
THIRD READING

Bill No: AB 1531
Author: Committee on Emergency Management
Amended: 9/3/25 in Senate
Vote: 21

SENATE GOVERNMENTAL ORG. COMMITTEE: 15-0, 6/24/25

AYES: Padilla, Archuleta, Ashby, Blakespear, Cervantes, Choi, Dahle, Hurtado, Jones, Ochoa Bogh, Richardson, Rubio, Smallwood-Cuevas, Wahab, Weber Pierson

SENATE NATURAL RES. & WATER COMMITTEE: 7-0, 7/8/25

AYES: Limón, Seyarto, Allen, Grove, Hurtado, Laird, Stern

SENATE APPROPRIATIONS COMMITTEE: 7-0, 8/29/25

AYES: Caballero, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

ASSEMBLY FLOOR: 71-0, 5/23/25 (Consent) - See last page for vote

SUBJECT: Office of Emergency Services: comprehensive wildfire mitigation program

SOURCE: Author

DIGEST: This bill adds the Department of Insurance (CDI) to the California Wildfire Mitigation Program (CWMP) Board, as specified.

Senate Floor Amendments of 9/3/25 specify that the CDI be an ex officio nonvoting member of the CWMP Board.

ANALYSIS:

Existing law requires, operative until July 1, 2029, the Office of Emergency Services (OES) to enter into a joint powers agreement with the Department of Forestry and Fire Protection (Cal FIRE) to develop and administer a comprehensive wildfire mitigation program to, among other things, encourage

cost-effective structure hardening and retrofitting to create fire-resistant homes, businesses, and public buildings, as specified.

This bill requires, on or before July 1, 2026, the CDI to be added as an ex officio nonvoting member to the CWMP Board, as specified.

Background

Author Statement. According to the author's office, "in 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."

Further, "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."

And lastly, "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 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."

California Wildfire Mitigation Program. AB 38 (Wood, Chapter 391, Statutes of 2019) requires OES to enter into a joint powers agreement with Cal FIRE to develop and administer a comprehensive wildfire mitigation program to encourage cost-effective structure hardening and retrofitting and to facilitate vegetation

management, as specified. Known as the CWMP, this effort encourages cost-effective wildfire resilience measures to create fire-resistant homes, businesses, public buildings, and public spaces. Mitigation measures such as home hardening, vegetation management, defensible space, and other fuel modification activities provide neighborhood and community-wide benefits against wildfire.

As part of the 2020 Budget Act, the state committed \$21.9 million from the General Fund (GF) to help unlock federal funding through the Federal Emergency Management Agency's (FEMA) Hazard Mitigation Grant Program (HMGP), which covers up to 75% of the cost for eligible hazard mitigation projects. OES has been partnering with FEMA to use the state's \$21.9 million contribution to meet the 25% non-federal match requirement – making it easier for communities across California to access these critical funds.

By matching federal dollars, California is stretching the investment further, putting more resources on the ground for wildfire home hardening and the creation of defensible space. Working hand-in-hand with local and state partners, OES and Cal FIRE are building a statewide wildfire home hardening framework that can be adapted for use in fire-prone communities across California. The goal is to help communities tap into state and federal funding to build local programs that strengthen wildfire resilience. To jumpstart the effort, the state is providing funding and hands-on support to demonstration communities, targeting areas with the highest wildfire risk and social vulnerability. Community-scale home hardening pilot projects will inform the statewide model. Existing law repeals the CWMP on July 1, 2029.

The CWMP Board meets every third Tuesday of every month at the California Natural Resources Agency building in downtown Sacramento. The meetings are open to the public except when specifically noticed otherwise in accordance with the Bagley-Keene open Meeting Act. The virtual meeting waiting room opens 15 minutes before via Zoom. This bill adds the CDI to the CWMP Board.

California Department of Insurance. The CDI was created in 1868 as part of a national system of state-based insurance regulation. The insurance marketplace has changed dramatically over time, but consumer protection continues to be the core of CDI's mission. The CDI is the consumer protection agency for the nation's largest insurance marketplace and safeguards all of the state's consumers by regulating the insurance industry. Under the Insurance Commissioner's direction, the CDI uses its authority to protect Californians from insurance rates that are excessive, inadequate, or unfairly discriminatory, oversee insurer solvency to pay

claims, set standards for agents and broker licensing, perform market conduct reviews of insurance companies, resolve consumer complaints, and investigate and prosecute insurance fraud.

Wildfire Driven Insurance Crisis. In the wake of increasingly destructive wildfires over the previous decade or so, several major insurers have started to pull out of the California market. Last year, State Farm – California’s largest insurer – announced it would stop issuing new policies in the state. Recently, the company took it a step further saying it will drop coverage for 72,000 homes and apartment buildings over the next year.

Many of those households will likely end up on the California FAIR Plan, the state’s insurer of last resort. Since 2019, the number of homes and commercial properties in wildfire-prone areas covered by the FAIR Plan has more than doubled. As a result, the plan’s liability exposure has skyrocketed to approximately \$340 billion as of this winter, according to the FAIR Plan president. In response, Insurance Commissioner Ricardo Lara has announced a major overhaul of the state’s home insurance rules. New regulations are already in the works to speed up the approval process for rate increases and to allow insurers to use catastrophe modeling in their filings. These changes are expected to take effect by the end of the year.

In 2022, CDI rolled out its “Safer from Wildfires” framework, a first-of-its-kind regulation requiring insurance companies to offer discounts to homeowners and businesses that take specific wildfire mitigation steps. The framework was developed in coordination with Cal FIRE, OES, the Governor’s Office of Planning and Research, and the California Public Utility Commission.

Insurance companies must update their rate filings to reflect these new safety standards and offer transparent risk information. That includes sharing a property’s wildfire risk score with consumers and giving them the rights to appeal that score if they believe it is inaccurate. Under the regulation, the more “Safer from Wildfires” steps a consumer takes, the more likely they may be able to save on their insurance.

Once fully implemented, this approach should help shift the insurance market toward rewarding resilience, giving homeowners a clearer path to both lower premiums and safer homes. Some of the steps property owners can take under the “Safer from Wildfires” framework include:

- a. Class-A fire rated roof.
- b. Five-foot ember resistant zones.
- c. Ember- and fire-resistant vents.
- d. Non-combustible six inches at the bottom of exterior walls.
- e. Enclosed eaves.
- f. Upgraded windows.
- g. Cleared vegetation, weeds, and debris from under decks.
- h. Removal of combustible sheds and other buildings to a distance of 30 feet.
- i. Defensible space compliance.

Back to the Future. This bill is similar to, while narrower than, AB 2983 (Rodriguez, 2024) of last year. That bill would have added CDI to the CWMP Board as well as requiring the CWMP to assess the extent to which a project or proposal under the program would increase the availability of insurance policies covering damage from fire, as specified. That bill was vetoed by Governor Newsom who wrote, in part:

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.

Related/Prior Legislation

AB 2983 (Rodriguez, 2024) would have required CDI to be added to the CWMP Board and would have required the CWMP to assess the extent to which a project or proposal under the program would increase the availability of insurance policies covering damage from fire, as specified. (Vetoed by Governor Newsom)

AB 9 (Wood, Chapter 225, Statutes of 2021) established, among other things, the Community Wildfire Mitigation Assistance Program to coordinate regional and local efforts with state policies, strategies, and programs for community wildfire mitigation in order to improve wildfire preparedness and prevention, with an emphasis on the most vulnerable communities, as specified.

AB 38 (Wood, Chapter 391, Statutes of 2019) required, among other things, OES to enter into a joint powers agreement with Cal FIRE to administer a comprehensive wildfire mitigation and assistance program to encourage cost-effective structure hardening and facilitate vegetation management, as specified.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

According to the Senate Appropriations Committee, unknown potentially significant costs, likely ranging in the tens to low hundreds of thousands of dollars, for CDI to appoint members to and participate on the CWMP Board (Insurance Fund).

SUPPORT: (Verified 9/4/25)

Insurance Commissioner Ricardo Lara

OPPOSITION: (Verified 9/4/25)

None received

ARGUMENTS IN SUPPORT: In support of this bill, California's Insurance Commissioner Ricard Lara writes that, "AB 1531 aligns with CDI's ongoing initiatives, including my Sustainable Insurance Strategy and first-in-the-nation Safer from Wildfires regulations. The Sustainable Insurance Strategy represents a pivotal effort to get our state's insurance market back on track, ensuring it thrives for the benefit of all Californians while helping address the impact of climate change on our state. CDI has a track record of actively addressing insurance market challenges to benefit consumers and facing evolving market challenges, particularly in the context of climate change. I believe my Department serving on the CWMP Board would provide a vital link between our state's mitigation funding efforts and provide perspective on the impact of climate change and mitigation measures on insurance availability and affordability."

ASSEMBLY FLOOR: 71-0, 5/23/25

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Calderon, Caloza, Carrillo, Castillo, Connolly, Davies, DeMaio, Dixon, Elhawary, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste

Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Solache, Soria,
Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wilson, Zbur, Rivas
NO VOTE RECORDED: Bryan, Chen, Ellis, Nguyen, Sanchez, Schultz, Sharp-
Collins, Wicks

Prepared by: Brian Duke / G.O. / (916) 651-1530
9/6/25 10:40:12

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