



RICARDO LARA
CALIFORNIA INSURANCE COMMISSIONER

November 5, 2020

REG-2020-00016

**INVITATION TO VIRTUAL MEETING¹ RE: HOME HARDENING STANDARDS AND
WILDFIRE CATASTROPHE MODELING IN RATEMAKING**

Insurance Commissioner Ricardo Lara convened an Investigatory Hearing on October 19, 2020 to take public input on the impact of wildfires on the availability and affordability of residential insurance from homeowners, first responders, “home hardening” experts, consumer groups, and insurance representatives. The testimony received that day highlighted the continuing difficulty that Californians in rural areas and the wildland urban interface (WUI) endure when seeking residential property insurance options, driven by climate change and extreme weather.

Two common questions that arose from the discussion at the hearing were:

- 1) How – if at all – would the use of catastrophe modeling in ratemaking help to make homeowners’ insurance more affordable and more widely available to homeowners?
- 2) How can wildfire mitigation reduce the spread and risks of future wildfires?

At the hearing, the Commissioner announced he will take further regulatory action that will allow homeowners to find and keep their residential property insurance while enhancing competition and availability in the insurance market.

In furtherance of these efforts, the Commissioner will now convene a virtual meeting² with fire and home hardening experts as well as wildfire catastrophe modeling experts regarding potential administrative and regulatory changes to incentivize home-hardening and discuss models that are based in fire science to protect lives and property.

***Modeling Wildfire Risk and Mitigation in the Era of Climate Change – A Workshop on Insurance
Availability and Affordability
– You Are Invited to Attend –***

The Commissioner’s authority under Proposition 103 includes broad rulemaking authority to prevent excessive, inadequate, or unfairly discriminatory insurance rates in California. This virtual meeting will be live-streamed to the public so all interested persons are able to watch as experts in the field of wildfire science discuss how the Commissioner can use his existing authority to reduce the risk of wildfire spread

¹ This meeting will be held under the authority of Insurance Code section 12924 [investigative powers of Commissioner] and also Government Code section 11346.45 [pre-notice public discussions regarding proposed regulations].

² Although the Department ordinarily prefers in-person attendance, due to unique circumstances during this pandemic, the Department will use a virtual web-conferencing format for this meeting.

while also enhancing competition in rural and WUI areas of California.

The purpose of this workshop is to provide a technical, fire science-based conversation as the Commissioner considers further administrative actions. Specifically, this meeting will explore the extent to which wildfire catastrophe modeling as a ratemaking tool can impact market competition and insurance availability.

Attendance

To foster this science-focused, catastrophe modeling discussion looking at home hardening standards for residential property insurance, members of the public are invited to view the event via livestream. This webinar will broadcast in English, American Sign Language, and translated to Spanish in real time. We ask that persons with sight or hearing impairments notify the persons below. Similarly, all interested members of the public should direct inquiries regarding this meeting to the contact persons named below. Please note that it is not necessary to RSVP in advance to virtually observe this meeting.

Date, Time, and Format for Meeting

Date: December 10, 2020

Time: 9:30am

Location: [Link to Register for the Web-based Virtual Format](#). Web-based Virtual Format: Instructions for viewing will be posted on the Department's website in the near future.

Presentation of Written Comments

The public is invited to provide written comments related to the topics to be discussed. Persons interested in submitting written comments are invited to submit them following the conclusion of the meeting, but by no later than January 11, 2021.

This is Not a Formal Public Hearing on Proposed Regulations

Please be advised that this meeting will be in addition to, and not in substitution for, any participation in any formal rulemaking process that may follow. This meeting notice does not constitute a Notice of Proposed Action. Consequently, comments received in connection with this meeting will not be included in any record of rulemaking that may follow.

Any public comments presented will be included in the public record, and the Commissioner will consider all comments received in connection with this meeting as he contemplates regulatory changes that may be proposed in a subsequent Notice of Proposed Action.

Contact Persons

Written comments and logistical inquiries should be submitted to CDIRegulations@insurance.ca.gov.

All substantive questions regarding these public discussions should be directed to Lisbeth Landsman-Smith, using the contact information below.

Written Comments and Logistical Inquiries

Kathryn Taras, Analyst
California Department of Insurance
300 Capitol Mall, 16th Floor
Sacramento, CA 95814
Phone: (916) 492-3675
Email: CDIRegulations@insurance.ca.gov

Substantive Inquiries

Lisbeth Landsman-Smith
Senior Staff Counsel
California Department of Insurance
300 Capitol Mall, 16th Floor
Sacramento, CA 95814
Phone: (916) 492-3561
Email: Lisbeth.Landsman@insurance.ca.gov