

Date of Hearing: April 30, 2025

ASSEMBLY COMMITTEE ON INSURANCE
Lisa Calderon, Chair
AB 888 (Calderon) – As Amended April 22, 2025

SUBJECT: California Safe Homes grant program

SUMMARY: Creates the California Safe Homes grant program within the California Department of Insurance (CDI). Specifically, **this bill:**

- 1) Establishes the following goals:
 - a) Reduce local and statewide wildfire losses;
 - b) Improve insurability and resilience of vulnerable communities; and,
 - c) Home hardening of insurable properties to mitigate wildfire risk and enable consumers to get access to insurance premium incentives offered by insurance companies and in alignment with CDI's rules.
- 2) Establishes the Sustainable Insurance Account within the Insurance Fund. Specifies that funds in the account shall be available upon appropriation by the Legislature.
- 3) Allows CDI to contract with a third party to assist with program administration.
- 4) Requires CDI, when awarding grant funds, to prioritize the following:
 - a) Replacement roofs.
 - b) Creation of a five-foot noncombustible zone around the structure.
 - c) Projects that improve communitywide mitigation to reduce the risk of losses caused by wildfires, with consideration to the following:
 - i) Collective actions that mitigate risks before disaster occurs by addressing risk factors on structures in the surrounding area that exacerbate insurable wildfire losses.
 - ii) Alignment with existing risk mitigation.
 - iii) Anticipate benefit to insurance policyholders.
- 5) Provides that eligible individuals must meet the following criteria:
 - a) The property is covered by an admitted insurer or the California FAIR Plan Association.
 - b) The property is in a zip code that overlaps with a high or very high fire hazard severity zone.
 - c) The income of the applicant is no higher than the low-income limit for the county in which they reside.

- 6) Provides that eligible cities, counties and special districts must meet the following criteria:
 - a) Demonstrate the alignment of the use of grant funds to enhance and expand the priorities discussed in 4 above and the criteria for tracking performance.
- 7) Requires CDI to collect the following information:
 - a) Information on the use of the grant funds, including receipt for contractor services, written attestation of work done by recipient, and documentation that demonstrates if the grantee qualified for wildfire incentives from their insurance company.
 - b) Regional information on the geographic distribution of grant funding.
- 8) Requires the FAIR Plan to submit an annual report to CDI stating the number of policyholders that have qualified for each of the wildfire mitigation rating factors specified under the Safer from Wildfires framework.
- 9) Requires CDI, on or before January 1, 2027, and every 2 years thereafter to publish a performance report using aggregate information collected from grantees and metrics for the beneficial impacts of the grants awarded. This report will be posted on CDI's internet website.
- 10) Makes findings and declarations.

EXISTING LAW:

- 1) Provides for the regulation of insurers, agents and brokers, and other insurance-like organizations by the Insurance Commissioner, and imposes a broad range of financial solvency, licensing, and market behavior requirements, as set forth in the Insurance Code.
- 2) Establishes the "Safer from Wildfires" Framework. (Section 2644.9 of Title 10 of the California Code of Regulations)
- 3) Under the California Emergency Services Act, establishes the California Office of Emergency Services (Cal OES) within the office of the Governor for the purpose of mitigating the effects of natural, manmade, or war-caused emergencies. (Government Code, Section 8550)
- 4) Requires CAL OES to enter into a joint powers agreement with the Department of Forestry and Fire Protection, to develop and administer a comprehensive wildfire mitigation program to, among other things, encourage cost-effective structure hardening and retrofitting to create fire-resistant homes, businesses, and public buildings. (Government Code, Section 8654.4)
- 5) Requires the joint powers authority to develop eligibility criteria for property owners, community organizations, and local governments that may receive financial assistance under the wildfire mitigation program. (Government Code, Section 8654.4)

FISCAL EFFECT: Unknown**COMMENTS:**

- 1) *Purpose of the bill:* According to the author, “This measure is necessary to create a state-wide program focused on the costliest home-hardening renovations. Californians need assistance to make these beneficial upgrades and this measure will encourage just that.”
- 2) *AB 888:* This measure would establish a grant program within the CDI to support qualifying residents in obtaining new or replacement fire-safe roofs, clearing the first 5-feet around their home, and building resilient communities. Applicants could receive funding to cover all or part of the costs.

There are very few existing funding programs available for Californians that could cover the cost of replacing a firesafe roof, including the CA Wildfire Mitigation Program, the San Rafael CA Fire Department Wildfire Grant Program, and USDA Rural Development Grants. These programs have strict eligibility criteria, limited funding, and allocate funds across a variety of mitigation efforts. None of them have a specific focus on new or replacement roofs - one of the costliest, yet most effective wildfire mitigation measures.

Programs similar to this proposal exist in several states, including Louisiana, Alabama, and Florida. For example, in 2011, Alabama introduced the Strengthen Alabama Homes Act to help homeowners with building modifications, with roofs specifically identified, that reduce property damage from hurricanes and other catastrophic windstorms. Funded primarily through premium taxes, the Alabama Department of Insurance offers financial assistance to qualified homeowners for retrofitting roof costs. Homes with hardened roofs have been determined to be more valuable on average than those without.

- 3) *CDI Safer from Wildfires Framework:* In 2022, CDI announced the “Safer from Wildfires” framework, which directs insurers to provide discounts to consumers and businesses if they take specified mitigation measures. In crafting this regulation, CDI worked with emergency preparedness agencies in the Governor’s Administration, including CAL FIRE, Cal OES, the Governor’s Office of Planning and Research, and the California Public Utilities Commission.

The framework provides a list of home and community wildfire mitigation measures that consumers and businesses can take to provide protection for the structure, the immediate surroundings, and the community. Under the regulation, the more “Safer from Wildfires” steps a consumer takes, the more they may be able to save on their insurance.

The regulation required insurance companies to submit new rate filings incorporating the wildfire safety standards created by CDI, and also requires insurance companies to provide consumers with their property’s “wildfire risk score” and a right to appeal that score. Steps a consumer can take to help mitigate their property under this framework include:

- Class-A fire rated roof: Most roofs qualify, including asphalt shingles, concrete, brick, or masonry tiles, and metal shingles or sheets.
- 5-foot ember resistant zone, including fencing: Removing greenery and replacing wood chips with stone or decomposed granite 5 feet around the home prevents fire from getting a foot in the door.

- Ember- and fire-resistant vents: Installing 1/16 to 1/8 inch noncombustible, corrosion-resistant metal mesh screens over exterior vents can keep wind-blown embers out of the house.
 - Non-combustible 6 inches at the bottom of exterior walls: Having a minimum of 6 vertical inches measured from the ground up and from any attached horizontal surface like a deck can stop embers from accumulating and igniting the walls. Noncombustible materials include brick, stone, fiber-cement siding or concrete.
 - Enclosed eaves: Installing soffits under your eaves can prevent heat and embers from getting trapped and igniting. When enclosing eaves, non-combustible or ignition resistant materials are recommended.
 - Upgraded windows: Multi-paned windows are more resistant to breaking during a wildfire, which helps keep flames from entering. Multi-paned glass or added shutters all qualify.
 - Cleared vegetation, weeds and debris from under decks: Noncombustible materials like concrete, gravel, or bare soil are permitted.
 - Removal of combustible sheds and other outbuildings to at least a distance of 30 feet: These include sheds, gazebos, accessory dwelling units (ADUs), and open covered structures with a solid roof, dog houses and playhouses.
 - Defensible space compliance: Following state and local laws requiring defensible space including trimming trees and removal of brush and debris from yard.
 - Being safer together: Safer from Wildfires recognizes two community-wide programs, Firewise USA and Fire Risk Reduction Communities as small as 8 dwelling units or as big as 2,500 can create an action plan and start being safer together.
- 4) *Related Legislation:* AB 1 (Connolly) requires, by January 1, 2030, and every five years thereafter, the CDI to consider whether to update the Safer from Wildfires regulations to include certain building hardening measures. Pending on the Assembly Appropriations Suspense File.

SB 616 (Rubio, Cortese & Stern) establishes the Community Hardening Commission as an independent unit within the CDI to, among other things, develop new wildfire community hardening. Pending in Senate Appropriations Committee.

REGISTERED SUPPORT / OPPOSITION:

Support

American Property Casualty Insurance Association
 Brea; City of
 Independent Insurance Agents & Brokers of California, INC.
 Insurance Commissioner Ricardo Lara / California Department of Insurance
 League of California Cities

Little Hoover Commission
National Association of Mutual Insurance Companies
Pacific Association of Domestic Insurance Companies
Personal Insurance Federation of California
San Gabriel Valley Council of Governments
South Bay Cities Council of Governments
United Policyholders

Opposition

None on file.

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