

SENATE THIRD READING

SB 429 (Cortese)

As Amended September 02, 2025

Majority vote

SUMMARY

Puts together the outline for the creation of a "public wildfire catastrophe model," as defined, within the California Department of Insurance (CDI).

Major Provisions

- 1) Creates the Wildfire Safety and Risk Mitigation Program (Program) for the purpose of providing funding to one or more universities to create a research and educational center responsible for developing, demonstrating, and deploying a public wildfire catastrophe model that provides significant wildfire safety benefits to California Communities and assists alignment of federal, state, and local wildfire risk reduction efforts.
- 2) Specifies that projects eligible for a grant include either of the following :
 - a) Development of a public wildfire catastrophe model that can provide insight for state and local emergency planners, aid wildfire safety efforts that protect life and property, increase research and development on wildfire risk mitigation strategies, inform actuarial analyses, create training opportunities for students and professionals, and support effective regulation and financial oversight of insurance, risk assessments, and insurance company solvency risks and risk management; or,
 - b) Development of outreach initiatives to identify and educate potential users of a public wildfire catastrophe model, including, but not limited to, state and local emergency planners, wildfire safety groups, agricultural and business groups, research organizations, and educators.
- 3) Defines "public wildfire catastrophe model" as a computerized process that uses the best available science to simulate potential property damage caused by major wildfires and has readily accessible documentation and programs for use by public agencies, organizations, and individuals.
- 4) Specifies how CDI will award grants.
- 5) Specifies how CDI will prioritize grant proposals.
- 6) Requires CDI to create and publish a framework and multiyear plan for the development, demonstration and deployment of a public wildfire catastrophe model.
- 7) Establishes the Wildfire Safety and Risk Mitigation Account within the Insurance Fund.
- 8) Requires CDI, upon implementation of the first round of grants to identify, publish, and make available on its internet website key milestones for the completion of a public wildfire catastrophe model, including additional research, outreach, and operational steps needed to fully establish the model.

- 9) Requires CDI to provide recommendations to the Senate Committee on Insurance, Assembly Committee on Insurance, Budget Committees, and the Governor for the future budget allocations before September 1, 2026.
- 10) Provides the Program is operative upon appropriation by the Legislature.

COMMENTS

- 1) *Florida Public Hurricane Loss Model (FPHLM)*: This measure seems to model itself on the Florida Public Model. Difference of course being that Florida fears hurricanes and California fears wildfires. The Florida Department of Insurance tasked a group of researchers in 2000 with developing a public hurricane loss projection model. A joint effort between Florida Tech, Florida International University, University of Florida, Florida State University, University of Miami, University of Notre Dame, among others. The FPHLM is described as a complex collection of computer programs that simulate and predict how, where and when hurricanes form, their wind speeds, intensity and sizes, their tracks, how they are affected by the terrain after landfall, how the winds interact with different types of structures, how much damage they can cause to house roofs, windows, doors, and interiors, how much it will cost to rebuild the damaged parts, and how much of the loss will be paid by insurers.
- 2) *Sustainable Insurance Strategy (SIS)*: A component of the SIS is allowing the use of catastrophe-modeling by insurers. CDI held a number of public workshops which allowed all stakeholder to voice input in regards to the use of this type of modeling which was previously prohibited. A number of stakeholders asked for a public model which this measure attempts to create.

The Assembly Insurance Committee held an informational hearing on catastrophe modeling. The background paper can be found here Microsoft Word - 6.14.23 Joint Informational Hearing background
[<https://ains.assembly.ca.gov/sites/ains.assembly.ca.gov/files/Final%206.14.23%20background.pdf>]

- 3) *Public Wildfire Catastrophe Model Strategy Group*: In September, 2024, The Insurance Commissioner asked CalPoly Humboldt to lead and convene a strategy group with the purpose of determining how to create a public model in California. The strategy group was tasked with making recommendations to the Insurance Commissioner regarding steps to take to create a public model. The group released the report on May 6, 2025. Although this measure was introduced prior to the release the report, much of what is in this measure was recommended in the report which can be found here: [Public-Wildfire-Model-Strategy-Group-Chaired-by-Cal-Poly-Humboldt-Future-Directions-and-Considerations-05-16-2025.pdf](https://www.insurance.ca.gov/01-consumers/180-climate-change/upload/Public-Wildfire-Model-Strategy-Group-Chaired-by-Cal-Poly-Humboldt-Future-Directions-and-Considerations-05-16-2025.pdf) [<https://www.insurance.ca.gov/01-consumers/180-climate-change/upload/Public-Wildfire-Model-Strategy-Group-Chaired-by-Cal-Poly-Humboldt-Future-Directions-and-Considerations-05-16-2025.pdf>].

It should be noted when announced it was highlighted on CDIs website that "Among U.S. states, only Florida has a public catastrophe model used for estimating the future costs of hurricanes and windstorms. That model required five years and millions of dollars to establish and maintain." The funding and timeline in SB 429 is vague at best.

- 4) *California Risk Modeling Advisory Workgroup*: AB 642 from 2021 required the creation of a risk modeling advisory working group to advise CAL FIRE, in consultation with the State Fire Marshal and the Insurance Commissioner on wildfire risk modeling. The working group was tasked to make recommendations on understanding and modeling wildfire risk for a community and specific parcels within the local responsibility or state responsibility area and to include a strategy to account for mitigating factors designed to reduce risk. It was noted that the report did not attempt to address the use of catastrophe models in insurance pricing. The report was published on October 10, 2023 and can be found here [RISK MODELING ADVISORY WORKGROUP REPORT](https://cdn.ymaws.com/www.calchiefs.org/resource/resmgr/documents/membernews/2024/FINAL_Risk_Modeling_Advisory.pdf) [https://cdn.ymaws.com/www.calchiefs.org/resource/resmgr/documents/membernews/2024/FINAL_Risk_Modeling_Advisory.pdf]

This working group is highlighted because while there seems to be many areas of collaboration between the Insurance Commissioner and CAL FIRE, this measure is silent on whether CAL FIRE should play a role in a new public wildfire catastrophe model.

According to the Author

According to the author, "This first-in-the-nation public wildfire catastrophe model will be transparent, science-driven and work for everyone – homeowners, communities, emergency responders and local governments. By investing in a university-led research center, this bill ensures a model that not only improves wildfire preparedness and planning, but also gives consumers and communities a clearer picture of wildfire risk and if they are getting a fair deal on insurance. SB 429 levels the playing field and makes California safer for all."

Arguments in Support

According to California's Insurance Commissioner Ricardo Lara, "SB 429 harnesses the power of California's public and private university systems -- charging the Department with initiating a competitive grant program to create a research and educational center housed at one or more California universities. Under the new Wildfire Safety and Risk Mitigation Program, the Department would: Establish criteria to make sure a future model is usable by local communities in supporting risk reduction efforts and effective wildfire safety education; Consider recommendations due in April to the Insurance Commissioner by a Public Wildfire Model Strategy Group being led by Cal Poly Humboldt and including researchers from the California State University and University of California systems, Stanford, and non-profit organizations; Create a framework and plan for a public wildfire catastrophe model that includes a multi-year plan for development, demonstration, and deployment of a public wildfire catastrophe model; Identify funding sources at the state and federal level.

Arguments in Opposition

None on file.

FISCAL COMMENTS

According to the Assembly Appropriations Committee, annual cost pressures of an unknown amount, likely in the millions of dollars, depending on the amount of any appropriation made by the Legislature to CDI to award Program grants (General Fund (GF)). CDI notes that the Budget Act of 2025 provided \$12.5 million to CDI to support community hardening oversight and wildfire risk mitigation efforts, including measuring risk for communities and individual residential property owners, pursuant to pending legislation, which includes this bill, among

others. Annual costs of an unknown amount, likely in the hundreds of thousands of dollars, to CDI to administer the Program (Insurance Fund). Generally, an agency will use approximately 5% of the amount appropriated for a grant program for administrative costs.

VOTES

SENATE FLOOR: 39-0-1

YES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

ABS, ABST OR NV: Reyes

ASM INSURANCE: 15-0-2

YES: Calderon, Wallis, Addis, Alvarez, Ávila Farías, Berman, Chen, Ellis, Gipson, Hadwick, Harabedian, Nguyen, Ortega, Petrie-Norris, Michelle Rodriguez

ABS, ABST OR NV: Krell, Valencia

ASM EMERGENCY MANAGEMENT: 7-0-0

YES: Ransom, Hadwick, Arambula, Bains, Bennett, Calderon, DeMaio

ASM APPROPRIATIONS: 11-0-4

YES: Wicks, Arambula, Calderon, Caloza, Elhawary, Fong, Mark González, Ahrens, Pacheco, Pellerin, Solache

ABS, ABST OR NV: Sanchez, Dixon, Ta, Tangipa

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