
THIRD READING

Bill No: AB 888
Author: Calderon (D), et al.
Amended: 5/29/25 in Assembly
Vote: 21

SENATE INSURANCE COMMITTEE: 7-0, 7/9/25
AYES: Rubio, Niello, Becker, Caballero, Jones, Padilla, Wahab

SENATE APPROPRIATIONS COMMITTEE: 7-0, 8/29/25
AYES: Caballero, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

ASSEMBLY FLOOR: 79-0, 6/3/25 - See last page for vote

SUBJECT: California Safe Homes grant program

SOURCE: Insurance Commissioner Ricardo Lara/California Department of Insurance

DIGEST: This bill creates the California Safe Homes grant program within the California Department of Insurance (CDI) with the goals of reducing local and statewide wildfire losses, improving the insurability and resilience of vulnerable communities, and home hardening to mitigate wildfire risk and reduce the cost of insurance.

ANALYSIS:

Existing law:

- 1) Establishes the “Safer from Wildfires” Framework within the California Code of Regulations, with the goal of reducing wildfire risk and making homes and businesses more resilient to wildfires.
- 2) Authorizes formation of a joint powers agreement between the Department of Forestry and Fire Protection (CAL FIRE) and the Office of Emergency Services (CAL OES) to administer the California Wildfire Mitigation Financial

Assistance Program, known as the California Wildfire Mitigation Program (CWMP) that focuses on offering financial assistance to vulnerable populations in wildfire-prone areas, as well as cost-effective structure hardening and retrofitting to create fire-resistant homes, defensible space, and vegetation management activities.

- 3) Requires the joint powers authority to develop eligibility criteria for property owners, community organizations, and local governments that may receive financial assistance under the wildfire mitigation program.

This bill:

- 1) Establishes the California Safe Homes Grant Program (Program), to be developed and administered by CDI for the purposes of:
 - a) Reducing local and statewide wildfire losses
 - b) Improving insurability and resilience of vulnerable communities
 - c) Home hardening of insurable properties to mitigate wildfire risk and enable consumers to get access to insurance premium incentives offered by insurance companies in alignment with CDI's rules
- 2) Creates the Sustainable Insurance Account within the Insurance Fund. Specifies that funds in the account shall be available upon appropriation by the Legislature or upon receipt of federal, or other grants or funds, and that these funds cannot be redistributed.
- 3) States that CDI may adopt rules and establish eligibility requirements and additional procedures for the administration of the Program, and in accordance with any conditions associated with grants or funds received by the Program. Additionally, CDI may contract with a third party to assist with Program administration.
- 4) Requires CDI, when awarding grant funds, to prioritize the following:
 - a) Replacement roofs to align with the standards specified in the Safer from Wildfires regulations
 - b) Creation of a five-foot non-combustible zone around the structure to align with the standards specified in the Safer from Wildfires regulations

- c) Projects that improve community mitigation to reduce the risk of losses caused by wildfires, with consideration to collective actions that mitigate risks by addressing risk factors on structures in the surrounding area that exacerbate insurable wildfire losses, alignment with existing risk mitigation, and anticipated benefit to insurance policyholders
- 5) Provides that eligible individuals must meet the following criteria:
- a) The property is covered by an admitted insurer or the California FAIR Plan Association (FAIR Plan)
 - b) The property is in a ZIP Code that overlaps with a high or very high fire hazard severity zone
 - c) The income of the applicant is no higher than the low-income limit for the county in which they reside
- 6) Provides that eligible cities, counties, and special districts must demonstrate the alignment of the use of grant funds to enhance and expand the grant funding priorities mentioned above and the criteria for tracking performance.
- 7) Requires CDI to collect information on the use of the grant funds, including receipt for contractor services, written attestation of work done by recipient, and documentation that demonstrates if the grantee qualified for wildfire incentives from their insurance company, as well as regional information on the geographic distribution of grant funding.
- 8) Requires the FAIR Plan to submit an annual report to CDI stating the number of policyholders that have qualified for each of the wildfire mitigation rating factors specified under the Safer from Wildfires regulations.
- 9) Requires CDI, on or before January 1, 2027, and every two years thereafter to publish a performance report using aggregate information collected from grantees and metrics for the beneficial impacts of the grants awarded, including the funding for each of the mitigation actions, geographic distributions, and recommendations on how to improve the implementation of the program. This report will be submitted to the Legislature and posted on CDI's website.

Background

Safer From Wildfires Framework. Announced in 2022 by CDI and instituted in regulations, the Safer from Wildfires Framework directs insurers to provide discounts to consumers and businesses if they take specified mitigation measures. To produce this regulation, CDI worked with emergency preparedness agencies in the Governor’s Administration, including CAL FIRE, Cal OES, the Governor’s Office of Planning and Research, and the California Public Utilities Commission. The Framework is founded on a “ground-up” approach for wildfire resilience with three layers of protection for the structure, the immediate surroundings, and the community. Insurance companies operating in California must recognize and offer discounts to homeowners and businesses that undertake wildfire mitigation efforts as part of the state's Safer from Wildfires Framework. Insurance companies must also provide consumers with their property’s “wildfire risk score” and a right to appeal that score.

Related/Prior Legislation

SB 616 (Rubio, Cortese, Stern, 2025). Would create an independent Community Hardening Commission within CDI, with the goals of developing a unified and centralized fire mitigation standard for all levels of government across the state, as well as generating guidelines to enable the creation of a wildfire data sharing platform.

AB 1 (Connolly, 2025). Would require, by January 1, 2030, and every five years thereafter, CDI to consider whether to update the Safer from Wildfires regulations to include certain building hardening measures.

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

According to the Senate Appropriations Committee:

“Unknown General Fund cost pressures, likely in the millions of dollars to fund the grant program. The bill specifies program operation will be upon appropriation by the Legislature, upon receipt of federal grants or funds, or upon receipt of other sources of grants or funds. While it is unknown at what level the program would be funded at, or what non-state funds the program may receive, CDI estimates the initial funding required to operate the program at \$3 million General Fund.”

SUPPORT: (Verified 8/29/25)

Insurance Commissioner Ricardo Lara/California Department of Insurance
(Source)

American Property Casualty Insurance Association

Association of California Cities - Orange County (ACC-OC)

Berkeley; City of

Brea; City of

Burbank/Burbank Redevelopment Agency; City of

California Association of Realtors

California State Association of Counties

California Democratic Party Rural Caucus

Ceres, INC.

City of Agoura Hills

City of Arcadia

City of La Verne

City of Los Alamitos

City of Paramount

City of San Luis Obispo

City of Thousand Oaks

East Bay Wildfire Coalition of Governments

Independent Insurance Agents & Brokers of California, INC.

James Hardie

League of California Cities

Little Hoover Commission

Los Angeles County Division, League of California Cities

Marin Wildfire Prevention Authority

Mayor Todd Gloria, City of San Diego

Megafire Action

National Association of Mutual Insurance Companies

Orange County Council of Governments

Orinda; City of

Pacific Association of Domestic Insurance Companies

Personal Insurance Federation of California

San Francisco Bay Area Planning and Urban Research Association

San Gabriel Valley Council of Governments

San Gabriel Valley Economic Partnership

San Rafael/Marin County Council of Mayors & Council Members; City of

South Bay Cities Council of Governments

Southern California Association of Governments

Tri-Valley Cities of Dublin, Livermore, Pleasanton, San Ramon, and Town of

Danville
United Policyholders

OPPOSITION: (Verified 8/29/25)

None received

ARGUMENTS IN SUPPORT:

According to the bill's sponsor, Insurance Commissioner Ricardo Lara:

“There are very few existing funding sources for Californians to replace a roof with one that would decrease their fire risk. Replacement roofs are among the costliest yet most effective wildfire mitigation measures a homeowner can take. Current programs have strict eligibility criteria, limited funding, and allocate funds across a variety of mitigation efforts. AB 888 would fill this gap by specifically targeting two critical measures: replacing roofs with fire-safe options, and creating a non-combustible zone in the first five feet – two of the most expensive mitigation actions that can bring down the fire risk for the entire community. Because risk mitigation benefits not only the homeowner replacing their roof but contributes to the safety of the community as a whole, the grant program will also benefit consumers that do not directly receive the grant funds.

Drawing from Alabama and Louisiana's success with similar initiatives, a goal of the bill is to influence consumer and contractor behavior, encouraging broader adoption of fire-safety beyond the scope of the program. AB 888 has the potential for significant and broad impact, encouraging widespread adoption of fire-resistant measures across California.”

ASSEMBLY FLOOR: 79-0, 6/3/25

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, 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, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca

Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta,
Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

Prepared by: Brandon Seto / INS. / (916) 651-4110

8/29/25 20:41:29

****** END ******