

CSAC Insurance Working Group

Policy Priorities

As Of 10/31/2024

1. REWARDING RESILIENCE & RISK MITIGATION WORK

Counties across the state are building resilience through risk mitigation work, however, communities are not seeing the benefits of this work reflected in the cost and availability of insurance coverage. The state must develop clear mitigation standards and transparency on how the mitigation work will impact the availability and affordability of insurance policies. CSAC supports:

- The development of comprehensive standards to ensure that mitigation and resilience work completed at the community, landscape, regional, and wildfire home hardening levels result in direct increase of availability and affordability of insurance policies.
- Data sharing from risk models to help guide mitigation work.
- Clear, consistent education for policyholders on how to meet mitigation standards.
- Permit streamlining for vegetation management projects to lower cost barriers for risk reduction projects.
- Utilizing existing data collection efforts to minimize duplication of work.

One of the biggest barriers to completing more risk mitigation work is funding. Counties have invested heavily to build out community resilience and it is critical that all levels of government share the cost of this work. CSAC supports:

- Ongoing, sustainable state and federal funding to maximize community resilience, especially in the form of direct funding to counties.
- State and federal assistance to residents for mitigation work, including assistance for home hardening, via direct funding or tax credits.
- Ongoing, sustainable federal funding for vegetation management on Federal lands that protects homes and communities.

2. TRANSPARENCY & EDUCATION

Home insurance companies are utilizing many data points, including new technology like drone and satellite imagery, to decide whether to insure homes. While the insurance industry has said this facilitates the establishment of rates that better reflect a property's risk, little is shared with consumers about how companies reach these conclusions. More disclosure is necessary when assessing risk scores affecting a policyholder's affordability and accessibility. CSAC supports transparency in:

- How risk models and rating standards are developed and used by insurance companies and regulators.
- What data methods are being used in the assessment of Wildfire Risk Scores.

- The use of maps as well as their consistency and accuracy on a home site scale.
- How technology is being utilized in the development of maps and models.
- The development and use of public catastrophe modeling, including how the Department will ensure that insurance companies are utilizing the model.

In addition, this transparency must be utilized to ensure the protection of policyholders through:

- The establishment of clear, easy to navigate appeals processes.
- Robust education for policyholders around the development and use of risk scores.
- Oversight from the Department of Insurance to help homeowners interpret and understand risk scores.

3. ADEQUATE DEPARTMENTAL RESOURCES AND STAFFING

The Department of Insurance plays a critical role in protecting consumers and ensuring the health of the insurance market. It is important that the Department balance these missions while building out resources for consumers. CSAC supports:

- Adequate funding and staffing to ensure the Department can work in a timely manner.
- Enhanced consumer education, including better distribution of existing resources, to help equip consumers to understand risk scores and communicate with insurers.
- Proactive outreach for vulnerable communities to ensure they can stay in their homes.
- Departmental collection of data to better inform policies into the future.
- Departmental efforts to provide methods to correcting maps and data used in risk scores that are proven to be inaccurate.
- Departmental oversight of risk modeling, including catastrophe modeling.
- The ability for consumers to easily access and understand information coming from the Department.

4. FEDERAL ENGAGEMENT

While the regulation of the insurance industry is predominantly delegated to states, the federal government can, and should, play a role in addressing what is quickly becoming a national crisis. CSAC supports federal engagement in, and leadership on:

- Addressing the increasing cost of re-insurance and alternative efforts to support responsible insurance companies.
- Research into the opportunities and challenges of establishing a federal backstop emergency fund for wildfire, similar to the National Flood Insurance Program or the Terrorism Risk Insurance Program.

CSAC PLATFORM LANGUAGE

The following will be added to the CSAC Platform under [Chapter 3 – Agriculture, Environment, and Natural Resources](#).

1. Under Section 12: Emergency Management, Fire Protection:

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- *State and federal assistance to residents for mitigation work, including assistance for wildfire home hardening, via direct funding and/or tax credits.*
- *Ongoing, sustainable federal funding for vegetation management on Federal lands that protects homes and communities.*

2. Create a new “Section 13: Wildfires and Home Insurance”

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Home insurance companies are utilizing many data points, including new technology like drone and satellite imagery, to decide whether to insure homes. While the insurance industry has said this facilitates the establishment of rates that better reflect a property’s risk, little is shared with consumers about how companies reach these conclusions. More disclosure is necessary when assessing risk scores affecting a policyholder’s affordability and accessibility. Consumers must have robust education on what goes in to these scores, as well as clear and easy to navigate pathways to address and appeal rulings about their property.