



California Assembly Insurance Committee Informational Oversight Hearing

"The Sustainable Insurance Strategy: Post Southern California Wildfires"

Insurance Commissioner Ricardo Lara
California Department of Insurance

Wednesday, March 19, 2025



Major Department Actions to Protect Wildfire Survivors

- Ordered **advance payments on claims**, especially for Additional Living Expenses and Contents coverages
- Issued **one-year residential insurance moratoriums**, preventing insurers from canceling or non-renewing policies in wildfire-affected areas
- Created **Insurance Fraud Strike Team** to protect consumers from scammers
- Directed health insurers to submit **emergency access plans** so consumers continue to get medical care and medications



Major Department Actions to Protect Wildfire Survivors

- Hosted several weekend **Insurance Support Workshops** to help consumers file their claims
- Ordered insurers, including FAIR Plan, to properly and promptly investigate **all consumers' smoke damage claims** and ensure fair payments under law
- Ordered insurers, including FAIR Plan, to continue providing **Additional Living Expenses coverage** until wildfire survivors' homes are deemed habitable as a result of fire debris, ash, and other hazardous substances
- Launched first-ever **public consumer claims tracker**, showing 27,000 claims have already been partially paid – more than \$12 billion in relief to date





Sustainable Insurance Strategy

- **Incorporate new climate risk management tools in ratemaking** – Catastrophe Modeling and Reinsurance Costs
- **Enforce first-in-the-Nation insurer commitments to write more policies** in wildfire distressed areas and reduce FAIR Plan policies in order to achieve greater insurance availability for consumers
- **Modernize FAIR Plan** to ensure it remains financially solvent and sustainable while providing more – yet temporary – comprehensive commercial coverage for businesses such as HOAs, affordable housing developers, and non-profits
- **Improve Department's rate application approval process** with faster rate filing approval times to create more certainty in insurance market
- **Implement intervenor reform** to ensure transparency and accountability for groups that intervene in insurer rate filings at Department, with additional public rulemaking to be pursued this summer





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