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# CALIFORNIA CONSUMER ALERT

Insurance Commissioner Ricardo Lara

## Commissioner Lara and legislative leaders join forces to safeguard consumers by introducing proposals for wildfire mitigation and recovery

*Ten bill proposals sponsored by the Commissioner include a new grant program for home hardening, protections for businesses and non-profits against non-renewals, measures to maximize insurance payouts by limiting fees, and initiatives to combat deceptive advertising*

Insurance Commissioner Ricardo Lara, along with several legislators, is advancing a comprehensive legislative package aimed at protecting wildfire survivors and improving preparedness for future disasters. This package focuses on three key goals: Consumer Protection, Climate Resiliency, and Market Strength. Among the ten proposals sponsored by the Commissioner are a new statewide grant program to assist with wildfire hardening, protections for businesses against insurance non-renewals, initiatives to combat deceptive disaster advertising, and measures to maximize insurance claim payouts by limiting the fees that public adjusters can charge.

“As we face increasingly catastrophic disasters, our responsibility is to assist people in their recovery while also ensuring we are better prepared for the next event,” said **Commissioner Lara**. “Now is the time for transformational action. I will not shy away from this moment and will continue to advocate for consumer protection and the restoration of our state’s insurance market. Bold actions will yield bold results.”

Commissioner Lara’s 10 sponsored bill proposals include:

1. **The California Safe Homes Act (authored by Assembly Member Lisa Calderon)** This legislation aims to create safer homes and communities by providing state-tax-free funds to help residents purchase fire-rated roofs and develop non-ignition zones around their properties, along with other crucial mitigation measures. These initiatives seek to safeguard lives and homes while enhancing eligibility for insurance discounts under Commissioner Lara’s existing Safer from Wildfires regulation. The act would establish a grant program at the Department of Insurance, utilizing existing funds without incurring additional costs to taxpayers—similar to current programs in other states that address windstorm threats. Additionally, the grants would be federal-tax-free if Congress passes the bipartisan “Disaster Resiliency and Coverage Act,” which has received support from the Commissioner, many members of California’s congressional delegation, and numerous representatives from states facing the severe impacts of climate change.
2. **The Business Insurance Protection Act (jointly authored by Senators Sasha Renée Pérez and Susan Rubio)** The Wildfire Safety and Recovery Act of 2018 (SB 824, authored

### Commissioner and Legislators Advance Wildfire Safety and Recovery Proposals



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by then-Senator Lara) has protected millions of homeowners by prohibiting non-renewals of residential property insurance for one year. This proposal aims to extend this essential protection by broadening the insurance moratorium to include commercial policies, covering businesses, homeowners' associations (HOAs), condominiums, affordable housing units, and non-profits.

3. **The Insurance Payment Protection Act (AB 597, authored by Assembly Member John Harabedian)** Ensuring that wildfire survivors receive the maximum funds from their insurance claims is crucial for their recovery. To help policyholders obtain the full amount they are owed, AB 597 establishes a 15% cap on fees for adjuster-contracted work and prohibits any additional awards outside the contract. Currently, there is no limit on the fees that public adjusters can charge, which may include claims funds received before a consumer-adjuster contract is finalized—ultimately reducing the funds available for consumers to rebuild their homes and lives.
4. **Eliminate “The List” Act (authored by Senator Ben Allen)** This bill requires insurance companies to pay wildfire survivors 100 percent of their contents coverage without needing a detailed inventory list. It also grants consumers additional time—at least 180 days—to provide proof of loss to their insurance company following a declared state of emergency. Furthermore, the proposal aims to establish specific data collection authority to assist the Department in understanding long-term trends in risk management tools, technical data, and the integration of information related to climate-intensified risks that can significantly affect insurance availability.
5. **The California Community Fire Hardening Commission Act (jointly authored by Senators Susan Rubio, Dave Cortese, and Henry Stern)** Proposes the creation of an independent statewide commission within the Department of Insurance. This commission is designed to develop a more effective inspection system that enables individuals to receive insurance discounts for home hardening, thereby improving wildfire safety for entire communities. Chaired by the Insurance Commissioner, the commission will review lessons learned from recent wildfires and offer recommendations to enhance and expedite home and community hardening efforts throughout the state, among other responsibilities
6. **The Deceptive Disaster Relief Advertising Act (AB 637, authored by Assembly Member Heath Flora)** After major disasters, consumers are frequently bombarded with misleading advertisements that claim to provide legal or recovery services, often posing as official government or non-profit guidance. To enhance transparency and safeguard consumers from being misled during these difficult times, AB 637 requires that advertisements on social media, traditional broadcast media, and digital streaming platforms clearly display the statement: “This is a solicitation for business. Not affiliated with any government entity or non-profit.
7. **The California Wildfire Public Model Act (authored by Senator Dave Cortese)** Establishes the nation's first public catastrophic model for wildfires, offering a crucial tool to assist wildfire planning and enhance transparency.
8. **The Insurance and Wildfire Safety Act (AB 1, authored by Assembly Member Damon Connolly)** AB 1 builds on Commissioner Lara’s groundbreaking Safer from Wildfires regulation. The legislation requires future insurance commissioners to assess the need for updates to the regulation based on new fire science and public input.
9. **The FAIR Plan Stability Act (AB 226, jointly authored by Assembly Members Lisa Calderon and David Alvarez)** AB 226 aims to strengthen consumer safeguards by allowing the FAIR Plan to access catastrophic bonds through the California Infrastructure and Economic Development Bank. This provision would add an extra layer of financial support for the state’s insurer of last resort, enabling it to continue paying consumer claims promptly in the event of a worst-case disaster.

10. **The Savings Accounts for Mitigation and Catastrophes Act (AB 232, jointly authored by Assembly Members Lisa Calderon and Mike Gipson)** AB 232 creates a tax-exempt savings account for consumers. This account allows them to set aside funds specifically for home hardening and insurance deductibles in the event of a disaster.

*(Bills without numbers have not been formally introduced but will be by February 21.)*

#### **What supporters are saying:**

Firefighters, along with organizations representing businesses, non-profits, wildfire survivors, and other consumers, are uniting in support of this essential legislative package. This package will enhance the implementation of the Sustainable Insurance Strategy this year and beyond.

"We appreciate Insurance Commissioner Lara and Legislative Leaders for providing substantive measures to address our current insurance crisis and its impact on California's housing crisis," said **Dan Dunmoyer, President and CEO of the California Building Industry Association.**

"Homebuilders, homebuyers, and renters must be able to secure insurance, including Californians who live in condominiums, apartments, and affordable housing. All consumers will benefit greatly from more stability in the insurance market and a stable FAIR Plan. This is why CBIA is sponsoring AB 226 (Calderon and Alvarez), which gives the FAIR Plan new tools to better manage costs related to paying policyholder claims after disasters."

"Our communities demand action on the insurance crisis, and this bill package is a critical step forward," said **Jeff Griffiths, California State Association of Counties President and Inyo County Supervisor.** "Counties appreciate Commissioner Ricardo Lara for leading this effort and encourage continued progress by streamlining recovery efforts, such as expanding the Executive Orders issued for the 2025 Los Angeles County Wildfires to all counties facing disaster."

"The California Fire Chiefs Association strongly supports legislation that prioritizes home hardening and the implementation of Zone Zero within our communities. Regulations that promote adaptive strategies and provide resources to assist homeowners in fortifying their properties are essential components of wildfire resilience. Forward-thinking legislation that embraces innovation and prioritizes proactive wildfire mitigation measures will play a critical role in safeguarding lives, property, infrastructure and environment," said **Chief Brian Fennessy, President, California Fire Chiefs Association.**

"The California Association of REALTORS(R) (C.A.R.) has supported the Department of Insurance's Sustainable Insurance Strategy, which aims to remove barriers to insurance access, particularly for those in higher risk areas. C.A.R. is encouraged that this comprehensive legislative package will continue to build on that strategy and provide enhanced consumer protection for homeowners who have been victims of wildfires," said **Heather Ozur, C.A.R President.**

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**Exciting News! ✨** The California Department of Insurance (CDI) is proud to introduce the **Community Outreach and Education Partnership Initiative**. This dynamic program is designed to raise consumer awareness about CDI's vital services and expand understanding of key insurance topics and fraud prevention. Become a valued partner and unlock exclusive access to:

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