
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

SB 1162 (Alvarado-Gil) - Wildfire and Forest Resilience Task Force: FAIR Plan policies: wildland-urban interface

Version: April 9, 2026

Urgency: No

Hearing Date: April 27, 2026

Policy Vote: N.R. & W. 7 - 0

Mandate: No

Consultant: Ashley Ames

Bill Summary: This bill would require the Department of Forestry and Fire Protection (CalFire) to make recommendations to the Wildfire and Forest Resilience Task Force (task force) regarding specific wildfire risk reduction measures that would reduce the regional risk profile for high-hazard landscapes and communities, particularly those ZIP codes that have seen the largest increases in FAIR Plan policies sold since 2019.

Fiscal Impact:

- Unknown but potentially significant one-time costs (General Fund) to CalFire to develop and provide recommendations as required by this bill.
- Unknown but likely significant ongoing cost pressures (General Fund or other various funds) for CalFire and other departments to implement any of the recommendations provided by CalFire as a result of this bill.
- Unknown but likely minor one-time costs (General Fund or special fund) for the Department of Insurance to consult with CalFire on recommendations.

Background:

Wildfire and Forest Resilience Task Force (Task Force). Governor Edmund G. Brown, Jr, signed Executive Order No. B-52-18 on May 10, 2018, and established the Task Force to oversee its implementation. The Executive Order authorized state agencies to improve forest health and restoration, provide regulatory relief, reduce barriers to prescribed fire, boost education and outreach to landowners, and support wood products innovation.

The Task Force issued a “Wildfire and Forest Resilience Action Plan” (Action Plan) in January 2021, and the Legislature required the Task Force to establish an implementation strategy by January 2022, which they did (PRC §4771). The Task Force is required to update the Action Plan every five years (PRC §4771(f)).

California FAIR Plan Association (FAIR Plan). The California FAIR Plan – “Fair Access to Insurance Requirements” – is an “association” of all insurance companies licensed by the California Department of Insurance (CDI) that provides basic property and casualty insurance in California. It was created in 1968 following the Watts Riots in Los Angeles.

The FAIR Plan is the “insurer of last resort” for basic property insurance in the event of a market failure. At inception, that was essentially urban commercial property. Ultimately, it has expanded to include homeowners’ insurance anywhere in the state, provided that the insurance “cannot be obtained” in the normal manner in the market.

Despite its initial creation as an urban/business “insurer of last resort,” the FAIR Plan expanded to provide coverage in designated brush fire regions of the state. After the homeowners’ insurance crisis that followed the Northridge earthquake in 1994, the entire state was designated as the appropriate FAIR Plan coverage region. Today, the FAIR Plan covers all parts of California.

FAIR Plan Growth. Increasing risks due to climate-driven wildfires and a lack of adequate insurance rates have resulted in fewer coverage options available to consumers in the voluntary market. As more insurers have declined to provide new coverage or renew existing policies, more Californians have turned to the California FAIR Plan for the basic property coverage they need.

As of December 2025, the FAIR Plan’s total exposure is \$724 billion, representing a 230% increase since September 2022. The FAIR Plan currently has 668,609 policies in force, representing a 146% increase since September 2022.

Residential Context. In June 2025, overall residential exposure on the FAIR Plan was approximately \$602.7 billion. The areas with the largest exposure include Truckee, Lake Arrowhead, Placerville, and Beverly Hills.

Between September 2024 and June 2025, the residential exposure of the FAIR Plan increased by \$100 million or more in approximately 26% of California ZIP codes. Particularly large increases in exposure, more than \$1 billion per ZIP code, occurred in areas west of Santa Monica and Los Angeles affected by fires in early 2025. Overall, residential exposure on the FAIR plan has increased by approximately \$172 billion in this period.

Residential exposure on the FAIR plan has increased by approximately \$487 billion from 2020-2025. Much of this increase is concentrated in ZIP codes adjacent to urban areas in Southern California, in Gold Country and the Sierra Nevada east of Sacramento, and in the San Francisco and Monterey Bay regions.

Proposed Law: This bill would require CalFire, on or before June 30, 2027, and in consultation with the Department of Insurance and the California FAIR Plan Association, make recommendations to the task force regarding specific wildfire risk reduction measures that would reduce the regional risk profile for high-hazard landscapes and communities, particularly those ZIP Codes that have seen the largest increases in FAIR Plan policies, as established in Chapter 9 (commencing with Section 10090) of Part 1 of Division 2 of the Insurance Code, sold since 2019.

Related Legislation:

SB 973 (Becker, 2026) would require the Department to establish wildfire risk modeling tools for use by local agencies such as the Wildfire County Coordinators.

SB 1270 (Richardson, 2026) would prioritize home hardening risk reduction mitigation funding to the ten counties with the greatest combined risk of wildfire and social vulnerability.

SB 1297 (Allen, 2026) would allow local entities to form Joint Powers Authorities to establish regional wildfire mitigation collaboratives and authorize the I-Bank to fund wildfire mitigation projects with revenue bonds.

SB 326 (Becker, 2025) would have required the Department to establish a statewide Wildfire Risk Mitigation Planning Framework to quantitatively evaluate wildfire risk mitigation actions. This bill was vetoed.

SB 72 (Rubio, 2021) would have required the Insurance Commissioner to transmit to the Secretary of the Natural Resources Agency a report that makes geographic recommendations for vegetation management projects based on the commissioner's analysis of nonrenewal data on policies of residential property insurance and the perceived risks of the industry. This bill was held on the Assembly Appropriations Suspense File.

SB 456 (Laird, Chapter 387, Statutes of 2021) renamed the Forest Management Task Force as the Wildfire and Forest Resilience Task Force and required the Task Force to develop an implementation strategy to track and ensure the achievement of the goals and key actions identified in the Action Plan. This bill also required the Task Force to update its Action Plan every five years.

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