

Date of Hearing: April 30, 2025

ASSEMBLY COMMITTEE ON INSURANCE

Lisa Calderon, Chair

AB 1531 (Committee on Emergency Management) – As Introduced March 26, 2025

SUBJECT: Office of Emergency Services: comprehensive wildfire mitigation program

SUMMARY: Requires the California Department of Insurance (CDI) to be added to the California Wildfire Mitigation Program (CWMP) Board on or before July 1, 2026.

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 (JPA) 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 committee authors of this measure, “In January 2025, Los Angeles experienced the most catastrophic wildfires in its history. The wildfires that ravaged L.A. County ultimately consumed 55,082 acres. The Palisades and Eaton Fires were the most destructive, burning 23,700 and 14,000 acres, respectively. The fires have claimed at least 29 lives and destroyed over 16,251 structures. Total property and capital losses from the L.A. wildfires could range between \$76 billion and \$131 billion, with insured losses estimated at \$45 billion. These estimates are subject to uncertainty due to a number of factors, including the dynamic nature of wildfires, housing prices, and fire suppression and recovery costs.

California is struggling with an ongoing insurance crisis, where companies are boosting rates, limiting coverage or pulling out completely from regions susceptible to wildfires and other

natural disasters. In 2023, several major insurance companies either paused or restricted new business in the state, saying they can't truly price the risk on properties as wildfires become more common and destructive due to climate change.

In an ongoing effort to mitigate the impacts of climate change and the threat of catastrophic wildfires, the California Office of Emergency Services, in collaboration with CAL FIRE and the Office of the State Fire Marshal, manage the California Wildfire Mitigation Board. One of the goals of this board is to leverage federal hazard mitigation funds to harden homes and make communities more wildfire resilient. Given the intersection of wildfire risk and insurance, adding the California Department of Insurance to the Wildfire Mitigation Board makes sense and will ensure a more comprehensive approach to investments in wildfire hazard mitigation projects.”

- 2) *Background:* In 2019, AB 38 (Wood) required Cal OES and Cal FIRE to establish a JPA to administer the California Wildfire Mitigation Program (CWMP). The purpose of the CWMP is to harden homes and establish defensible space in high risk, socially vulnerable communities; and provide financial assistance for low- and moderate-income households. These efforts encourage cost-effective wildfire resilience and hazard mitigation.

The CWMP board consists of two members appointed by Cal OES and two members appointed by CAL FIRE.

This measure would add CDI to this board. The goal of this board aligns well with CDI objectives, specifically the Safer from Wildfires framework.

- 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 requires 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. Once the regulation is fully implemented, it should help protect consumers. 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 your 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 your 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 your 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), 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.
- 4) *Previous Legislation:* AB 2983 (Rodriguez & Calderon) of 2024 would have required Cal OES, the Cal FIRE, and CDI to assess the extent to which wildfire mitigation projects will increase wildfire insurance availability, and would have added a CDI representative to the Wildfire Mitigation Program Board.

AB 1569 (Committee on Emergency Management) of the 2021-2022 Session would have required Cal OES to report annually on how Hazard Mitigation Funds are invested and how disaster risks were reduced.

AB 38 (Wood), Chapter 391, Statutes of 2019. Established a program to help individuals make their homes more resistant to fires and to establish defensible space.

- 5) *Double referral:* This measure was heard in the Assembly Emergency Management Committee.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file.

Opposition

None on file.

Analysis Prepared by: Kathleen O'Malley / INS. / (916) 319-2086