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# SENATE COMMITTEE ON NATURAL RESOURCES AND WATER

Senator Monique Limón, Chair  
2025 - 2026 Regular

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<b>Bill No:</b>	AB 1531	<b>Hearing Date:</b>	July 8, 2025
<b>Author:</b>	Committee on Emergency Management		
<b>Version:</b>	March 26, 2025 Amended		
<b>Urgency:</b>	No	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	Genevieve Wong		

**Subject:** Office of Emergency Services: comprehensive wildfire mitigation program

## SUMMARY

This bill would require the California Department of Insurance (CDI) to be added to the California Wildfire Mitigation Program (CWMP) governing board by July 1, 2026.

## BACKGROUND AND EXISTING LAW

**Wildfire in California.** Catastrophic and devastating wildfires have occurred repeatedly in the state in recent years. Thirteen of the 20 largest and 15 of the 20 most destructive wildland fires in state history have occurred since 2015. The 2020 August Complex Fire in northern California – the largest fire in California’s modern history – burned over one million acres, and the 2021 Dixie Fire was almost one million acres. Two wildland fires in recent years burned over the crest of the Sierras, which had not been previously observed. In the last several years, tens of thousands of structures – mostly homes – have been destroyed from wildland fire, insured losses incurred are in the billions of dollars, prime habitat has been destroyed or damaged, and, tragically, hundreds of lives have been lost. Most recently, the Palisades and Eaton Fires in Los Angeles in January resulted in the loss of approximately 16,250 structures and 30 deaths.

While wildland fires have always been present in the state, the number of days with extreme fire risk has more than doubled in the last 40 years. This is likely to continue to increase. One of the impacts of climate change in the state is an increase in the frequency and intensity of wildfires. In forested regions, decades of fire suppression, historic logging practices, and drought have produced unhealthy forests; in some forests, the current tree density is up to an order of magnitude greater than the density a century ago. These conditions exacerbate the risk of an extreme wildfire developing when a fire occurs. Further, the proliferation of new homes in the wildland urban interface (WUI) magnify the threat and place substantially more people and property at risk than in preceding decades. More than 25 million acres of California wildlands are classified as under very high or extreme fire threat, extending that risk over one-quarter of the state.

**Wildfire resilience strategies.** Wildland fires in the state can be broadly separated into two different types: fuel-driven and wind-driven. In a fuel-driven fire, fire prevention efforts and fuels management, including prescribed fire, may be the most effective methods to reduce risk and promote healthier and more resilient forests. In a wind-driven fire, however, home and community-hardening, including maintaining a defensible space buffer around a home are critical factors. Wildland fires may exhibit both wind-driven and fuel-driven behaviors.

Home hardening seeks to improve a home's chance of surviving a wildfire by retrofitting the home with ignition-resistant materials and preventing embers or flames from entering the house. Creating and maintaining defensible space seeks to slow or halt the progress of wildfire toward a building. It also can help to protect firefighters defending the area. Of note, there are multiple methods available to help reduce the risk wildland fire poses to communities across the state, and optimal resilience is achieved through coordinated implementation of those most suited for the particular location.

***California Wildfire Mitigation Financial Assistance Program.***

Created in 2019 by AB 38 (Wood, Chapter 391, Statutes of 2019), the California Wildfire Mitigation Financial Assistance Program, also known as the California Wildfire Mitigation Program, or CWMP, is a partnership between CAL FIRE and the Governor's Office of Emergency Services (Cal OES). AB 38 directed Cal OES to enter into a joint powers agreement (JPA) with CAL FIRE to develop and implement this program. The JPA provides that CWMP is administered by a governing board consisting of two members selected by CAL FIRE and two members selected by Cal OES. The purpose of the CWMP is to provide neighborhood or communitywide benefits against wildfire by retrofitting and hardening buildings, including homes and businesses, and facilitating vegetation management, including defensible space. CWMP also provides community and homeowner education on wildfire home hardening and is creating a wildfire home hardening framework that communities can use to create their own home hardening initiatives.

Pursuant to AB 38, CWMP developed criteria and scoring methodology to prioritize financial assistance to areas and communities based on criteria such as vulnerability to wildfire; impact of future climate risk factors on area and community wildfire vulnerability assessments; and factors that lead some populations to experience to greater risk to wildfire, adverse health outcomes, or an inhibited ability to respond to wildfire. All 58 counties were ranked on nine factors and each county received a Wildfire Risk Ranking and Social Vulnerability Ranking based on the sum of their respective factors. Each county also received a Final Ranking based on the sum of the Wildfire Risk Ranking and Social Vulnerability Ranking.<sup>1</sup> CWMP funded pilot projects in four counties to implement this program: Lake (Final Rank 1), San Diego (Final Rank 6), Shasta (Final Rank 4), and Siskiyou (Final Rank 2) Counties. According to the CWMP dashboard, the program has 291 active applications and has completed 165 home assessments (which inform what retrofits will be implemented). Seventeen projects are in progress and 37 have been completed.

Last year, AB 2469 (Committee on Emergency Management, Chapter 402, Statutes of 2024) added an Authority report, to be submitted to the Legislature by July 1, 2028, and extended the program's repeal date by another four years, from July 1, 2025, to July 1, 2029.

***California's insurance availability crisis.*** The California FAIR Plan Association was established to meet the needs of California homeowners unable to find insurance in the

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<sup>1</sup> See CWMP's County Selection Methods, published January 29, 2025, for more information. <https://www.caloes.ca.gov/wp-content/uploads/Recovery/CWMP-County-Selection-Methods-01.29.2025.pdf>

traditional marketplace. The FAIR Plan is a syndicated fire insurance pool comprised of all insurers licensed to conduct property/casualty business in California. It is California's insurer of last resort. In the last decade, more Californians have turned to the FAIR Plan as wildfires have devastated California and some insurers have pulled back from these markets. In particular, the number of homes and commercial properties covered by the California FAIR Plan has more than doubled, from 154,000 in 2019 to 375,000 due to insurers not renewing existing plans. As a result, liability exposure has increased from \$50 billion in 2018 to \$336 billion in February, according to the FAIR Plan. FAIR Plan growth paints the picture of the lack of available insurance in the market. It is worth noting that the Fair Plan offers discounts of up to 15% for homeowners who comply with defensible space requirements and have implemented certain home hardening measures.

***Safer from Wildfires Framework.*** In 2022, CDI announced the "Safer from Wildfires" framework, which directs insurers to provide discounts to consumers and businesses if they take specified mitigation measures. The framework provides a list of home and community wildfire mitigation measures that consumers and business can take to protect structures, immediate surroundings, and the community. Steps a consumer can take under this framework include installing Class A rated roofs, implementing a five-foot ember resistant zone, installing ember- and fire-resistant vents, enclosing eaves, and complying with defensible space requirements, among others. The more steps a consumer takes, the more they may be able to save on their insurance.

Under the regulation, insurance companies must submit new rate filings incorporating CDI's wildfire safety standards and provide consumers with their property's "wildfire risk score," including a right to appeal that score.

**Existing law:**

- 1) Establishes Cal OES within the Governor's Office under the supervision of the Director of Emergency Services. Cal OES is responsible for the state's emergency and disaster response services for natural, technological, or man-made disasters and emergencies, including responsibility for activities necessary to prevent, respond to, recover from, and mitigate the effects of emergencies and disasters to people and property. (Government Code (GOV) §8585)
- 2) Directs Cal OES to enter into a joint powers agreement with CAL FIRE to develop and administer CWMP that:
  - a) Encourages cost-effective structure hardening and retrofitting that creates fire-resistant homes, businesses, and public buildings.
  - b) Facilitates vegetation management, the creation and maintenance of defensible space, and other fuel modification activities that provide neighborhood or communitywide benefits against wildfire. (GOV §8654.4)
- 3) Sunsets the CWMP on July 1, 2029. (GOV §8654.10)

## **PROPOSED LAW**

This bill would require CDI to be added to the CWMP governing board by July 1, 2026.

## **ARGUMENTS IN SUPPORT**

According to the author, “[i]n January 2025, Los Angeles experienced the most catastrophic wildfires in its history. The wildfires that ravaged L.A. County ultimately consumed 55,082 acres. The Palisades and Eaton Fires were the most destructive, burning 23,700 and 14,000 acres, respectively. The fires have claimed at least 29 lives and destroyed over 16,251 structures. Total property and capital losses from the L.A. wildfires could range between \$76 billion and \$131 billion, with insured losses estimated at \$45 billion. These estimates are subject to uncertainty due to a number of factors, including the dynamic nature of wildfires, housing prices, and fire suppression and recovery costs.

California is struggling with an ongoing insurance crisis, where companies are boosting rates, limiting coverage or pulling out completely from regions susceptible to wildfires and other natural disasters. In 2023, several major insurance companies either paused or restricted new business in the state, saying they can't truly price the risk on properties as wildfires become more common and destructive due to climate change.

In an ongoing effort to mitigate the impacts of climate change and the threat of catastrophic wildfires, the California Office of Emergency Services, in collaboration with the CAL FIRE and the Office of the State Fire Marshal, manage [the] California Wildfire Mitigation Board. One of the goals of this board is to leverage federal hazard mitigation funds to harden homes and make communities more wildfire resilient. Given the intersection of wildfire risk and insurance, adding the California Department of Insurance to the Wildfire Mitigation Board makes sense and will ensure a more comprehensive approach to investments in wildfire hazard mitigation projects.”

## **ARGUMENTS IN OPPOSITION**

None received.

## **COMMENTS**

***This bill is double referred.*** This bill has been referred to both the Senate Committee on Government Organization and this Committee for hearing. This Committee is the second Committee of referral. This bill was heard in the Senate Governmental Organization Committee on June 10, 2025, and passed out with a vote of 14 - 0. Elements of this bill under the jurisdiction of the Senate Committee on Government Organization are included here for completeness and context only.

***CWMP Board.*** The JPA that governs the CWMP creates a governing board that consists of two members appointed by Cal OES and two members appointed by CAL FIRE. The CWMP Board adopts CWMP’s policies, budget, and business plan; evaluates CWMP results; approves certain contracts; among others. This bill would require CDI to be added to this board by July 1, 2026. The bill does not specify how many members CDI would appoint.

The committee may wish to specify that CDI shall appoint two members to the governing board. *See Amendment 1.*

**Take two.** Last year, Assemblymember Rodriguez introduced AB 2983 (2024), a similar bill which would have also required CDI be added to the CWMP Board. Additionally, AB 2983 required the joint powers authority, when reviewing projects or proposals, to assess the extent to which the project or proposal would increase the availability of insurance policies covering damage from fire. AB 2983 was vetoed by Governor Newsom. In his veto message, Governor Newsom stated:

“While I appreciate the author’s goal to add insurance considerations to the Board’s work, this bill could lead to misleading expectations for homeowners as there is no guarantee that the additional assessments required by this bill would result in increased access to insurance. Further, the additional requirements for proposals or projects could lead some communities to opt out of critical wildfire mitigation work that could help prevent a homeowner from ever having to file an insurance claim, which ultimately supports the market and market rate stability.”

Unlike AB 2983, AB 1531 does require the CWMP joint powers authority to assess the extent to which a project or proposal would increase the availability of insurance coverage, which seems to be in response to the Governor’s veto message.

### ***Related legislation***

AB 441 (Hadwick) of the current legislative session would extend the authorization for CWMP by another 2 years, until July 1, 2031. This bill is also referred to this Committee.

AB 2983 (Rodriguez, 2024) would have required, by July 1, 2025, CDI be added to the CWMP Board and would have required the CalOES and CAL FIRE joint powers authority, when reviewing projects or proposals, to assess the extent to which the project or proposal would increase the availability of insurance policies covering damage from fire. This bill was vetoed by Governor Newsom.

AB 2469 (Committee on Emergency Management, Chapter 402, Statutes of 2024) extends CWMP’s sunset from July 1, 2025, to July 1, 2029.

AB 3150 (Quirk-Silva, 2024), among other things, would have revised existing fire safety laws by requiring the State Fire Marshal to review and update fire hazard severity zones every five years, involve public agencies and other entities in fire hazard assessments, and adopt updated regulations for defensible space and fuel management. This bill was held in the Senate Appropriations Committee on the suspense file.

AB 38 (Wood, Chapter 391, Statutes of 2019) directed Cal OES and CAL FIRE to enter into a JPA to develop and administer the CWMP.

## **SUGGESTED AMENDMENTS**

### **AMENDMENT 1**

Amend Government Code §8654.4(c) as follows:

(c) On or before July 1, 2026, the Department of Insurance shall be added to the California Wildfire Mitigation Program Board created pursuant to the joint powers agreement described in subdivision (a) ***by appointing two members.***

**SUPPORT**

None Received

**OPPOSITION**

None Received

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