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Foreword to the Ocean Science Trust Report: "Strengthening Incentives for Flood Risk Reduction in Catastrophe Modeling and Insurance: Recommendations for California Coastal Counties"

One of the top goals of the Department of Insurance is protecting access to coverage for all who need it through a strong insurance market. California's property insurance market — the nation's largest — includes homes, businesses, nonprofits, and the insurance companies who serve them. To truly protect consumers in an age of climate change, insurance regulators must shift from a reactive stance of crisis management to agile, proactive leadership: anticipating disasters like coastal flooding before they strike so communities and markets can weather the storm.

"Strengthening Incentives for Flood Risk Reduction in Catastrophe Modeling and Insurance: Recommendations for California Coastal Counties" — a collaboration of my Department's climate experts, the California Ocean Science Trust, and researchers at UC San Diego — shows this leadership in action. California's coastal communities are already feeling the effects of a changing climate — stronger atmospheric rivers and higher seas that intensify erosion and wave-driven flooding. These trends make flooding more frequent and more costly for families and businesses along our coast. Taking action before flooding happens and clearly recognizing the value of those safety actions will help individuals access and afford insurance coverage they need.

"Strengthening Incentives for Flood Risk Reduction in Catastrophe Modeling and Insurance" is informed by an array of experts from the public and private sector. It gives us a practical starting point for a way forward. It shows how better science and clearer standards can help translate flood-risk mitigation — raising or floodproofing homes, strengthening defenses, and investing in nature-based solutions — into insurance decisions consumers can see and understand.

Support from the California Ocean Science Trust in bringing researchers, modelers, insurers, and community leaders to the same table has been invaluable to the Department in crafting informed, practical policies. Their leadership in guiding this report is a model for how science can directly serve the public.

This work supports California's goal of protecting insurance access by closing protection gaps and rewarding resilience and will be an essential resource across numerous initiatives including:

- **California's Sustainable Insurance Strategy,** which aims to turn the vision of valuing mitigation in insurance decisions into practice. Through the Sustainable Insurance Strategy we created a rigorous process to review catastrophe models used in insurance rates, so consumers, communities, and insurers have confidence in how those models are applied. And we required that models account for mitigation using the best available science, so safety investments by homeowners, businesses, and local governments can earn fair recognition in rates.
- **The National Association of Insurance Commissioners' (NAIC) Flood Insurance Blueprint**, which is being developed as part of the NAIC's National Climate Resilience Strategy. Together, these efforts aim to improve flood insurance data, modeling, market transparency, and incentives so more households and businesses can secure coverage that reflects real risk reduction.

California has shown with wildfire that clear, science-based standards can move markets toward resilience. We can do the same for flood: reward verified mitigation, reduce uncertainty through better data and modeling, and give communities predictable signals that justify investments — whether it's elevating a building, restoring wetlands, or improving local stormwater systems. The future insurability of our coastal counties begins with how we rebuild and adapt today.

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