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Rebuilding With Wildfire Safety & Insurability

New Data on Community-Wide Wildfire
Resilience for Los Angeles | March 2026

Today's Briefing

01

What We Know

Key findings on wildfire risk, insurance, and rebuilding costs

02

The IBHS Standard

Wildfire Prepared Home — a science-based path to resilience

03

New Data

Community-wide rebuilding to IBHS standards dramatically reduces future losses

04

The Path Forward

Policy adoption, funding, and a call to action for L.A. leaders

Safety Investments Now Directly Translate Into Insurance Benefits

Safer from Wildfires Discounts

Department of Insurance now requires insurers to offer discounts which range 4%–40% for wildfire mitigation actions. Highest discounts go to highest-risk homes.

Sustainable Insurance Strategy

Insurers required to stay and grow in high-risk areas. Major carriers committing to write more policies in California.

Insurer Commitments to Wildfire Safety

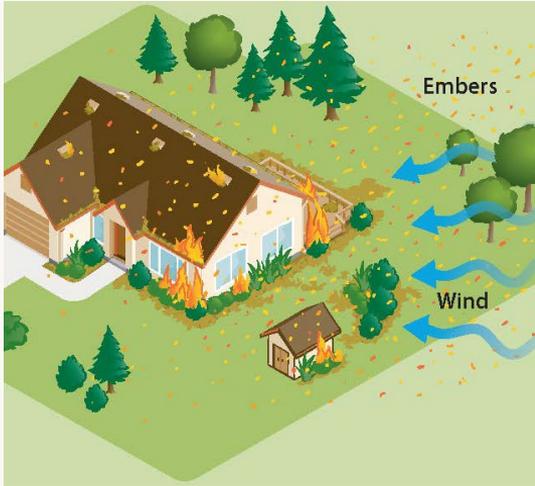
Some of California's largest insurers now commit to writing policies for homes meeting the IBHS Wildfire Prepared Home standard.

SECTION 1

What We Know: Proven Mitigation Measures Make Communities Safer

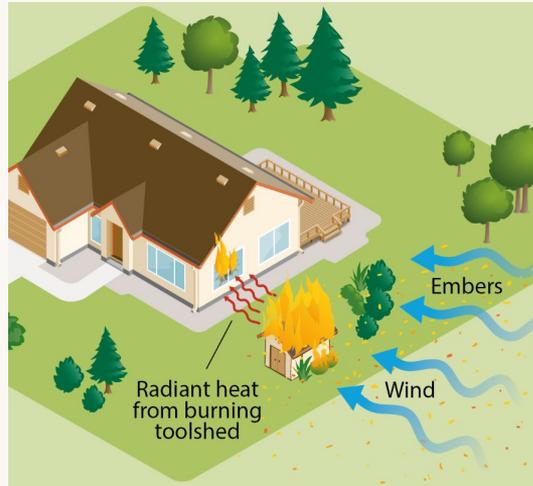
Summarizing the evidence base for wildfire safety and insurability

How Homes Ignite: Three Pathways



Embers

Wind-driven burning particles land on vulnerable surfaces and vegetation — the leading cause of home ignition.



Radiant Heat

Intense heat from nearby burning structures or vegetation ignites exterior materials without direct flame contact.



Direct Flame

Fire from adjacent vegetation, fencing, or structures directly contacts and ignites the home's exterior.

The Science: A Systems-Based Approach Works



Multiple studies show homes are more likely to survive in urban conflagrations when defensible space + fuel reduction + noncombustible materials worked together.

38%

of homes in Paradise built after 1997
survived the 2018 Camp Fire

Sources: Knapp, Eric E.; Valachovic, Yana S.; Quarles, Stephen L.; Johnson, Nels G. 2021. Housing arrangement and vegetation factors associated with single-family home survival in the 2018 Camp Fire, California. Fire Ecology.

Rebuilding Resiliently Is Achievable

Example of standard construction
\$500,000 home in Altadena



Additional cost of
wildfire safety

\$13,000
CA WUI Code

\$9,000
IBHS Base

\$15,000
IBHS Plus

**Only
2-3%
more**

for wildfire-resistant
materials at time of
new construction

Source: *Headwaters Economics / IBHS, Construction Costs for Wildfire-Resistant Homes, Oct 2025*



SECTION 2

Wildfire Safety Rooted in Data and Experience

The IBHS Wildfire Prepared Home standard is a science-based approach to wildfire risk reduction

What Is a Wildfire Prepared Home?

The Program

- ✓ First-ever wildfire mitigation designation program (est. 2022 by IBHS)
- ✓ Science-based actions addressing three key areas: roof, building features, and defensible space
- ✓ Two tiers: Base (ember defense) and Plus (additional flame & radiant heat protection)
- ✓ Third-party verified with 3-year designation + annual review
- ✓ Available in AZ, CA, CO, FL, ID, MT, NV, NM, OK, OR, TX, UT, WA, WY
- ✓ Eligible to be part of a Wildfire Prepared Neighborhood

Why It Matters for Insurability

- ✓ Aligned with Safer from Wildfires, the nation's first wildfire safety insurance discount program
- ✓ Major CA insurers committing to write policies for Wildfire Prepared Home-designated residences
- ✓ Creates a uniform, verifiable standard insurers can recognize
- ✓ Reduces risk of non-renewal and FAIR Plan reliance

WILDFIRE PREPARED[®]

HOME



**Structure
Density
Connective Fuels**



Building Materials

ADDITIONAL MITIGATIONS AGAINST FLAMES

- ✓ Cover gutters.
- ✓ Enclose eaves.
- ✓ Install noncombustible siding.
- ✓ Upgrade windows & doors.
- ✓ Upgrade to a noncombustible deck.

- ✓ Move accessory structures at least 30 feet away.
- ✓ Remove back-to-back fencing.

ROOF

- ✓ Ensure the roof covering is Class A fire-rated & maintained clear of debris.
- ✓ Choose noncombustible gutters & downspouts.

BUILDING FEATURES

- ✓ Install flame- and ember-resistant vents or 1/8-inch metal mesh vents.
- ✓ Ensure 6-inch vertical noncombustible clearance at base of exterior walls and decks.
- ✓ Clear & maintain the underdeck area; enclose low-elevation decks.

0-5 FOOT NONCOMBUSTIBLE ZONE

- ✓ Establish a **0-5 Foot Noncombustible Zone** around the home and decks; remove overhanging branches; replace combustible fences within 5 feet.

5-30 FOOT DEFENSIBLE SPACE ZONE

- ✓ Maintain yard with spaced vegetation, structures, & other connective fuels; clear debris; remove firewood.
- ✓ Move structures at least 10 feet away & maintain a 0-5 Foot Noncombustible Zone around them.

MITIGATIONS
AGAINST
EMBERS

SECTION 3

New Data: Improving Safety Fosters Community Insurability

How rebuilding to the IBHS standard at scale reduces average losses significantly

How Wildfire Risk Affects Insurance Outcomes



Insurance companies use catastrophe models to estimate risk of future losses – informing **how much they charge** and **whether they write policies**.

A Key Variable for Insurability: Average Annual Loss (AAL)

Catastrophe models generate Average Annual Loss (AAL) -- the expected loss from wildfire in any given year, averaged over many possible fire scenarios and their probabilities.

AAL is an average, not the losses from one major wildfire.

How Insurers Use AAL

AAL is a core output of catastrophe models that set insurance premiums. Higher average losses can make insurance more expensive or harder to find — increasing FAIR Plan reliance

Insurance Options Grow With Safer Homes

High Expected Losses = Fewer Options

- ✗ Higher premiums (or no offer)
- ✗ Non-renewals push homeowners to FAIR Plan = limited coverage at a higher cost
- ✗ Depresses property values and tax base
- ✗ Puts whole community at risk

Low Expected Losses = More Options

- ✓ Lower premiums, more competitive offers
- ✓ Open market options with multiple carriers
- ✓ Homes move off the FAIR Plan
- ✓ Protects property values, supports recovery and community

First of Its Kind National Insurance Study Shows Major Benefits for Los Angeles

The California Department of Insurance worked with the NAIC Catastrophe Risk Center for Excellence to answer this question:

How would rebuilding and retrofitting all homes in the area damaged by the Eaton and Palisades Fires with higher wildfire protection standards affect future average losses?



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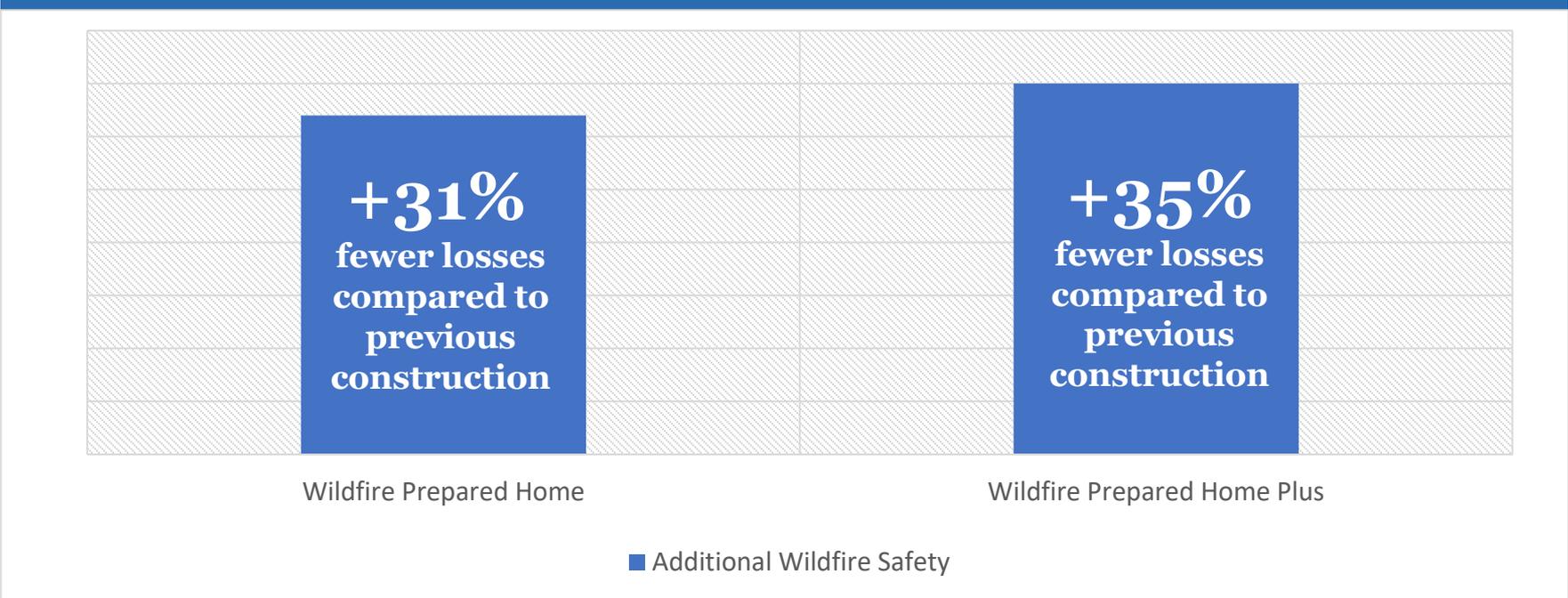
Community-Wide Protection Effect: Slashing Future Wildfire Losses

Compared to estimated
construction before the fires,
community-wide Wildfire
Prepared Home adoption
reduced Average Annual Loss
by one-third.



*Source: NAIC Catastrophe Risk Management Center for
Excellence / Moody's*

Community-Wide Protection Effect: Slashing Future Wildfire Losses



Community-Wide Adoption Slows Fire Spread and Amplifies Firefighting Response



[Click here to watch on YouTube](#)

SECTION 4

The Path Forward: Policy, Funding & Action



Advantages of Community-Wide Standards: Communication and Alignment

Existing standard

- ✓ Building codes vary within a community – reducing community-wide benefits
- ✓ Mix of WUI-compliant/non-compliant homes increases difficulty of compliance, inspection, and enforcement
- ✓ High potential for confusion among residents, contractors, and landscapers with mixed requirements

Property-level standard

- ✓ Reduces risk on the edges of communities
- ✓ Mix of hardened and non-hardened homes still allows less hardened homes to ignite hardened homes
- ✓ Hardened homes will qualify for insurance discounts, but may not attract insurers to write new policies in the area

Community-wide standard

- ✓ One community-wide standard means easier communication
- ✓ Economies of scale with contractors and landscaping
- ✓ Qualifies all residents for insurance discounts
- ✓ Clear signal to attract insurers to underwrite in the area

Proven Examples to Build On

Paradise, CA

- ✓ First California municipality to adopt IBHS Wildfire Prepared Home as the standard with resilient rebuilding ordinances
- ✓ Private and government grant funding for home hardening retrofits
- ✓ Insurance companies have announced return and residents have seen premium reductions up to 800% compared to the FAIR Plan

Source: Rebuild Paradise Foundation, Presentation to Board of Forestry



These approaches work—and can scale in L.A. There will be more wildfires; it is possible to improve the next outcome.

L.A. Can Lead California's Next Generation of Fire-Resilient Communities

- ✔ The growing body of science aligns: systems-based mitigation works and is affordable
- ✔ Community-wide adoption dramatically reduces losses and restores insurability
- ✔ The rebuilding window is open now

We can rebuild smarter, safer, and insurable — together.

Call to Action: Policy Adoption

1

Adopt Wildfire Prepared Home Plus as the Rebuilding Standard

Go beyond minimum CA building code. Require or strongly incentivize all LA fire rebuilds to meet IBHS Wildfire Prepared Home Plus — adding only ~\$15K to a \$500K rebuild.

2

Pair Building Standards with Community Mitigation

Individual home hardening alone is insufficient. Adopt community-wide safety zone requirements, fence and accessory structure standards, and vegetation management across neighborhoods and jurisdictions.

3

Qualify Residents for Insurance Discounts

Fund fire inspections and WPH evaluations. Connect rebuilding homeowners to CDI's Safer from Wildfires discount program and insurer commitments to WPH-designated homes.

Call to Action: Funding & Support

Fund Wildfire Prepared Home Evaluations & Retrofits

Allocate recovery dollars to cover the application fee and retrofit costs for low-income homeowners.

Pursue Public Grant Funding

Apply for Hazard Mitigation Grant Program funding to subsidize home hardening — as Paradise has done. Federal grants can cover Wildfire Prepared Home-standard retrofits at scale.

Leverage Nonprofit & Philanthropic Capital

Partner with nonprofit organizations and community foundations. Nonprofits can make resilience accessible to vulnerable and elderly residents.

Support Federal Legislation for Resiliency Grants

Congress can pass the Disaster Resiliency and Coverage Act of 2025 – making tax-free grants of \$10,000 available for mitigation projects including Wildfire Prepared Home adoption.

From FAIR Plan to Open Market

How AAL reduction enables the transition

1

Rebuild to Wildfire Prepared Home Standard

Community adopts WPH Base
or Plus for all rebuilds and
retrofits

2

Projected Losses Drop Significantly

Catastrophe models reflect
lower community-wide risk

3

Insurers Re-engage

Lower risk attracts open-
market carriers + triggers
discounts

4

Homes Leave FAIR Plan

Affordable, competitive
coverage restores market
normalcy

The opportunity: L.A.'s rebuilding moment is a once-in-a-generation chance to reset community-wide risk and restore the insurance market.