

**STATE OF CALIFORNIA  
DEPARTMENT OF INSURANCE  
300 Capitol Mall, 17th Floor  
Sacramento, CA 95814**

February 23, 2021

REG-2020-00015

**INVITATION TO PRENOTICE PUBLIC DISCUSSIONS ON  
MITIGATION IN RATING PLANS AND WILDFIRE RISK MODELS**

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The California Department of Insurance will conduct prenotice public discussions regarding contemplated addition of California Code of Regulations, Title 10, Chapter 5, Subchapter 4.8, Article 4, section 2644.9.

You are invited to participate in the prenotice public discussions. The purpose of these discussions is to provide interested and affected persons an opportunity to present statements or comments regarding the contemplated regulation changes.

Although the Department ordinarily prefers in-person participation, due to unique circumstances, during this pandemic, the Department will use a virtual web conferencing format for this workshop.

**Date, Time and Location**

Date: March 30, 2021

Time: 1:00 p.m. The virtual workshop shall continue until all in attendance wishing to provide comments have commented, or 5:00 p.m., whichever is earlier.

Location: Link to Register for the Web-based Virtual Format:

[https://us02web.zoom.us/webinar/register/WN\\_G2-teZmlTi-HXmcsUm5h4w](https://us02web.zoom.us/webinar/register/WN_G2-teZmlTi-HXmcsUm5h4w)

**Attendance.** To increase public participation and improve the quality of regulations, interested parties are invited to attend the virtual meeting and offer comment, if they so choose.

The moderated call-in line to be used for the public hearing is accessible to persons with mobility impairment. Persons with sight or hearing impairments are requested to notify the contact person for these hearings (listed below) in order to review available accommodations, if necessary.

Please direct all inquiries regarding these workshops to the contact persons named below.

**Regulation Text.** For purposes of promoting discussion, a draft of the text of the proposed regulatory changes is attached. Participants should be prepared to present specific comments on the attached draft regulation text during the public discussions. Participants are also invited to submit written statements and are encouraged to provide supporting documents and materials as well.

**Public Input regarding Alternatives.** The Department hereby seeks public input regarding alternatives to the contemplated regulations, in connection with these prenotice public discussions. Please provide written or oral comments outlining any alternatives that would

secure the same benefits as the contemplated regulations. The benefits of the contemplated regulations are stated below.

The anticipated benefits of the contemplated regulations include the following:

- Incentivizing individual and community mitigation efforts by requiring consideration of property- and community-level mitigation against wildfire risk;
- Reducing the risk of loss posed by wildfires;
- Improving accuracy in the classification of wildfire risk and the resulting rates and premiums;
- Increasing transparency in, and consumer awareness of, insurers' rating and/or scoring of wildfire risk;
- Enhancing consumer protection by establishing a consumer appeals process; and
- Reducing unfair discrimination by enhancing consistency in insurers' wildfire rating practices and/or risk scoring practices; and,
- Potentially improving availability and affordability of property-casualty insurance for communities and properties where wildfire mitigation measures have been implemented.

Please provide in your comments analysis and supporting information detailing the economic impact on entities that would be subject to or affected by the contemplated regulations, for each suggested alternative. Please provide this input regarding alternatives to Alec Stone, using the contact information below, on the day of or prior to the workshop.

**This is Not a Formal Public Hearing on Proposed Regulations.** Please be advised that participation in these prenotice public discussions will be in addition to, and not in substitution for, any participation in any formal rulemaking process that may follow. This invitation to the prenotice public discussions does not constitute a Notice of Proposed Action. Consequently, comments (oral or written) received in connection with these prenotice public discussions will not be included in any record of rulemaking that may follow. Similarly, the Department is not required to respond to comments received in connection with the prenotice public discussions. For this reason, if you wish to have comments included in any rulemaking file that may follow, or if you wish to have the California Department of Insurance respond to your comments as part of the process by which it adopts this regulation, you must present your comments during the public comment period according to the procedures outlined in any Notice of Proposed Action. Again, comments submitted in connection with these prenotice public discussions will not be considered in any subsequent rulemaking proceeding unless they are resubmitted after the Notice of Proposed Action is issued. However, the Commissioner will consider public comments received in these prenotice public discussions as he contemplates regulatory changes that may be proposed in a Notice of Proposed Action.

**Contact Persons.** All substantive questions and concerns regarding the contemplated regulations and/or these public discussions should be directed to Alec Stone. If possible, due to

unique circumstances, please submit any written comments via electronic mail to [Alec.Stone@insurance.ca.gov](mailto:Alec.Stone@insurance.ca.gov) by March 30, 2021.

**Logistical Inquiries**

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**Substantive Inquiries**

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