

CALIFORNIA WILDFIRE SMOKE CLAIMS — INSURANCE INDUSTRY POLICY BLUEPRINT

The insurance industry proposes a comprehensive, science-driven framework to improve the consistency, integrity, and affordability of the handling of wildfire-related smoke claims in California. The recommendations fall into **five coordinated policy categories**, supported by **14 specific proposals**.

I. SCIENCE OF TESTING & RELATED RESEARCH (1–5)

Strengthen scientific consistency in how smoke impacts are evaluated.

- 1. Tiered Testing Protocols** – Begin with visual/olfactory checks and simple wipe tests; escalate to lab sampling only when warranted, using residential thresholds.
- 2. Laboratory Certification** – Establish statewide lab QA standards, calibration requirements, and detection-limit reporting.
- 3. Background Context Requirements** – Interpret test results within normal indoor background ranges; use archived samples to support retrospective analysis.
- 4. Independent Standards Governance** – Require scientific peer review and transparent methodology before any testing or remediation standard is adopted.
- 5. Media & Sampling Protocol** – Issue timely, factual advisories and conduct baseline and post-event sampling to guide appropriate testing and counter misinformation.

II. REMEDIATION VENDORS & CONSISTENCY THROUGH LICENSING (6–8)

Improve remediation quality and align claims handling with scientific standards.

- 6. Vendor Licensing & Oversight** – License remediation vendors and require adherence to consensus-based Technical Guides with proper documentation and verification.
- 7. Authority & Claims Boundaries** – Require assessments by qualified experts and confirm that coverage requires direct physical loss, not mere trace detection.
- 8. Claims Process Standards** – Set timing expectations for late-reported claims, define remediation sufficiency using residential standards, and establish clearance testing expectations.

III. FRAUD REDUCTION & SOLICITATION CONTROLS (9–10)

Protect consumers and the market from post-wildfire exploitation.

- 9. Anti-Solicitation Controls** – Limit aggressive post-disaster outreach, require clear disclosures, and cap certain fees.
- 10. Enforcement & Penalties** – Enable rapid regulatory action, including injunctions, fines, and license revocation, with a unified channel for reporting fraud.

IV. CONSUMER EDUCATION & PUBLIC HEALTH COMMUNICATION (11–12)

Provide clear, consistent guidance for households affected by wildfire smoke.

- 11. Consumer Education Portal** – Offer cleaning guidance, filtration advice, health information, and a simple explanation of the smoke-claims process.
- 12. Smoke Monitoring Integration** – Expand real-time smoke data and alerts to support public understanding and objective claims triage.

V. NEW PRODUCT DESIGN & COVERAGE FLEXIBILITY (13–14)

Modernize consumer options while preserving core fire-coverage protections.

- 13. Standard Fire Policy Alignment** – Clarify or update SFP rules to allow optional wildfire catastrophe deductibles or parametric supplements while maintaining required minimum coverage.
- 14. Parametric Pilots** – Allow optional parametric benefits triggered by objective smoke-exposure indices to supplement traditional indemnity coverage.

Expanded Synopsis of Proposals:

I. SCIENCE OF TESTING & RELATED RESEARCH

1) Tiered, Risk-Based Testing Protocols + Impact Zones

Support tiered testing frameworks that allow for visual and olfactory inspection and simple surface testing, escalating to laboratory sampling only when justified. Incorporate burn-zone, near-field, and far-field distinctions to prevent unnecessary testing and ensure capacity is used efficiently. Require the use of residentially relevant thresholds rather than occupational, hazardous waste, or ambient outdoor air standards.

2) State Laboratory Certification & QA Program

Establish a statewide laboratory certification and quality assurance program including analyst training, proficiency testing, inter-laboratory calibration, transparent detection-limit reporting, and retention of archived samples to ensure reliability and consistency in smoke-related contaminant analysis.

3) Background Contaminant Context Requirements

Require test interpretation to consider normal indoor background contamination caused by cooking, candles, tobacco, building materials, and household chemicals. Encourage the use of archived laboratory samples for retrospective analysis to help establish baseline conditions and inform future policy without requiring new testing in every claim.

4) Standards Governance: Independent Peer Review & Balanced Stakeholder Process

Before adoption of any testing or remediation standard, require rigorous independent scientific peer review, including transparent methodology, uncertainty analysis, and clearly sourced evidence. Encourage participation from industrial hygienists, toxicologists, restoration professionals, insurers, public health officials, and consumer advocates.

5) Media & Misinformation Response Protocol

Direct CDI and Public Health agencies to issue timely, factual advisories during wildfire events to counter misinformation about chemicals of concern and discourage unnecessary or fear-driven testing and remediation. Establish a coordinated scientific communication framework that includes: (1) ongoing baseline environmental sampling conducted by CDPH or county public health departments, in partnership with academic and scientific organizations, to characterize ambient background contaminant levels across the state; and (2) immediate post-event sampling of ash, soot, and char by public health authorities to help identify contaminants associated with specific wildfire events. Baseline and post-event data will improve public communication, support appropriate testing decisions, and may help provide a scientifically grounded reference point for both consumers and insurers.

II. REMEDIATION VENDORS & CONSISTENCY THROUGH LICENSING

6) Licensing & Oversight of Wildfire Smoke Remediation Vendors/Consultants

Establish a licensing and oversight framework for remediation vendors requiring adherence to consensus-based Technical Guides and Standards (AIHA, IICRC, RIA, CIRI), documented scopes of work, proper worker safety practices, and appropriate post-remediation verification. Licensing promotes consistent, high-quality remediation services.

7) Authority & Claims Boundary Clarification

Clarify that contamination assessments when done must be performed by qualified industrial hygienists or restoration professionals following accepted technical guides. Codify that direct physical loss or damage is required to trigger coverage, and that detection of trace contaminants without demonstrable physical alteration does not constitute covered damage. Require investigations to remain proportional and case-specific.

8) Claims Process Standards: Timing, Remediation Outcomes & Clearance Testing

Establish timing expectations such that claims reported more than six months after the wildfire require the policyholder to demonstrate contaminant presence and wildfire causation before testing is reimbursed. Define remediation sufficiency based on directly applicable residential standards that account for exposure pathways and dose estimates. Confirm that a still-standing property passing post-remediation clearance testing may be deemed fully remediated under policy terms, with discretion for insurers to extend the occurrence period when additional cleaning becomes necessary due to surrounding activities.

III. CLAIMS FRAUD REDUCTION, ENFORCEMENT & SOLICITATION CONTROLS

9) Anti-Solicitation & Fraud Deterrence (“Smoke Chaser” Controls)

Implement restrictions on disaster-related solicitation, including limits on doorknocking, targeted mailers, and high-pressure marketing. Require standardized consumer disclosures, reasonable fee caps for public adjusters and vendors, and strengthened enforcement authority for CDI and the Attorney General.

10) Penalties & Enforcement Enhancements

Provide expedited enforcement tools—including injunctive relief, civil penalties, and license suspension or revocation—for vendors, adjusters, attorneys, or consultants engaged in deceptive, fear-based, or fraudulent conduct. Establish a unified statewide reporting channel for consumer complaints and suspected fraud.

IV. CONSUMER EDUCATION & PUBLIC HEALTH COMMUNICATION

11) Consumer Education & Public Health Guidance Portal

Develop a centralized state portal offering step-by-step guidance for DIY cleaning and ventilation, including HEPA/carbon filtration recommendations; state-approved wildfire smoke health information; and a clear overview of the typical smoke-claims process, including what testing or remediation steps may be involved.

12) Integration with State/Federal Smoke Monitoring & Alerts

Develop or integrate real-time smoke monitoring systems providing transparent data on plume patterns, duration, and concentration. This supports public health messaging, consumer understanding, and objective claims triage.

V. NEW PRODUCT DESIGN & COVERAGE FLEXIBILITY

13) Standard Fire Policy (SFP) Alignment & Modernization

Evaluate opportunities to modernize or clarify California’s Standard Fire Policy to enable product innovation in wildfire-exposed regions. Potential enhancements include optional wildfire catastrophe deductibles or parametric supplements, while preserving required minimum coverage and the direct-physical-loss standard.

14) Parametric Smoke Remediation Pilots

Authorize insurers to offer optional parametric add-ons or community-based programs providing fixed-amount benefits for basic cleaning or filtration when independent smoke-exposure indices are triggered. These operate alongside, not instead of, Standard Fire Policy–required indemnity coverage.