



RICARDO LARA
CALIFORNIA INSURANCE COMMISSIONER

September 20, 2024

DOBBINS OREGON HOUSE FIRE PROTECTION DISTRICT
PO BOX 174
OREGON HOUSE, CA 95962

Greetings,

It is my great pleasure to write and thank you for your hard work in helping to keep your local community safe from wildfires. We at the California Department of Insurance are delighted to partner with you in this endeavor as we understand community members often come to you to ask about insurance. Attached please find information which can be helpful to share with your local community, including:

- 1) The Safer From Wildfires regulation allows for consumers to obtain discounts on their premiums if they complete wildfire risk mitigation efforts on their property. They also qualify for a discount if they are in a Firewise USA Site in Good Standing, or a Fire Risk Reduction Community. Additionally, this regulation requires insurance companies to provide consumers with their wildfire risk score and the factors that went into creating that score. They also have the ability to appeal their scores according to their efforts mitigating their home.
- 2) The Sustainable Insurance Strategy will improve market conditions and will benefit consumers in the following ways:
 - Increased insurance availability because insurance companies will write no less than 85% of homes and businesses in wildfire distressed areas.
 - Return FAIR Plan policyholders back to traditional insurance with first priority given to hardened homes and businesses following the Safer from Wildfires regulation.
 - Allowing utilization of forward-look catastrophe models prioritizing wildfire safety, mitigation and fuel reduction. Insurance companies will increase their writing because they better anticipate future losses.

For your convenience, your local Department of Insurance Liaison is available to present to community groups on the issues. We welcome the opportunity to partner with you educating your local community.

Sincerely,

RICARDO LARA
Insurance Commissioner

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CA DEPARTMENT OF INSURANCE

Insurance Commissioner Ricardo Lara

The Community Relations and Outreach Branch is dedicated to consumer outreach and education. Below is a list of our staff with their assigned areas.



Durriya Syed
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Counties:

- Alameda
- Del Norte
- Humboldt
- Lake
- Marin
- Mendocino
- Napa
- Sacramento
- San Joaquin
- Santa Clara
- Solano
- Sonoma
- Trinity
- Yolo

Senate: 2, 3, 5, 8, 10

Assembly: 2, 4, 6, 7, 9,
10, 11, 12, 13, 20, 24



Richie Sayavong
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Counties:

- Fresno
- Inyo
- Kern
- Kings
- Madera
- Mariposa
- Merced
- Monterey
- San Benito
- San Luis Obispo
- Santa Cruz
- Stanislaus
- Tulare

Senate: 12, 14, 16, 17

Assembly: 8, 22, 27, 28, 29, 30,
31, 32, 33, 34, 35



Rob Obedoza
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Counties: Los Angeles, Santa Barbara, Ventura

Senate: 19, 20, 24, 27

Assembly: 37, 38, 40, 42, 43,
44, 46, 52, 61, 66



Lisa Strange
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Counties:

- Alameda
- Butte
- Colusa
- Contra Costa
- Glenn
- Lassen
- Modoc
- Nevada
- Placer
- Plumas
- Sacramento
- San Francisco
- San Mateo
- Shasta
- Sierra
- Siskiyou
- Sutter
- Tehama
- Yuba

Senate: 1, 6, 7, 11

Assembly: 1, 3, 5,
15, 17, 19



Mary Beth Bykowsky
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Counties:

- Alameda
- Alpine
- Amador
- Calaveras
- Contra Costa
- El Dorado
- Mono
- San Mateo
- Santa Clara
- Tuolumne

Senate: 4, 9, 13, 15

Assembly: 14, 16, 18, 21,
23, 25, 26



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Counties: Los Angeles

Senate: 22, 25, 29, 30

Assembly: 41, 44, 48, 49, 52, 53, 59



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Counties: Los Angeles, Orange

Senate: 34, 36, 37

Assembly: 56, 67, 68, 70, 72, 73



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Counties: Los Angeles

Senate: 26, 28, 33, 35

Assembly: 51, 52, 54, 55,
57, 61, 62, 65, 66, 69, 71



Sharon Smith
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Counties: San Diego, Imperial,

Senate: 18, 32, 38, 39, 40

Assembly: 36, 74, 75, 76, 77,
78, 79, 80



Judy Piña
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Counties: Los Angeles, Riverside, San

Bernardino **Senate:** 21, 23, 30, 31, 32

Assembly: 39, 45, 47, 50, 58, 60, 63, 64, 71

Need help with insurance?

Call 800-927-4357 (HELP)

INSURANCE.CA.GOV

Safer from Wildfires in

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Safer from Wildfires is an interagency partnership between Insurance Commissioner Ricardo Lara and the emergency response and readiness agencies in Governor Gavin Newsom's administration to protect lives, homes, and businesses by reducing wildfire risk.

With California experiencing devastating, climate change-intensified wildfires, homes and businesses need insurance they can rely on. Commissioner Lara is using every tool available to improve insurance for our communities. Drawing on the direct experience of first responders and the latest research on wildfires, the partnership created a consistent approach to reducing risk with a list of achievable and effective actions to help make existing homes and businesses safer from wildfires. The ultimate goal is protecting consumers by reducing wildfire risk in their communities, making insurance available and affordable for all Californians.

This "ground up" approach for wildfire resilience has three layers of protection — for the structure, the immediate surroundings, and the community — to prevent wildfires from catching and spreading to other homes and businesses in the neighborhood.

1 Protecting the structure



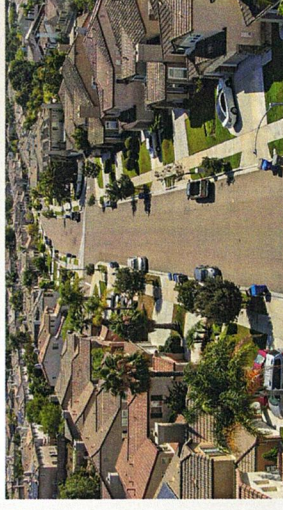
- Class-A Fire rated roof
- Maintain a 5 foot ember-resistant zone around a home (including fencing within 5 feet)
- Noncombustible 6 inches at the bottom of exterior walls
- Ember and fire-resistant vents (See [Low-Cost Retrofit List](#) and Chapter 7A)
- Upgraded windows (Double paned or added shutters)
- Enclosed eaves

2 Protecting the immediate surroundings



- Cleared vegetation and debris from under decks
- Removal of combustible sheds and other outbuildings from the immediate surroundings of the home, to at least a distance of 30 feet
- Defensible space compliance (including trimming trees, removal of brush and debris from yard, and compliance with state law and local ordinances)

3 Working together as a community



- A community should have clearly defined boundary and a local risk assessment in consultation with the local fire district or state fire agency; an identified evacuation route, cleared of vegetative overgrowth, and evacuation plan contingencies; clear funding sources to implement community mitigation activities and meet clear risk reduction goals; and integrated and up-to-date local planning documents pertinent to community wildfire risk.
- Current examples include the Fire Risk Reduction Community designation under development by the Board of Forestry, Firewise USA communities in good standing, and Shelter-in-Place designations.



CalOES
GOVERNOR'S OFFICE
OF EMERGENCY SERVICES



Governor's Office of
Planning and Research



CALIFORNIA

Public Utilities Commission

Commissioner Lara is working to increase available incentives for wildfire safety. To view the list of insurance companies currently offering discounts visit insurance.ca.gov.

CALIFORNIA'S SUSTAINABLE INSURANCE STRATEGY



What is the Sustainable Insurance Strategy?

California Insurance Commissioner Ricardo Lara's Sustainable Insurance Strategy is a comprehensive initiative aimed at modernizing the state's insurance market to ensure accessible insurance for all Californians, create a resilient insurance marketplace, and protect consumers and communities from the adverse impacts of climate change. It addresses the challenges posed by rising global inflation, increased insurance costs for rebuilding, and the growing risk of natural disasters.

Why is it Important?

The Sustainable Insurance Strategy is crucial because it addresses the pressing issues faced by both the insurance market and consumers in California. It responds to the changing landscape of insurance by enhancing market stability, improving consumer access to coverage, and safeguarding against the escalating financial burden of climate change-intensified catastrophes and global inflation.

How Will it Benefit the Market and Consumers?

This strategy enhances insurance access, fairness, and resilience for both the market and consumers.

- **Increasing Insurance Availability and Access:** The strategy seeks a commitment from insurance companies to write a minimum of 85% of their statewide market share in historically underserved areas identified by the Insurance Commissioner. This ensures that insurance remains available to all, especially in high wildfire-risk regions.
- **Decreasing FAIR Plan Policyholders:** Priority is given to homes and businesses that mitigate wildfire risk by following the Insurance Commissioner's "Safer from Wildfires" regulation, facilitating a return to the open market and increasing options for consumers.
- **Allowing Catastrophe Models and Mitigation:** The strategy incorporates new catastrophe models that consider mitigation and hardening requirements, leading to more accurate risk pricing and offering discounts to consumers. This means more accurate rates for all Californians so they don't pay more than they should.
- **Modernizing the FAIR Plan:** By expanding commercial coverage limits to \$20 million per structure, the strategy addresses coverage gaps, benefiting homeowner associations (HOAs), affordable housing, and infill developments.

The Most Comprehensive Insurance Regulatory Reform in Decades

This strategy represents the most significant insurance reform since Proposition 103 was passed in 1988. It is informed by the voices of thousands of consumers from every county in California, demonstrating a commitment to addressing the real-world challenges faced by Californians.



Scan the QR code to learn more.



Market Benefits

Market benefits include improved stability, transparency, sustainability, and broader participation.

- **Rate Review Timelines:** Improved to provide market certainty, supporting the long-term stability of insurance rates.
- **Rate Filing Procedures:** Enhanced to maintain intervenor transparency, fostering confidence in the insurance market.
- **Risk Assessment Tools:** Introduction of catastrophe modeling regulations ensures the sustainability of coverage and rates, and exploration of California-only net costs of reinsurance protects consumers from the costs of global catastrophes.
- **Increased Transparency:** Making intervenor filings more publicly accessible and encourage broader participation and understanding of the rate-setting process.

California Department of Insurance Enforcement and Resources

The Department of Insurance (CDI) will continue to ensure public input, insurance company commitments, rate approval process efficiency, additional staff resources, and reporting on progress.

- **Regulatory Process Control:** CDI maintains control over the rate review and catastrophe modeling processes, guaranteeing public input and transparency compliance.
- **Binding Agreements:** Insurance companies must increase writing and set clear targets to reduce reliance on the FAIR Plan.
- **Rate Filing Control:** Updates to rate filing processes enhance efficiency and accessibility.
- **Additional Department Staffing:** To implement major regulatory changes by December 2024 and improve rate filing processes.
- **CDI Reporting:** Periodic progress reports on insurance availability, rulemakings, and FAIR Plan depopulation efforts.

Major Actions Taken to Date

Major actions include regulations for wildfire mitigation, insurance discounts, expanded FAIR Plan coverage, and modernization efforts, as well as partnerships for climate sustainability.

Wildfire Response

- "Safer from Wildfires" Regulation: Sets community-wide mitigation standards and rewards consumers and businesses for property hardening with first-in-the-nation mandatory discounts.
- Expanded FAIR Plan Coverage: Includes agrobusiness, outdoor, and recreation businesses.
- Continued Modernization of the FAIR Plan: Provides consumers with more options.

Climate Response

- "Climate and Sustainability Branch": The first in the country at any state insurance department.
- "Climate Insurance Working Group": Generated California's first-ever Climate Insurance Report.
- United Nations Partnership: Launched "California's Sustainable Insurance Roadmap."

Commissioner Lara's Sustainable Insurance Strategy is a visionary approach to address the evolving insurance landscape, benefiting both the insurance market and consumers alike by ensuring access, affordability, and resilience in the face of changing climate change-intensified catastrophic risks.



Scan the QR
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more.