March 2025

IBC InBrief: Lessons for Canadian policymakers from the California insurance crisis



IBC
Insurance Bureau of Canada

Executive Summary

The January 2025 wildfires in the Los Angeles area are expected to worsen California's ongoing insurance crisis, which has already affected millions of residents.

Between 2020 and 2023, approximately 3.6 million home insurance policies in California were not renewed. Meanwhile, between 2018 to 2024 the state's insurer of last resort (the FAIR Plan) experienced a 276% surge in the number of policies it underwrote. This oversubscription has challenged the Plan's solvency and its ability to manage claims, and it has since levied US$1 billion on insurers. Given the difficult operating environment in California, it is expected that insurers will pass a portion of assessment costs on to policyholders.

As it stands, more than 1 in 10 California homes (807,000 homes) are now uninsured.

California's insurance crisis did not happen overnight. It resulted from decades of significant growth in wildfire risk, paired with inadequate government investment in resilience and the imposition of restrictions that prevented insurers from accurately pricing risk.

Recent efforts by the state to address the regulatory failures that contributed to the insurance crisis have come too late for the millions of California residents who struggle to find coverage.

The lesson Canadian policymakers must draw from California is unequivocal: rate suppression cannot be a substitute for risk mitigation. The consequences for consumers have been disastrous and illustrate a path that Canada can avoid.

Unlike California, Canada benefits from a highly competitive and stable home insurance market, in part because it lacks the kinds of pricing restrictions that resulted in a decade of financial losses in California's home insurance market.

However, much like California, Canada faces growing wildfire risk. The average annual insured catastrophic losses from wildfire in Canada have gone up significantly from an annual average of $84 million between 2003 and 2014 to an annual average of $706 million in the past decade.

Like in California, Canadian governments have not done enough to protect communities from severe weather. Current building codes do little to ensure that homes are built to withstand increasingly severe weather, and thousands of new homes continue to be built in high-risk hazard areas. Canadian governments' collective investments in measures that make Canada more resilient are woefully inadequate and disproportionate to the growing impacts of severe weather events.[1]

These Canadian public policy shortcomings must be addressed swiftly to protect communities from wildfire and reduce the human and financial toll these disasters can have.

Recent events in Lytton, British Columbia; Jasper, Alberta; Halifax, Nova Scotia; and most recently California show that the cost of inaction is significant evident.

The California Insurance Crisis – Key Facts and Figures

- Over the last five years, more than a dozen insurers have implemented a reduction of coverage or have withdrawn from certain California homeowners' programs.[2]
- Between 2020 and 2023, approximately 3.6 million homeowners' policies in California were not renewed.[3]
- Nearly 1 in 10 California homes (807,000) are currently uninsured.[4]
- The state's insurer of last resort, the California FAIR Plan, has experienced substantial growth in the last several years, driven largely by exposures in areas at high-risk for wildfires.[5] Despite its mission to "encourage maximum use of the traditional insurance market,"[6] the FAIR Plan currently underwrites 451,000 homeowners' policies, up from 155,667 in 2019.[7, 8] FAIR Plan homeowners' premiums have increased tenfold since 2018.[9]
- The claims associated with the recent wildfires have created "a significant financial challenge" for the FAIR Plan. To keep the state-backed insurer solvent, the insurance commissioner recently approved a plan to levy a US$1 billion assessment on carriers operating in California. Insurers are able to recoup up to half of the assessment through temporary fees on policyholders.[10, 11] Given the difficult operating environment in California, it is expected that insurers will pass a portion of assessment costs on to policyholders.
- The January 2025 Eaton and Palisades wildfires are expected to result in between $35 billion and $50 billion in insured losses,[12] and will likely worsen the state's insurance crisis.
- As of February 5, 2025, insurers had paid out more than US$6.9 billion across 33,000 policyholder claims resulting from the Eaton and Palisades wildfires.[13]
- The FAIR Plan's ability to handle claims is being tested like never before, which may result in challenging claims experiences for its policyholders.



California sets itself on a course for crisis

California's insurance crisis is neither new nor unforeseen. Insurance companies and industry experts have been sounding the alarm for years,[14] warning that California's home insurance market was rapidly becoming unsustainable and calling for reform.

Three primary drivers contributed to California's insurance crisis: growing catastrophic risk (in particular, wildfire risk), inadequate resilience measures and restrictions that prevented insurers from accurately pricing risk.

1. Growing catastrophic risk

California's wildfire risk profile is notable and has been for decades. From 1987 to 2023, wildfires burned 11,453,954 hectares of land in California, an area the size of Greece.*

Historically, California has accounted for approximately 10.5% of annual acres burned in the United States from wildfire, the highest among all of the states.[15] California also ranks first among states in the number of wildfires.[16] Including the recent Eaton and Palisades wildfires, 10 of the top 12 wildfires in United States history have occurred in California.[17]

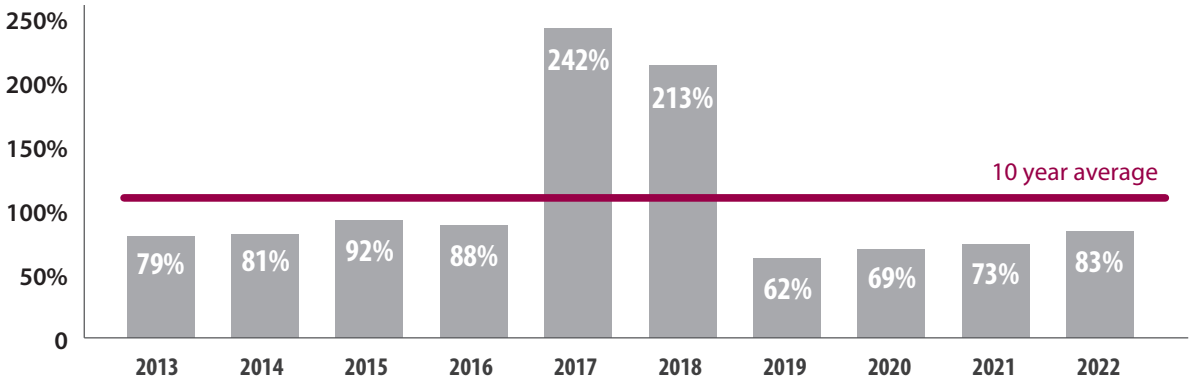
Additionally, Californians now experience 78 more annual "fire days," when conditions are prime for fires to spark, than they did 50 years ago.[18]

Wildfires are not the only climate-related peril California faces. The state has experienced a growing number of devastating floods in recent years and is prone to earthquakes. Six of the 10 costliest earthquakes in U.S. history have occurred in the state.[19] California's catastrophic risk profile has been worsening in recent years as the impacts of a changing climate are making wildfires and other perils, such as floods, more frequent and unpredictable.

The growing wildfire risk has greatly impacted insurers' ability to operate in the state. As **Figure 1** shows, insurers in California earned reasonable underwriting profits (as measured by combined loss ratios) on their home insurance line of business in 8 of the 10 years between 2013 and 2022. However, the claims and expenses paid out in 2017 and 2018 – due largely to wildfire-related losses – were so significant that the average combined loss ratio for the 10-year period was 108.1% (representing an eight-percentage point underwriting loss).[20] In other words, over that 10-year span, insurers spent $1.08 on claims and operating costs for every $1 they collected in premiums, even though they were profitable in every year but two.

* Data derived from Frontline Wildfire Defense statistics

Figure 1: California Homeowners Insurance Combined Ratio



Source: Best's Market Share Reports, Homeowners Multiperil

2. Inadequate resilience measures

California's unique catastrophic risk profile demands targeted mitigating measures to safeguard its communities. Historically, this has not been the case.

The American Property and Casualty Insurance Association has recommended that the state shift its approach to wildfires to be more proactive than reactive and to invest in mitigation and preparedness to reduce the threat of future wildfires.[21]

Ineffective land use planning

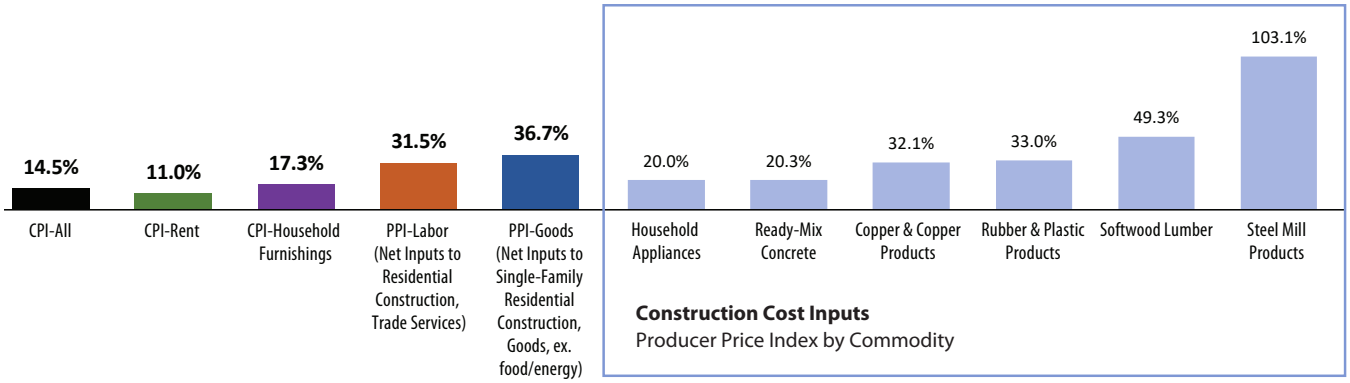
California's land use planning rules have proven insufficient in ensuring that buildings are not located in areas at high risk of wildfire. Findings from a study by the U.S. Forest Service found that California is among the leading states in the volume of houses built in the Wildland Urban Interface* (WUI).[22] Buildings in the WUI are in closer proximity to forests or grasslands that may be more prone to burning.[23]

California has been building in the WUI for decades. According to Insurance Information Institute, among U.S. states California has the highest number of housing units (1.258 million) at risk for extreme wildfire. The number of at-risk housing units in California is equivalent to the total number of at-risk homes in states that rank 2-10, according to the Insurance Information Institute.[24]

This is not just a legacy housing stock problem. According to an analysis by CalMatters, nearly 45% of homes built in California between 1990 and 2020 are located in the WUI. As of 2020, nearly one in three California residents lived in the WUI.[25]

* The WUI refers to geographic areas where the built environment, including homes and businesses, meets with a natural environment.

Figure 2: Cost Indicators, Home Insurance
Cumulative Price Index Changes, January 2020 to August 2022



Source: Bureau of Labor Statistics. Data as of September 26, 2022.

Consumer Price Index (CPI) for All Urban Consumers: All items in U.S. City Average. Seasonally Adjusted.

Producer Price Index (PPI) by Commodity. Not Seasonally Adjusted.

Inadequate building codes

California has made some attempts to improve wildfire resilience for homeowners, though most of these efforts have not gone far enough or have been delayed.

In 2019, California introduced fire-resistant building codes to protect homes in wildfire-prone areas, enhancing measures for residences in designated WUI zones. Among other provisions, these codes mandate that new buildings in WUI zones be constructed with fire-resistant materials, fire-resistant roofing and non-combustible siding. However, these measures are limited to rural and high-risk areas near forests or grasslands. The recent Eaton and Palisades fires show that these measures need to be expanded to include urban and suburban areas.[26]

In 2020, state lawmakers passed new requirements for clearing combustible materials within 1.5 metres of homes in high-risk wildfire areas. These "buffer zone" practices are considered to significantly bolster a home's resilience to wildfires by removing materials that embers can ignite from the immediate vicinity of a home. Originally set to take effect on January 1, 2023, the regulations remain unwritten, and there is no clear timeline for implementation. The initial proposal would have given existing homes one year to comply with the regulations, but the latest version extends the requirement to three years, though new homes would be immediately subject to the regulation. The agency responsible for drafting the regulations, the Board of Forestry and Fire Protection, states it is still in the "pre-rulemaking phase" and has yet to secure the funds necessary to achieve the new requirements.[27] Meanwhile, on its website, the California Department of Forestry and Fire Protection is encouraging residents to take up buffer zone practices.[28]

In 2024, California mandated that insurance companies offer a discount on property insurance for homeowners who upgrade their homes to be more wildfire resilient. While experts agree that retrofits are a crucial step in improving wildfire resilience, market suppression has made it challenging for insurance companies in the state to absorb these discounts. By mandating discounts, these additional pressures are being applied to an already strained home insurance market.[29]

Inadequate state and federal forestry management policies

According to the American Property Casualty Insurance Association, state and federal forestry management policies have contributed to growing wildfire exposure in the western United States.[30] Forest conditions in the last 30 years across this area have deteriorated, with evidence of unnatural crowding in forests, and as much as a sevenfold increase in tree density between 1911 and 2011. This overcrowding, paired with hotter and drier conditions as well as bark beetle infestations, led to 150 million trees dying in California during the 2012 to 2016 drought. More than half of California's forests are federally managed.

3. Insurance pricing restrictions

Impacts of pricing restrictions

A 1979 ruling by the California Supreme Court set a precedent allowing third parties to take legal action against a tortfeasor's insurer* regardless of whether they were party to the insurance contract in question. This led to an explosion of insurance-related litigation, with the number of auto liability claims in California Superior Court increasing by 82% between 1980 and 1987. In turn, the state's auto insurance premiums rose by almost 70% in those seven years.

This auto insurance affordability crisis led to a reckoning in 1988, when California election ballots included five questions about insurance issues. Proposition 103, the *Insurance Rate Reduction and Reform Act* was the only measure from this ballot that was approved, albeit narrowly.

Proposition 103 was designed "to protect consumers from arbitrary insurance rates and practices, to encourage a competitive insurance marketplace." The act rolled back all auto and other property and casualty insurance rates by 20% and froze rates for one year. It also further politicized insurance in the state by making the state's insurance commissioner an elected position with the power to approve rate increases and decreases. Further, it imposed the following regulatory requirements related to rate setting:

- Rate increases of more than 7% must be subject to a public hearing, extending the time process to get premium rate adjustments;
- Property insurance catastrophe premium loadings must be based on a minimum of 20 years of past claims history irrespective of the rapid recent growth of wildfire losses; and
- Reinsurance costs are not allowed to be incorporated in the rate making process.

These restrictions have had the desired effect of suppressing rate increases. However, they have also made it nearly impossible for insurers to remain financially viable in the California market. Consider that the average annual home insurance premium in California in 2021 (the most recent year for which data is available) was $1,403. This positions California 20th among U.S. states in average home insurance premiums, in line with the countrywide average but well below other states facing an insurance crisis. Property insurance premiums did not see a necessary correction after massive wildfires impacted various parts of California in 2017 and 2018, causing insured losses of US$15 billion and US$18 billion, respectively. These losses were more than double the total combined underwriting profit of the industry in California from 1991 to 2016 (US$10 billion).

---

* A tortfeasor is a person or entity that commits a wrongful act that causes another individual or business to suffer a personal or financial loss. When a tortfeasor is held legally liable, they will need to reimburse the impacted party for any damages.

Ultimately, Proposition 103 set the California insurance market on a course for a crisis. The initiative resulted in a "slow, imprecise, and inflexible" rating system, which fostered an insurance market that struggles to work efficiently in good times and is "virtually impossible to sustain in periods of acute stress."[31] In recent years, insurers increasingly de-concentrated their exposure in high-risk areas and made difficult financial decisions to not renew existing policies. This helped lead to a ballooning of the state's FAIR Plan program, which is currently experiencing an unprecedented volume of claims. As noted previously, the FAIR Plan has received approval to assess insurers US$1 billion to cover its capital shortfall.

It is only recently that the state has begun to repeal the most harmful aspects of Proposition 103 via its Sustainable Insurance Strategy, the full effects of which will take years to benefit Californians.

California's last-resort insurer under strain as wildfire risks soar

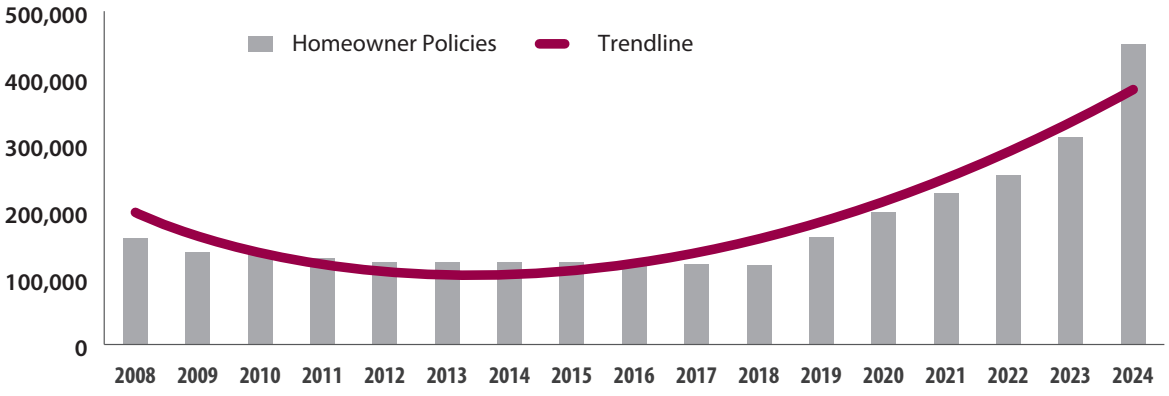
The California FAIR Plan is the state's insurer of last resort and is available to California residents and businesses who cannot obtain insurance through a regular insurance company. The plan is financially supported by all traditional market insurers licensed to do business in the state of California.

The FAIR Plan was created in 1968, following urban fires caused by civil unrest. Along with other states, California implemented the FAIR Plan to offer protection to residents who were no longer covered by private insurance.[32] Its stated mission is to assure the availability of property insurance while encouraging maximum use of the traditional insurance market.[33]

The FAIR Plan has experienced substantial growth in the last several years, driven largely by exposures in areas at high risk for wildfire.

It currently underwrites 451,000 homeowners' policies, up from 155,667 in 2019.[34, 35] As of March 2023, the plan has 9,939 commercial policies in force.[36] Its exposure for dwellings is US$458 billion, triple where it stood four years ago. Its exposure for commercial policies is US$26.6 billion, up 464% in the last four years, as of September 2024.[37]

Figure 3: The FAIR Plan Homeowner Policies



Source: California Department of Insurance, Property Insurance Plans Service Office (PIPSO)

* 2024 data from California Department of Insurance, September snapshot

The FAIR Plan has a potential total exposure of US$4.8 billion for the Eaton and Palisades wildfires, covering approximately 22% of the affected structures in each fire. As of January 17, the FAIR Plan has received nearly 5,000 claims associated with the wildfires.[38, 39]

Before the Eaton and Palisades fires, the FAIR Plan had US$1.5 billion of cash on hand, which includes US$500 million in unallocated funds. Those unallocated funds have now been exhausted due to claims payments and unbudgeted expenses, largely paying for adjusters and examiners to help respond to claims.[40] The FAIR Plan is now accessing its reinsurance to help pay claims and has received approval to levy a US$1 billion assessment on state-licensed insurers.

There are no restrictions limiting the FAIR Plan's ability to seek approval to assess insurers, should the need arise. Additionally, the FAIR Plan is not required to provide applicants with a policy, and FAIR may still deny some applicants if they do not meet eligibility and underwriting requirements.[41]

Canada on fire: The rising cost of wildfires

Canada's property and casualty (P&C) insurance industry has been raising the issue of wildfire risk in the country for years, and it is imperative that policymakers acknowledge the factors that led to the insurance crisis in California and not repeat the same mistakes. In Canada, insurance for most perils – wildfire, wind and hail – is widely available, but the increasing severity and frequency of extreme weather events and the ensuing insured losses are placing greater pressure on the home insurance market.

Wildfire risk increasing

Severe weather-related losses continue to escalate across Canada. In 2024, Canada recorded $8.5 billion in severe weather-related losses, shattering its previous record for the costliest year for these types of losses, and nearly tripling the insured losses recorded in 2023.

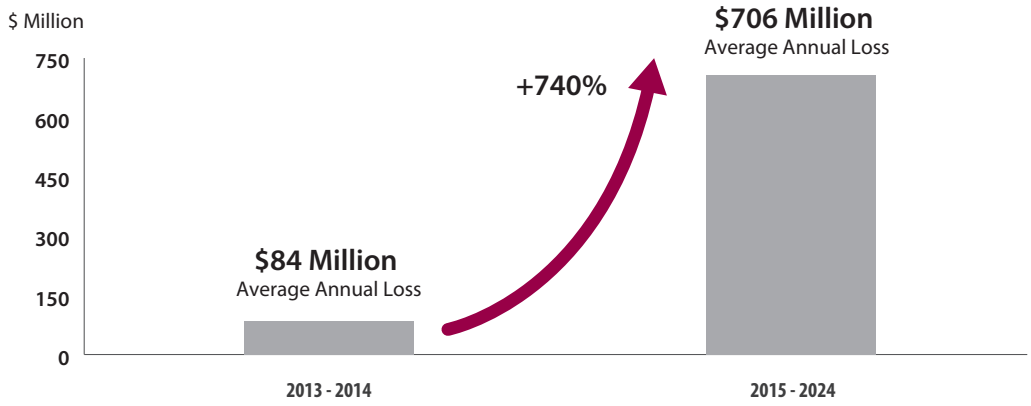
Wildfires are a major contributor to Canada's growing severe weather-related losses. The average annual insured catastrophic losses from wildfire in Canada have gone up significantly from an annual average of $84 million between 2003 and 2014 to an annual average of $706 million in the past decade.

Alberta has been particularly hard hit by wildfire over the past several years, experiencing more than $1 billion in insured wildfire losses in 2024, largely the result of a wildfire that destroyed over one-third of the homes and businesses in the town of Jasper. That fire is the second costliest in Canadian history, with estimates of insured losses reaching $1.23 billion. The 2016 Fort McMurray wildfire remains the costliest in Canadian history, with over 2,400 homes and buildings destroyed and over $6 billion in insured damages.

British Columbia has also experienced significant wildfire damage, with over $700 million in insured losses due to wildfire in 2023, largely due to a wildfire that impacted the Okanagan and Shuswap areas. These wildfires are the costliest insured event ever recorded in the province.

Meanwhile, the number of hectares in Canada destroyed by wildfire has risen from 3.1 million in 2004 to a record 17.2 million in 2024.

Figure 4: Insured Catastrophic Fire Losses in Canada



Source: IBC Facts Book, PCS, CatIQ, Swiss Re, Munich Re & Deloitte.

Since 2008, only events that cost $30 million or more in insured losses ($25 million prior to March 2022) are included.

Values in 2024 Canadian dollars, 2024 value is preliminary.

Impact of wildfire and other severe weather on home insurance costs

Escalating severe weather related losses are having a significant impact on the home insurance landscape. Since 2019, Canada has experienced a 117% increase in the number of claims for personal property damage and a 481% increase in costs for repairing and replacing personal property damaged by severe weather. For commercial property, there were over 12,000 insured businesses impacted in 2024, with over $1.7 billion in insured losses.

Severe weather has a compounding effect on other cost drivers impacting the home insurance landscape. Even as inflation eases in Canada, the key factors influencing the cost of home insurance remain elevated. Most notably, residential building construction costs have soared by 67% over the last five years, vastly outpacing the 18% general inflation rate over the same period.[42] In that same period, the cost of lumber and other wood products increased 35%, the cost of fabricated metal products and construction materials increased 40%, and the cost of cement, glass, and other non-metallic mineral products increased 38%.

Looking specifically at two major urban centres – Toronto and Calgary, which were both impacted by severe weather events in 2024 – the trends affecting the cost of claims are even more stark: residential building construction costs have increased 114% since 2017 in Toronto. Calgary has seen residential building construction costs increase 100% over the same period.[43]

Labour shortages in the construction industry are also having an impact on the property insurance landscape, as they result in a longer time and higher costs to replace or repair buildings. According to a March 2024 report by BuildForce Canada, between 25,000 and 28,000 workers in the construction industry are expected to retire every year until 2033.[44] Yet, construction demands over the same period will require the labour force to expand by 88,400 workers. Without rapid growth in this labour sector, the supply of skilled workers will fall short of construction demands.

Finally, rising reinsurance costs are also having an impact. Insurers rely on reinsurers (which provide insurance for insurance companies) to help limit their exposure to financial risk from catastrophic events. Increasing losses from severe weather events worldwide have caused some reinsurers to change how they distribute risks and to raise reinsurance premiums in areas that are becoming increasingly costly to insure.[45] These changes are reflected in higher reinsurance costs, which then affect primary insurance costs.

Lessons from California for Canadian policymakers

The California insurance crisis is a cautionary tale of the combined impacts of rising catastrophic risk, inadequate efforts by governments to mitigate that risk, and pricing restrictions that prevented insurers from pricing risk properly.

All orders of government in Canada are encouraged to consider the lessons from California, as the country faces similar severe weather pressures, and to move swiftly to enact long-overdue risk reduction measures.

For too long, Canada has largely ignored adaptation policy. For example, over the last 10 years, the federal government has invested $41.8 billion to support emission reduction measures, which will lower Canada's risk in 20 to 30 years. Only $4.1 billion – representing just one-tenth of the total invested in climate mitigation – was invested in measures that support reducing the risks that Canadians are already seeing today.

In addition to their protective benefits, investments in risk reduction measures are proven to provide long-term savings and create jobs. In fact, the Institute for Catastrophic Loss Reduction (ICLR) performed a cost-benefit analysis that found that every $1 spent toward making a new home fire-resistant saves $34.[46]

Acting on the lessons from California is critical as Canada aims to build an estimated 5.8 million homes over the next five years, representing a 35% increase in housing stock. A recent analysis by the Canadian Climate Institute found that under existing policies, hundreds of thousands of these new homes could be built in areas that are highly exposed to climate-related hazards – particularly floods and wildfires.[47]

Ensuring Canada's regulatory framework supports a healthy insurance market

Canada's balanced approach to regulation has enabled a healthy home insurance market. As it stands, 172* insurers operate in the country, 101 of which offer home insurance. The competitive nature of Canada's insurance market helps ensure consumers are provided with access to coverage that suits their needs.

To ensure the continued vibrancy of Canada's home insurance market, and all insurance markets, Canadian policymakers must avoid enacting pricing restrictions. Market interference of this nature, as the California experience has demonstrated, serves only to artificially and temporarily halt premium increases before the market implodes. Further, Canadian policymakers must do more to foster a regulatory framework that bolsters competition and promotes innovation. As a start, Canada's regulatory framework must begin to prioritize market dynamism in addition to consumer protection.

To measure the level of competition for products and services in a market, a commonly used index is the Herfindahl-Hirschman Index (HHI). HHI is measured on a scale of 0 to 10,000. A market with

---

* These numbers are based on MSA Research Inc.

an HHI of less than 1,500 is considered a competitive marketplace, an HHI of 1,500 to 2,500 is moderately concentrated, and an HHI of 2,500 or greater is highly concentrated. Research shows that the competitiveness of the P&C commercial insurance market is strong, with an HHI of 614 for all lines in 2023 and an HHI of 898 for personal property.

Building a resilient Canada

For nearly a decade, the P&C insurance industry has been calling on all orders of government to take action to adapt to Canada's changing climate. Core among the industry's policy recommendations is mandating building resilience in new construction through building codes and ensuring that new development is restricted in high-risk hazard areas.

Further, Canada needs to invest in improved hazard mapping to support provinces and communities in identifying high-risk wildfire zones. These maps should be made public and updated regularly to identify new areas at risk. This is essential to making proactive disaster-related decisions.

Specific recommendations for wildfire adaptation in Canada fall into the following three categories.

1. Conditionality on new housing

a. All new construction in high-risk wildfire areas should be designed with wildfire resilience in mind from the start. Housing developments should avoid high-risk wildfire zones. If new developments are built in wildfire zones, they must incorporate disaster-resilient infrastructure from the outset. For example, following the devastating 2024 wildfires in Jasper, Alberta, new structures are no longer to be built with wood siding and roofing, as the community recognized that wood is a major risk to individual structures and the community, as a whole.

b. Governments should move ahead with updating provincial building codes now to require fire-resistant construction in high-risk areas, rather than waiting for changes to the National Model Building Code. The needed changes to the National Model Building Code were to be made in the 2025 version of the code but have been delayed to 2030 to make way for energy efficiency measures. This decision was inexplicable, and provinces now must make up for this failure of the federal government. Municipalities should also be enabled to exceed building code provisions for climate resilience, as long as they can show rapid permitting and cost savings to the building occupant.

2. Building retrofits

The government needs to invest in retrofits to make existing buildings more wildfire- resilient. This could include offering rebates to homeowners and businesses that complete FireSmart Assessments and implement the recommendations. Wood Buffalo, Alberta, implemented this measure following the 2016 Fort McMurray wildfires. Homeowners who complete the assessment are eligible for thousands of dollars in rebates for fire-resistant upgrades to their homes. Retrofits include roof replacements or upgrades, or upgrades to decks, windows, fences or siding that replace highly flammable building materials such as wood or vinyl with more fire-resistant materials. High-risk wildfire areas across the country should adopt similar rebate programs to create a strong incentive for homeowners to undertake fire-resistant building upgrades.

3. *Community-level action and investments*

a. Governments need to invest immediately in FireSmart communities. In addition, federal and provincial governments should prioritize programming that assists existing high risk homeowners in fireproofing their homes. Municipal planning and permitting should discourage new builds in high risk locations and provinces should expedite implementation of building codes to ensure new homes are built with resilience in mind.

b. Additional measures could include undertaking nature-based solutions for fire prevention, such as controlled burns; fire-smart forestry and agricultural practices, such as implementing green firebreaks and targeted grazing techniques; and improved forest management practices, including dead tree extraction and replacing highly flammable vegetation with less flammable vegetation.

c. Canadian governments could also follow Jasper's example and implement ember-resistant buffer zones, which would require homeowners to clear flammable materials within 1.5 metres of their homes. This buffer zone is the area most vulnerable to embers, and reducing combustible materials in this zone helps reduce the chances of fire spreading to homes.

The next step

More than ever, Canadians need governments and the private sector to collaborate on solutions to protect them from severe weather. The P&C insurance industry stands ready to do its part and work with governments to create a more resilient country – one that is better able to adapt to extreme weather events, including wildfires.



After effects of Jasper Wildfire, 2024. Photo credit: Parks Canada

Endnotes

1 https://www.ibc.ca/news-insights/in-focus/canadian-governments-need-to-emphasize-climate-defence-over-offence-for-the-rest-of-this-decade
2 https://www.milliman.com/en/insight/california-homeowners-insurance-los-angeles-wildfires
3 https://www.insurance.ca.gov/01-consumers/200-wrr/upload/CDI-Fact-Sheet-Summary-on-Residential-Insurance-Policies-and-the-FAIR-Plan-v-011325-2.pdf
4 https://www.lendingtree.com/insurance/wildfire-risks-study/#california
5 https://www.insurance.ca.gov/01-consumers/200-wrr/upload/CDI-Fact-Sheet-Summary-on-Residential-Insurance-Policies-and-the-FAIR-Plan-v-011325-2.pdf
6 https://www.insurance.ca.gov/0250-insurers/0500-legal-info/0700-commissioners-orders/upload/Order-No-2025-1-Approving-the-California-FAIR-Plan-Association-s-Request-to-Issue-Assessment.pdf
7 https://www.insurance.ca.gov/01-consumers/180-climate-change/Sustainable-Insurance-Strategy.cfm
8 https://www.carriermanagement.com/news/2025/02/10/271636.htm
9 https://www.reinsurancene.ws/am-best-highlights-strain-on-re-insurers-from-california-wildfires-and-rising-fair-plan-policies/
10 https://www.insurance.ca.gov/0250-insurers/0500-legal-info/0700-commissioners-orders/upload/Order-No-2025-1-Approving-the-California-FAIR-Plan-Association-s-Request-to-Issue-Assessment.pdf
11 https://www.insurancebusinessmag.com/us/news/catastrophe/insurance-commissioner-questions-state-farms-emergency-property-rate-hikes-525116.aspx
12 https://www.reinsurancene.ws/strong-potential-la-wildfires-very-serious-in-terms-of-market-impact-conduit-re/
13 https://www.apci.org/media/news-releases/release/84012/
14 https://insuranceindustryblog.iii.org/californias-insurance-market-is-at-a-critical-juncture/?_gl=1*1nayi5k*_ga*ODA0MTg4Nzk1LjE3Mzk5MjU3MTM.*_ga_RLMX21NG0L*MTczOTkyNTcxMi4xLjEuMTczOTkyNjk5MC42MC4wLjA; https://www.insurancebusinessmag.com/us/news/catastrophe/california-wildfires-are-pushing-this-coverage-into-the-highrisk-market-25040.aspx; https://www.insurancebusinessmag.com/us/news/property/overregulation-compounding-property-insurance-crisis-in-california--broker-leader-454394.aspx; https://www.reuters.com/world/us/state-farm-stops-new-home-insurance-sales-california-wildfire-risks-grow-2023-05-30/; https://www.insurancebusinessmag.com/us/news/breaking-news/major-insurer-to-significantly-limit-its-business-in-california-458283.aspx; https://www.insurancebusinessmag.com/us/news/breaking-news/liberty-mutual-to-halt-business-owners-policies-in-california-454244.aspx; https://www.insurancebusinessmag.com/us/news/breaking-news/california-insurance-program-damages-private-insurers-analysts-say-28127.aspx
15 https://www.iii.org/sites/default/files/triple-i_trends_and_insights_california_homeowners_issues_brief_03062024.pdf
16 https://www.milliman.com/en/insight/industry-insured-losses-for-los-angeles-wildfires
17 https://www.iii.org/fact-statistic/facts-statistics-wildfires
18 https://www.milliman.com/en/insight/industry-insured-losses-for-los-angeles-wildfires
19 https://www.iii.org/sites/default/files/triple-i_trends_and_insights_california_homeowners_issues_brief_03062024.pdf
20 https://www.iii.org/sites/default/files/triple-i_trends_and_insights_california_homeowners_issues_brief_03062024.pdf
21 https://www.theclm.org/Magazine/articles/apci-urges-legislative-action-on-wildfire-risk/3157
22 https://api.apci.org/file/downloadnsfile?id=6885&area=s
23 https://api.apci.org/file/downloadnsfile?id=6885&area=s
24 https://www.iii.org/fact-statistic/facts-statistics-wildfires
25 https://calmatters.org/environment/wildfires/2025/01/la-county-fires-wildland-urban-interface/
26 https://www.ecohome.net/guides/4019/the-question-that-needs-to-be-asked-should-californias-fire-resistance-code-be-expanded-for-urban-areas/
27 https://halifax.citynews.ca/2025/01/17/california-is-years-behind-in-implementing-a-law-to-make-homes-more-fire-resistant/#:~:text=(AP)%20%E2%80%94%20Reeling%20from%20destructive,1%2C%202023
28 https://readyforwildfire.org/prepare-for-wildfire/defensible-space/
29 https://www.eenews.net/articles/california-insurers-begin-giving-discounts-for-fire-proofed-homes/
30 https://df9fd9b6ab64495ad759-f14ba961ae89374e6d5a8ee602c09059.ssl.cf5.rackcdn.com/1512.pdf
31 https://laweconcenter.org/resources/rethinking-prop-103s-approach-to-insurance-regulation/
32 https://www.nbcnews.com/news/first-fires-now-fight-flaws-california-insurance-plan-will-test-l-home-rcna187569
33 https://www.insurance.ca.gov/01-consumers/200-wrr/upload/FAIR-Plan-Investigatory-Hearing-Presentation-Final-Public.pdf
34 https://www.insurance.ca.gov/01-consumers/180-climate-change/Sustainable-Insurance-Strategy.cfm
35 https://www.carriermanagement.com/news/2025/02/10/271636.htm
36 https://www.insurancebusinessmag.com/us/news/property/california-fair-plan-clearinghouse-now-covers-commercial-policies-495497.aspx
37 https://www.milliman.com/en/insight/california-homeowners-insurance-los-angeles-wildfires
38 https://www.insurancebusinessmag.com/us/news/catastrophe/revealed--california-fair-plan-faces-4-8-billion-exposure-from-la-fires-521569.aspx
39 https://www.cfpnet.com/wp-content/uploads/2025/02/CaliforniaFAIRPlanAssessmentRequest-February2025.pdf
40 https://www.cfpnet.com/wp-content/uploads/2025/02/CaliforniaFAIRPlanAssessmentRequest-February2025.pdf
41 https://www.investopedia.com/california-fair-plan-insurance-8706549; https://www.frontlinewildfire.com/wildfire-news-and-resources/california-fair-plan-your-fire-policy-explained/
42 https://www.ibc.ca/news-insights/in-focus/inflationary-pressures-continue-to-create-challenges-for-property-insurance-market
43 https://www.ibc.ca/news-insights/in-focus/inflationary-pressures-continue-to-create-challenges-for-property-insurance-market
44 https://www.buildforce.ca/en/buildforce-canada-copyright-policy/?file_request=5298
45 https://www.guycarp.com/company/news-and-events/news/press-releases/july-2023-renewals.html
46 https://www.iclr.org/wp-content/uploads/2021/05/ICLR-SPA-Risk-Impact-Analysis-for-the-National-WUI-Fire-Guide-2021.pdf
47 https://climateinstitute.ca/wp-content/uploads/2025/02/Close-to-Home-Report-Canadian-Climate-Institute.pdf



ibc.ca

