

**Climate Insurance Working Group
Draft Recommendations, May 20, 2020**

Extreme Heat Subgroup

DRAFT Recommendations for Discussion and Review

May 2020

1. The Insurance Commissioner working with the state and local health departments launches an extreme heat risk communication campaign targeted at local government and state government, decision-makers, and senior public health, emergency management and sustainability staff (*see attached Draft for more details*).
2. In order to understand the true economic costs of extreme heat, better prepare for future economic impacts of heat waves, and assess the relative value of adaptation interventions, the State of California should develop a process for backcasting extreme heat costs to be used in several cities in California (*see attached Draft for more details*).

Flood & Sea Level Rise Subgroup

DRAFT Recommendations for Discussion and Review

May 2020

1. Risk Communication: Access to digital information on flooded properties

The state should maintain a public digital database of previously flooded properties that is easily searchable online and consider if this should be a required property disclosure.

2. Risk Communication / Insurance Solutions: Discourage development in High Risk Zones.

The state should develop maps of high flood risk areas and areas critical to mitigating the effects of climate change, similar to CBRA zones, where any development or infrastructure will be discouraged by the state.

3. Planning / Risk Mitigation / Insurance Solutions: Increasing Community Level Mitigation through existing “Abatement districts” and “Planning & Zoning Law”.

*Crossover with wildfire group

Planning / Risk Mitigation / Insurance Solutions: Increasing Community Level Mitigation through existing “Abatement districts” and “Planning & Zoning Law”.

The state should consider enhancing Community level mitigation for Climate Perils (Flood, Wildfire) by:

- Broadening the scope of the Beverly Act (1979; SB 1195) to include mitigation against climate perils, i.e. Climate Hazard Abatement Districts (C-HAD).
- Encouraging Firewise Communities to convert to C-HAD districts.
- Considering the C-HAD districts as part of the Planning and Zone Law (SB 379).

Wildfire Subgroup

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1) Improve collection and understanding of fire risk information and models: update maps more frequently, require longer-term and dynamic forecasting of risk and insurance options and improve collection of pre-disaster mitigation/post fire recovery

- a. California could develop longer term (not static) high fire risk/severity zones or low risk ones and update maps regularly
 - Expand coverage of hazard maps to existing built/urban landscape.
 - New methods for mapping winds.
 - Changing ignition patterns.
 - Climate change. Because homes exist for several decades into the future, future climate change scenarios should somehow be taken into account in the FHSZ and building code process.
 - Land use trends.
 - A more comprehensive area for advancement in FHSZ is to incorporate the need for risk mitigation to address various dangers at the parcel scale. This model is followed in Australia.
- b. The Insurance Commissioner, in collaboration with other state agencies, should develop additional performance standards and data collection to enhance our understanding of California Firewise communities and to incorporate the following:
 - Strengthen documentation of community successes with pre-determined metrics that include, among others, the use of nature-based strategies such as ecologically responsible forestry and natural fuel breaks.

- Firewise assessment and resulting community action plans should take a holistic approach that includes using nature to reduce risk. According to the National Fire Protection Association (NFPA), the Firewise Program “teaches people how to adapt to living with wildfire and encourages neighbors to work together and take action now to prevent losses.” Nature is a critical element in developing adaptive approaches to living with wildfire. Under current Program guidance, community risk reduction projects are prioritized following an assessment that focuses on general site characteristics. This assessment – and community actions derived from it – should include specific consideration of natural infrastructure, including natural barriers and open spaces, that can reduce risk while providing additional community benefits.

2) Promote integrated and holistic approaches to fire risk mitigation that include individual, community and state actions to collectively reduce risk (pre and post disaster) that is supported (or “incentivized”) by insurance

3) Community Level Mitigation and Insurance through existing districts / financial mechanisms

*Crossover with Flood Group Recommendation.

The community based district could be responsible for, for example (from a wildfire standpoint):

- Enforcing the land use for property development based on the WUI zones.
- Generating pre-disaster mitigation plans for the district.
- Issue Resilience bonds
- Work on Innovative Insurance solutions, e.g. Community Insurance for Wildfire