeling. The promotion of the use of catastrophic wildfire loss models is not unlike that which took place for hurricane models after Hurricane Andrew hit Florida in 1992, and earthquake models after the Northridge Earthquake in 1994. Private modeling companies have collected vast amounts of data to run sophisticated computer models that predict likelihoods of certain wildfire events, and can assign risk scores on a parcel basis. These risk scores can be updated as satellite imagery shows changes in fuel load, due to a newly created defensible space zone around the home for example.

Loss models have long been used by insurers to help develop underwriting standards, but their use in insurance rate making in California has historically been limited. Some insurers have in recent years sought to achieve something similar to giving consumers direct credit for hardening by filing for rate that rely on the projections of multiple models. The effect is to selectively expand underwriting criteria (write more policies or take on more risk in a specific area) based on comparing or 'overlaying' how one model projects risk – based on fuel loads, visible defensible space areas, and other factors – with another model's projection for the risk.

Now, CDI seeks to fully bridge this gap in risk assessment by formally bringing modeling into the rate approval process. On February 25, 2022, CDI announced formal rulemaking regarding "Mitigation in Rating Plans and Wildfire Risk Models." Among other things, these proposed regulations would require insurers to incorporate the mitigation factors identified by the Safer From Wildfire interagency partnership into their rating plans.

In addition to efforts to make homes more survivable, this hearing will examine an emerging technology to increase fire surveillance capabilities, with the goal of detecting wildfires sooner after ignition and bolstering the efforts of fire crews to respond to fires while they are small and before they reach communities. Finally, we'll look at just one way technology is impacting how we think about purchasing insurance products to guard against wildfire risk: Parametric insurance is a product structured to offer payouts to local or state agencies based on unique triggers such as the number of red flag warnings in a year or whether a fire burns within a certain designated geographic area, regardless of the losses it causes.

Insurance Market Updates

CDI released its 2020 Annual Report of the Insurance Commissioner (IC) on December 20, 2021. In this report, the Department notes that insurer-initiated non-renewals decreased 10% in 2020 over 2019. With no major losses, insurer losses in 2019 were significantly lower than 2017 and 2018. Also in 2020, under the authority of SB 824 (Chapter 616, Statutes of 2018), the IC issued one-year moratoriums against non-renewal that covered 2.4 million homes due to the record breaking 4.3 million acre 2020 wildfire season. This brings the three-year total of homes protected by moratorium to over 4 million. CDI also reports policies for the insurer of last resort, the FAIR Plan, which began growing sharply in the fall of 2018, has slowed. Despite growing in market share for the second straight year, the 241,466 FAIR policies in force were only 3% of the overall statewide residential property insurance market.

It could be argued the recent shocks to the insurance market were due to the inability to foresee and account for the effect on losses climate change would have, so quickly, via devastating wildfires. This is increasingly a concern for other catastrophic perils as well, particularly hurricanes. In July 2020, the National Association of Insurance Commissioners (NAIC) approved an Executive Committee Task Force on Climate Risk and Resilience based on a CDI Climate and Sustainability Branch developed proposal. The new task force elevates climate and sustainability issues at the NAIC. The Task Force has five focuses: Predisaster mitigation, solvency, innovation, technology, and climate risk disclosure. California Commissioner Lara and Director Ray Farmer, from South Carolina, co-chair the Task Force.

CDI also reports some successes with large insurers to expand insurance access for consumers. Particularly, CDI reports commitments from Farmers, Allstate, and the California State Automobile Association – the #2, 3, and 4 biggest insurers in the state by market share – to increase the amount of new homeowners policies written and cease or limit non-renewals. Further, progress is reported on providing discounts to homeowners that harden their homes. CDI reports that premium discounts of up to 20% for wildfire-hardened homes are now offered by several companies.

Public and Private Mitigation Initiatives

Safer From Wildfires – The Interagency Wildfire Mitigation Partnership

CDI announced the a partnership with CAL FIRE, CalOES, PUC, and OPR in February 2021 with the goal of establishing consistency among statewide home and community hardening actions that are applicable to insurance incentives, and focused on retrofits for older existing homes. Wildfire building standards for new development are already established and periodically updated by CAL FIRE. This initiative focused on creating a shared strategy for policyholders, insurers, and state regulators to reduce wildfire risks built on strong consensus from fire science experts and independent research groups.

CDI reports the public agency partners met internally to coordinate existing expertise, as well as engaged with the Office of Energy Infrastructure, the IIBHS, the California Fire Chiefs

Association, United Policyholders (UP), Consumer Federation of America, the American Property Casualty Insurance Association, and the Personal Insurance Federation of California to develop its "List of Home and Community Protection Measures." CDI notes this collaboration resulted in consistency between its recommendations and those of other stakeholders, namely the United Policyholders' Wildfire Risk Reduction and Asset Protection (WRAP) initiative, and IIBHS' "Wildfire Prepared Home" designation criteria, as well as the Office of the State Fire Marshall's "Low-Cost Retrofit List."

CDI notes the Safer From Wildfire partnership is meant to enhance ongoing wildfire mitigation efforts required by recent legislation, and is at least partially motivated by Governor Newsom's signing message on SB 872 (Chapter 261 Statutes of 2020) authored by Senator Dodd and sponsored by the Department of Insurance, that stated, "we must do more," and directed OPR, Cal OES, and CAL FIRE to "work with the Insurance Commissioner to evaluate and recommend ways that residents, communities, and the insurance industry can work together to better mitigate wildfire risks."

This Committee has previously analogized a well-balanced insurance market to a three-legged stool, or 'the three a's.' An efficient market is widely accessible to consumers, provides adequate benefits, and offers affordable policies. While a three-legged stool is the minimum required for balance, a four-legged stool offers more stability. The recently enacted legislative requirements CDI intends the wildfire partnership support adds a fourth leg, *risk abatement*, to this stool. These include:

- Requiring the establishment of a model defensible space law. *(SB 190 (Dodd) Chapter 404, Statutes of 2019).*
- Requiring CAL FIRE and CalOES to establish a joint powers authority to administer a financial assistance fund for home hardening. *(AB 38 (Wood) Chapter 391, Statutes of 2019).*
- Changing local planning processes, providing for new building standards based on data from the 2017 fire season, and providing for new vegetation management guidance, defensible space authorizations, and re-vegetation requirements in order to improve fire safety. *(AB 2911 Friedman, Chapter 641, Statutes of 2018).*
- Establishing an ember-resistant zone within five feet of a structure as part of revised defensible space requirements for structures located in specified areas. *(AB 3074 (Friedman) Chapter 259, Statutes of 2020).*
- Creating a deputy director of Community Wildfire Preparedness and Mitigation within the Office of the State Fire Marshall. *(AB 9 (Wood) Chapter 225, Statutes of 2021).*
- Incorporating and facilitating cultural burning practices amongst wildland fire prevention efforts, and requiring the identification of moderate and high fire hazard severity zones in local responsibility areas. *(AB 642 (Friedman) Chapter 375, Statutes of 2021).*
- Requiring the State Fire Marshal in consultation the Department of Housing and Community Development to propose to the State Building Standards Commission expanded building standards that provide for comprehensive site and structure fire risk reduction to protect structures from fire risk. *(SB 63 (Stern) Chapter 382, Statutes of 2021).*

Wildfire Partnership List of Home and Community Protection Measures

The chief product of the 5 agency partnership is the Wildfire Partnership List of Home and Community Protection Measures, which is divided into three sections: Protecting the Structure, Protecting the Immediate Surroundings, and Community Mitigation.

Protecting the Structure. (1) Class-A Fire rated roof, (2) a 5 foot ember-resistant zone around the home, (3) noncombustible exterior wall materials from the ground level to 6 inches high, (4) ember resistant vents, (5) double pane windows or added shutters, and (6) enclosed eaves (soffits).

Protecting the Immediate Surroundings. (1) Cleared vegetation and debris from under decks, (2) Removal of combustible sheds and other outbuildings from the immediate surrounding of the home, to at least 30 feet, and (3) Defensible space compliance with state and local ordinances.

Community Mitigation. (1) Clearly defined boundary and a local risk assessment done in consultation with a local or state fire agency, (2) an identified evacuation route clear of vegetative overgrowth, and evacuation contingency plans; (3) clear funding sources to implement community mitigation activities and meet risk reduction goals; and (4) integrated and updated local planning documents pertinent to community wildfire risk.

- CDI identifies the Board of Forestry's Fire Risk Reduction Community designation, Firewise USA communities, and Shelter-in-Place designations as suitable examples.

Wildfire Risk Reduction and Asset Protection project by United Policyholders (WRAP UP)

UP is a 501(c)(3) consumer advocacy organization founded in 1991 after the Oakland Hills Fire. Like the interagency partnership, UP sought to identify the most commonly accepted home improvements that experts and communities are promoting to facilitate home hardening and fuel reduction. The organization also promotes financial assistance for homeowners to complete retrofits, inspection and certification, and generally advocates to limit the use of predictive models in home insurance rates. UP convened its WRAP project in 2020, announcing it would work with CDI, Firefighters, FireSafe Councils, Insurers, and other stakeholders to create workable mitigation guidelines, inspection and assistance programs, and rewards. This effort culminated in the following 13 recommendations across seven categories:

Roof

- The dwelling has a well-maintained Class A roof. Where gutters are present, the roof includes a metal drip edge.
- For homes with metal or tile roofs, gaps greater than 1/8 inch between roofing and sheathing have been blocked to prevent debris accumulation and ember entry.

Vents

- Exterior vents (e.g., foundation, gable, under eave, and roof vents) incorporate a 1/8 inch metal mesh or are designed for flame and ember resistance (Wildland Flame and Ember Resistant (WUI) vents approved and listed by the California State Fire Marshall or WUI vents listed to ASTM E2886).

Fences

- Any wooden fences that attach to the dwelling structure shall incorporate only noncombustible materials (fencing or gating) in the last 5 feet before the attachment point(s) to the structure.

Decks

- All combustible materials (e.g., grass, shrubs, or stored materials) must be removed from underneath attached wooden decks or stairways and maintained at least 5 feet away from the decks' or stairways' perimeters.

Other Attached Structures (arbors, pergolas, trellis)

- Any other structure that is attached to the dwelling structure must be made of noncombustible materials.

Buildings less than 25 feet from the Dwelling Structure or Attached Decking

- If another structure (e.g., a dwelling, garage, barn, shed or commercial building) is within 25 feet of the dwelling, the dwelling's exterior wall that faces the nearby structure meets a one-hour fire rating and includes noncombustible cladding.
- Where windows face the nearby structure, the windows either include dual-paned glass with at least the exterior pane is tempered glass or the windows have deployable metal shutters.

Defensible Space and Landscape

- There is at least 6 inches of noncombustible clearance between the ground and the exterior siding of the dwelling.
- Within the first 5 feet of any dwelling or attached decks, no combustible materials (e.g., woody plants, combustible mulch, stored items) are present around the building or deck(s)or below the deck(s).
- For the landscape from 5-30 feet from structure (or property line if closer), the connectivity of vegetation leading to the dwelling structure has been eliminated. The lower branches of trees have been limbed up at least 6 feet above underlying or adjacent shrubs to eliminate fuel ladder connectivity. The landscaping is irrigated and maintained. Vegetation may be grouped and surrounded by areas of irrigated and mowed grass or hardscaping.
- For the landscape from 30-100 feet from the structure (or property line if closer), there is separation between shrubs and trees, dead branches and leaves have been removed, lower branches of trees are pruned to curtail the spread of fire and to eliminate fuel ladders.
- For dwellings on or adjacent to steep slopes (e.g., slopes greater than 35 degrees), landscape mitigation has been extended downslope and beyond the 100 feet perimeter, where possible, to reduce direct flame contact with or preheating of the dwelling or the underside of any decking.

<u>IIBHS Wildfire Prepared Home Designation</u>

The Institute for Business and Home Safety's recently announced Wildfire Prepared Home program to provide homeowners with a pathway to meet and maintain a three-year designation that indicates a home has been meaningfully distinguished from unmitigated or partially-mitigated properties. To receive this designation, IIBHS has established a 4 step process. First, before applying an app or web based tool is available to help homeowners self-assess their

property for barriers to compliance and get cost estimates for mitigation measures. Then homeowners that apply will receive an external inspection from an IIBHS authorized company that will also take photographs of the exterior of the home. Next, the homeowner will make an annual demonstration that landscaping around the home is being maintained. Finally, this designation is good for three years with compliant landscape upkeep. After that, the homeowner may reapply.

CAL FIRE's California Climate Investments Wildfire Prevention Grants

CAL FIRE administers the California Climate Investments Wildfire Prevention Grants Program, which provides funding for fire prevention projects and activities in and near fire threatened communities that focus on increasing the protection of people, structures, and communities. Funded activities include hazardous fuels reduction, wildfire prevention planning, and wildfire prevention education with an emphasis on improving public health and safety while reducing greenhouse gas emissions.

Examples of funding-qualifying hazardous fuels reduction activities include:

- Vegetation clearance in critical locations to reduce wildfire intensity and rate of spread;
- Creation or maintenance of fuel breaks in strategic locations, as identified in CAL FIRE Unit Fire Plans, a Community Wildfire Protection Plan, or similar strategic planning document;
- Removal of ladder fuels to reduce the risk of crown fires;
- Creation of community-level fire prevention programs, such as community chipping days, roadside chipping, and green waste bin programs;
- Selective tree removal (thinning) to improve forest health to withstand wildfire;
- Modification of vegetation adjacent to roads to improve public safety for egress of evacuating residents and ingress of responding emergency personnel;
- Reduction of fuel loading around critical infrastructure to maintain continuity of government and other critical services, including, but not limited to fire, police, water, sewer, roads, etc.;
- Purchase of fuel modification equipment not to exceed $250,000. Equipment is an item of $5,000 or more per unit cost and has a tangible useful life of more than one year;
- Supplies include items under $5,000 per unit cost. Chainsaws are an example of a supply item and are not considered equipment;
- Projects to improve compliance with defensible space requirements as required by Public Resources Code Section 4291 through increased inspections, assessment, and assistance; and
- Projects to reduce the flammability of structures and communities to prevent their ignition.

Examples of funding-qualifying wildfire prevention planning:

- Wildfire risk or related mapping;
- Creation or update of strategic wildfire planning documents, such as:
    - Evacuation plans,
    - Community Wildfire Protection Plans (CWPP),

- Local Hazard Mitigation Plans,
- Safety Elements, and
- Wildfire prevention or mitigation plans.

Finally, examples of funding qualifying educational activities (subject to CAL FIRE approval):

- Development and implementation of public education and outreach programs. Programs may include technical assistance, workforce recruitment and training, and equipment purchases;
- Workshops, meetings, materials creation, and other educational activities with the purpose of increasing knowledge and awareness of information that could be used to reduce the total number of wildfires, acres burned, and structures lost; and
- To educate the public on wildfire mitigation and risk reduction strategies.

Wildfire Mitigation Financial Assistance Program

Cal OES administers the State Hazard Mitigation Program, and provides local governments with guidance on developing local hazard mitigation plans. Both plans are required to be reviewed by Cal OES and approved by FEMA in order for the local government to receive federal dollars for mitigation.

To expand the use of federal funds for hazard mitigation, AB 38 Wood (Chapter 391, Statutes of 2019) requires the Cal OES to enter into a joint powers agreement (JPA) with CAL FIRE to develop and administer a comprehensive wildfire mitigation program to encourage cost-effective structure hardening and retrofitting to create fire-resistant homes, businesses, and public buildings. It requires the State Fire Marshal to identify building retrofits and structure hardening measures, and CAL FIRE to identify defensible space, vegetation management, and fuel modification activities that are eligible for financial assistance under the program, and authorizes the joint powers authority administering the program to accept federal funds for the bill's purposes. The JPA is required to develop a criteria and scoring methodology to prioritize financial assistance provided through the program based on specific factors. In FY 2020-21 Cal OES requested $25 million in GF to administer $75 million in federal grant funds.

Cal OES notes its program goals in the upcoming years are as follows:

2021-2022

- Perform capacity building in demonstration communities to prepare to implement home hardening programs.
- Leverage the FEMA Hazard Mitigation Grant Program (HMGP) and state funding to harden homes in demonstration communities.

2023-2024

- Continue to implement projects funded by HMGP, leveraging state match, in demonstration communities.
- Expand program throughout the state, contingent on state and federal funds

2025 and Beyond

- Continue leveraging HMGP to increase the number of hardened homes and strengthen community resilience to wildfires, contingent on state and federal funds

Emerging Risk Management Tools

Wildfire Risk Models

As the technologies behind simulating and modeling losses advances, so must our regulatory system advance to utilize the benefits, and protect against abuses. CDI has begun the formal rulemaking process to adopt regulations that would create standards regarding the consideration of mitigation factors and wildfire risk models in rating plans. The proposed regulation would require any Wildfire Risk Model used in a rating plan to be provided to the IC as part of an insurer's complete rate application. Further, the regulations would establish mandatory factors concerning community level mitigation efforts and property level mitigation efforts that must be taken into account in an insurer's rating plan, as well as authorize a number of optional factors to be considered in a rating plan. These include fuel, slope, access, aspect, structural characteristics, wind, and other community or property mitigation not specified.

The proposed regulations contemplate that rating plans and wildfire risk models will be subject to public inspection, including records, data, algorithms, computer programs and other information as the IC may request. Further, CDI aims to have insurers provide policyholders with their parcel risk scores, and an explanation that includes mitigation measures that could lower the score. The proposal would also provide policyholders an opportunity to contest their risk score.

This hearing will also receive testimony from a relatively new entrant to the wildfire risk modeling space, Zesty.Ai on the operation of their product. The modeling company recently assisted the FAIR Plan in scoring its properties so the" last resort" pool could better understand its risk exposure. According to a Milliman case study on the collaboration, the Zesty.Ai Z-FIRE wildfire risk model is stated to be unique in that it uses high-resolution satellite imagery alongside climate and other data sources to provide two layers of information about a property's wildfire exposure. The first layer is the annualized probability of the property being within the perimeter of a wildfire by identifying the type and proximity of fuel source, precipitation, temperature, and other variables. The second layer is the conditional probability of the property being destroyed in the event of a wildfire by using satellite imagery to identify specific details about the property such as how close vegetation is to the structure or whether there are tree branches overhanging the roofline, and other details about the building.

Fire Surveillance and Mitigation

In addition to the efforts to reduce the damage fires can cause, this Committee will hear about efforts to stop fire in its tracks. We will hear from Lindsey FireSense on their FIREBird product marketed as a system specifically designed to provide rapid wildfire detection of very small wildfires. The potential use for this fast detection tool includes monitoring areas adjacent to electric power lines, roadways, and other critical boundaries where fires typically start. This stated goal of this product is to detect wildfires shortly after ignition, with notification typically occurring within 2 minutes of detection. Faster detection and reporting has the promise to allow firefighting agencies to respond more rapidly to smaller, and easier to control, fires. Lindsey FireSense claims that power lines-caused fires are on average 10x larger than other wildfires, and 90% of all U.S. wildfires occur within ½ mile of a road. The focus of deploying this technology

on areas where wildfire often start could provide benefits for fire fighter safety as well as reduce insured and uninsured losses.

Innovation in Insurance Products – Parametric Policies

Last but not least, this Committee will hear from Aon, an insurance and financial risk mitigation firm on parametric insurance products. Parametric insurance is an innovative risk management product that transfers risk in non-traditional ways. These policies offer funding triggers to pay for losses that operate unlike traditional insurance products. The concept behind these policies is similar to the concepts behind catastrophic loss models, namely the use of probabilities of loss to design claims payout based on uniquely designed triggers. Parametric policies do not indemnify for the actual loss incurred like traditional insurance policies (where there must be damage to make a claim); they cover the probability of a predefined event happening (e.g., a major hurricane or earthquake), and pay out according to predefined amounts. Events may refer to an index-based trigger (e.g., a specific level of rainfall, or a number of high wind 'red flag' warnings in an area) or an event like a wildfire occurring within a defined area.

Legislative History

As a review, the following are some of the recent legislative actions aimed at increasing access to the market, improving adequacy of consumer benefits, or making policies more affordable. For an exhaustive list see the Appendix A to the Committee's March 11, 2021 informational hearing.

Access

- Requiring insurers provide a 75-day notice to policyholders when they nonrenew a homeowners policy and expanding the areas that qualify for "write-out" credits against assessments issued by the FAIR Plan to include high and very high fire hazard severity zones. *(AB 1816 (Daly) Chapter 833, Statutes of 2019).*
- Requiring CDI establish the California Home Insurance Finder (Finder) on its website by July 1, 2020, as specified. *(AB 1875 (Wood) Chapter 629, Statutes of 2018).*
- Prohibiting an insurer from canceling or refusing to renew a homeowners insurance policy solely because the insured structure is located in an area in which a wildfire has occurred for one year from the date of a declaration of a state of emergency; and requiring insurers report to CDI specified fire risk information on residential property policies *(SB 824 (Lara) Chapter 616, Statutes of 2018).*
- Requiring insurers to offer to renew a residential insurance policy on a home lost by reason of a qualifying disaster for at least two periods. *(SB 894 (Dodd) Chapter 618, Statutes of 2018).*
- Requiring insurers to provide the FAIR Plan Internet Web site address and statewide toll-free telephone number to an applicant for insurance who is denied coverage, or a policyholder whose policy is canceled or non-renewed. *(SB 1302 (McGuire) Chapter 543, Statutes of 2016).*

Adequacy

- Extending the minimum time limit for an insured to collect the full replacement cost of a loss related to a state of emergency to 36 months, and requiring insurers provide

additional extensions of 6 months for good faith. *(AB 1772 (Aguiar-Curry) Chapter 627, Statutes of 2018).*

- Requiring insurers to provide to the policyholder, every other year at the time of the offer to renew the policy, an estimate of the cost necessary to rebuild or replace the insured structure. *(AB 1797 (Levine) Chapter 205, Statutes of 2018).*
- Raising the limit on homeowners insurance claims covered by the California Insurance Guarantee Association to $1 million. *(AB 1816 (Daly) Chapter 833, Statutes of 2019).*
- Granting commercial property insureds the same minimum time limits to collect full replacement value as those that apply to homeowners, providing an advance payment of at least four months additional living expenses if the home was a total loss due to a declared state of emergency, and requiring insurers provide an advance payment of at least 25% of the policy limit for contents without an inventory of lost items. *(SB 872 (Dodd) Chapter 261, Statutes of 2020).*
- Requiring an insurer to grant an additional 12-month extension for a total of 36 months for additional living expense if an insured acting in good faith encounters a delay in the reconstruction process, subject to policy limits, and allowing an insured to combine payments for actual losses up to the policy limits for the primary dwelling and other structures, limited to the amount necessary to rebuild or replace the home if the policy limits for the dwelling are insufficient. *(SB 894 (Dodd) Chapter 618, Statutes of 2018).*
- Requiring insurers to provide coverage for loss or damage that results from landslide, mudslide, mudflow, or debris flow following a fire that is the efficient proximate cause of the loss or damage and coverage would otherwise be provided. *(SB 917 (Jackson) Chapter 620, Statutes of 2018).*

Affordability

- Requiring residential property insurers to disclose any fire safety discounts it offers upon offer or renewal of a homeowner's insurance policy on or after January 1, 2020. *(AB 2229 (Wood) Chapter 75, Statutes of 2018).*
- Exempting, until January 1, 2023, any residential construction intended to "repair, restore, or replace" a residential building that was damaged or destroyed as a result of a in which the Governor declared state of emergency disaster area, before January 1, 2020, from the state's recently adopted requirements for solar photovoltaic systems, if certain requirements are met. *(AB 178 (Dahle) Chapter 259, Statutes of 2019).*