



# 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 wildfireaffected 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

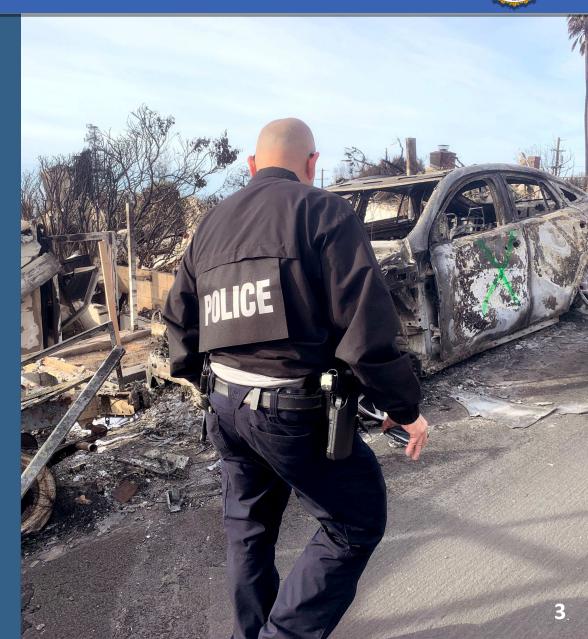






### Major Department Actions to Protect Wildfire Survivors

- 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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