

Grantee: County of San Diego Office of Emergency Services

Focus Area: San Diego County

Project: Wildfire Mitigation Certificate Pilot Project

Climate threat(s): Wildfire

Special thanks to California Resilience Challenge funders PG&E, JPMorgan Chase & Co., Valley Water, Metropolitan Water District, Southern California Edison, Resources Legacy Fund, Alaska Airlines, SFPUC, SD Bechtel Jr. Foundation, Pillsbury, and Advisory Committee members AECOM, Pillsbury, Climate Resolve, Environmental Defense Fund, Ceres, and the Governor's Office of Planning & Research.

Table of Contents

EXECUTIVE SUMMARY	2
KEY PERSONNEL	3
PROBLEM STATEMENT	3
PROJECT DESCRIPTION	3
PROJECT RESULTS	4
ACTUAL OUTCOMES	5
BARRIERS ENCOUNTERED	7
EXTERNAL FACTORS	7
PARTICIPATING STAKEHOLDERS	7
LESSONS FOR OTHER COMMUNITIES CONSIDERING SIMILAR PROJECTS	11
NEXT STEPS	11

Executive Summary

The Mitigation Certificate Pilot Project was intended to be a demonstrative project of a viable model that could be scaled to suit the wildfire mitigation needs of any community in California by improving resiliency, reducing risk, and rewarding mitigation in cooperation with insurers, wildfire risk mitigation organizations, and firefighting agencies. For the Mitigation Certificate Pilot Project, the County completed an Operational Agreement with United Policyholders to complete the Pilot Project. Our project included piloting a mitigation certificate program to address resiliency concerns for San Diego County and ensure affordable and accessible property owner's insurance while spurring homeowners to do their part to reduce wildfire risk. The project began September 2020 and ended December 2022 and cover the planning area of San Diego County. County of San Diego OES served as the lead agency. Following the Safeguarding California Plan, task L-4.2, and inviting homeowners to become part of the wildfire fighting solution will better leverage limited County fire fighting resources and potentially generate a successful risk reduction model that gives insurance companies reassurance in the California market and provides a tool that the California Department of Insurance can use statewide to increase access to affordable insurance protection for property owners, no matter where they live. Our project aim for the California Resilience Challenge was to increase resiliency and preparedness in California communities by working with insurance companies in coordination with firefighting and public officials, and preparedness experts to help households (particularly those on fixed incomes) create defensible space and make improvements to qualify for and secure affordable insurance.

Due to the challenges of the COVID-19 pandemic and As COVID restrictions relaxed, attempts were made to continue the pilot project, but due to the constantly changing nature of COVID restrictions, the mitigation certification model was delayed. By the time San Diego County's Public Health Office allowed congregate gatherings that would have facilitated the volunteer training and deployment to property owners for certification of mitigation steps taken, the pilot model was not viable to implement. In addition, financial and logistical concerns with the volunteer agencies in obtaining or providing insurance coverage for the volunteers to participate in the mitigation certification pilot project created financial barriers for United Policyholders and these agencies to facilitate the model project as described.

However, the opportunities provided from the nature of the pandemic's forced remote work model enabled United Policyholders to convene subject matter experts, researchers, community Fire Wise and Firesafe groups, and industry and government representatives for monthly brainstorming meetings to advance consensus on mitigation standards. This work stream was moved forward in the pilot timeline due to the constraints of COVID-19. With this rare opportunity, the effort to define the mitigation standards moved swiftly, and were incorporated into efforts by the California Department of Insurance, Institute for Business and

Home Safety, and Cal Fire, resulting in a uniform set of mitigation standards adopted by all, and the roll out of IBHS' "Wildfire Prepared HomeTM" designation¹ in Paradise, CA, which made the mitigation certification pilot irrelevant.

Key Personnel

Grant Manager: Valerie Brown, Deputy Executive Director, valerie@uphelp.org, 858-692-2181
Amy Bach, Executive Director
Emily Rogan, Senior Program Officer
Joel Laucher, Roadmap to Preparedness Insurance Specialist
Eva Nguyen, Program Coordinator

Problem Statement

Dramatically increased wildfire seasons are being driven by climate change, prompting insurance companies to cancel policies in wildland urban interface areas, raise rates significantly for homeowners, and consider dropping out of the California property insurance market. These actions, in turn, ripple throughout the economy, with disruptions to the real estate market impeding home purchases in "higher risk" areas due to purchasers being unable to secure homeowners' insurance to meet mortgage requirements, starting a domino effect. There are effective actions that reduce a home's chance of being destroyed or seriously damaged by wildfire, and a few insurers are partnering with their customers to explain those actions and reward those who take them. We need all insurers to do the same. A system for California homeowners to get certification that they've completed risk reduction home improvements is a critical step toward making that happen.

Project Description

Wildfires have been a natural threat to the State of California for centuries, but longer wildfire seasons and more destructive fires have pushed much of California into a heightened state of alert. As a result, insurance companies across the state are cancelling policies in high-risk fire zones, which raises rates for homeowners who then consider dropping out of the California property insurance market. With support from the California Resilience Challenge, the San Diego County Office of Emergency Services (SDOES) in partnership with United Policyholders proposed to develop a pilot mitigation certificate program to incentivize homeowners to implement fire-reduction strategies.

The pilot project included two components to address regional resiliency to wildfires. First, the project was to create a mitigation certificate program to ensure affordable and accessible

¹ <https://wildfireprepared.org/>

property owner's insurance while spurring homeowners to do their part to reduce wildfire risk. Second, the project worked with the California Department of Insurance and insurers to create an incentive system to reward homeowners whose homes are certified as successfully mitigating wildfire risk.

Project Results

The County of San Diego's Office of Emergency Services (SDOES) and United Policyholders' pilot partnership had the stated objective to help San Diegans make specific improvements that will reduce their home's chances of being severely damaged or destroyed in a future wildfire *and* qualify them for an insurance-related wildfire-prepared home designation going forward. The pilot hoped to help local residents keep their homes protected despite an insurance affordability and availability crisis that is impacting the region.

Motivating homeowners to pro-actively make their homes more wildfire-resistant is a win-win. These steps can save homes and restore insurers' confidence in regions they've withdrawn from, helping alleviate the insurance affordability and availability crisis facing California homeowners.

The majority of homeowners who completed a recent UP survey reported being dropped when their policies came up for renewal, then finding no replacement coverage options other than the state's insurer of last resort, the California Fair Plan. Many reported their premiums doubling and tripling. Survey respondents consistently reported that the insurer that dropped them was not willing to consider steps they'd taken to make their homes more resilient to wildfires.

At the time of the grant proposal, insurers and government agencies were signaling a willingness to recognize and reward wildfire risk reduction. However, there were no clear standards in California for specific improvements officially deemed effective in reducing wildfire risk, only standards for new construction. This pilot project hoped to build on that momentum.

However, momentum was slowed due to the lack of a set of standards that homeowners could take and insurers accept to qualify homes as "wildfire-prepared". The pilot project recruited three communities to participate in the pilot project and then focused the efforts of United Policyholders' working group for the Wildfire Risk Reduction/Asset Project (WRAP) Initiative to establish a viable set of mitigation standards that promote best practices based on recent fire science research for discussion and possible adoption by the California Department of Insurance and insurers.

Research and post-wildfire surviving structure evidence is confirming that features such as a class A roof, ember resistant vents, dual paned tempered glass windows, and clearance of all combustibles within 5 feet of the home combined with a well-managed landscape can protect

against loss. These are criteria that homes in wildfire prone regions like San Diego will need to meet in order to qualify for reasonable quality insurance protection at a reasonable price.

Actual Outcomes

Prior to UP establishing the WRAP initiative, there were no clear standards in California for specific improvements officially deemed effective in reducing wildfire risk. There are only standards for new construction, not for modifications to existing homes. The lack of a set of standards or agreement among professionals over what steps make it less likely that a home will burn has been a major cause of insurance companies' unwillingness to recognize or reward wildfire risk reduction.

Increasing availability and affordability of property insurance increases resiliency, but to accomplish the former, we need insurers to recognize the value of individual and community risk reduction activities and incentivize those activities by renewing policies and offering premium adjustments as rewards.

1. The San Diego Wildfire Resilience Project intended to provide a mitigation certificate model for reduction of wildfire risk that can be replicated throughout the state, including areas that have only volunteer firefighters and few resources to support inspections. This model would help guide households to create defensible space and make improvements to harden their homes in order to qualify for and secure affordable insurance, and encourage property insurers in the State of California to provide insurance coverage to individuals who live in communities at higher risk of wildfires and provide preferred rates to those customers who complete the necessary steps to be part of the program. Three communities expressed interest and were recruited in the mitigation certification pilot project, in rural or wildland-urban interface regions. Onboarding to the pilot project was halted due to the issue of insurance coverage for the to-be trained volunteers who were intended to provide the mitigation certification services. With the roll out of IBHS' "Wildfire Prepared HomeTM" designation, there is now a statewide standard for wildfire mitigations that meet with the approval of insurers' own research institute. IBHS is working to develop pathways for mitigation certification, with proposed training to become available in the future.
2. The Pilot Project outcomes included convening a working group of professionals to identify best products and practices for making homes and homesites more wildfire resistant. Over the course of a year and a half, UP convened regular stakeholder meetings heard presentations, reviewed programs that CBOs and Fire Districts implemented, and issued a set of 13 mitigation recommendations in the fall of 2021. UP's WRAP working group has been fact-finding and collaborating to establish standards to facilitate individual and community wildfire risk reduction. The group includes

public/private sector stakeholders, scientists, firefighters, risk reduction CBOs. There is a two-fold imperative for reducing residential wildfire risk: to decrease the chances of a home being damaged or destroyed, and to make/keep properties insurable at affordable prices. In June 2022, United Policyholders was awarded a Cal Listos grant to help households in multiple counties in California, including San Diego County, become more resilient to future disasters through the creation of the Wildfire Risk Reduction and Asset Protection (“WRAP”) Resource Center, which serves to disseminate up-to-date information and resources for reducing risk and accessing insurance rewards, very much along the lines of the project.

3. The Pilot Project outcomes included working with insurers and the California Department of Insurance to establish appropriate criteria and reward options. In the fall of 2021, UP was invited by the California Department of Insurance (CDI) as a key witness for two virtual investigatory hearings regarding insurance affordability and availability, positioning the efforts of the pilot project as a vital component to improving the insurance safety net. In February 2022, CDI provided an update on the Interagency Wildfire Mitigation Partnership, which is identifying actions to deal with California’s wildfire risk and establish home and community hardening standards for insurance, standards that largely align with the pilot project. In addition, UP connected with CAL FIRE to align the project with the CAL FIRE/CAL OES AB 38 which created a revolving loan fund for hardening homes. The bill initiates an array of requirements regarding implementation of mitigation standards including the establishment of low-cost mitigation measures, disclosures during the sale of property, and grants to property owners to achieve compliance. Together, these measures will form the foundation to develop a statewide program for FEMA mitigation dollars for retrofitting and mitigation efforts. Soon after UP’s WRAP working group issued the set of mitigation recommendations in 2021, the insurer supported, influential Institute for Business and Home Safety issued a very similar set. Soon after that, an Inter-Agency Wildfire Partnership issued yet another very similar set - setting the stage for the fulfillment of the overall objective this project aimed to do.
4. The Pilot Project outcomes included developing and refining training for inspections for certification; and ongoing wildfire risk mitigation meetings, stakeholder education meetings with local officials, and community surveys to develop and evaluate the program. This outcome was not fulfilled due to the IBHS “Wildfire Prepared Home™” program rolling out June 22, 2022, the nation’s first-ever wildfire mitigation designation program. Grounded in a decade of IBHS wildfire research, this program allows homeowners to show they’ve taken the suite of science-based actions needed to meaningfully reduce their home’s wildfire risk.

Barriers Encountered

Two barriers were encountered over the course of this project. 1. With the project timeline spanning the length of the COVID-19 pandemic, in-person meetings, volunteer training, and home inspections were not a viable option due to public health restrictions for most of the grant period, with the fluctuating restrictions ending February 28, 2023 in San Diego County. 2. Securing meaningful discounts and/or providing guaranteed coverage for homeowners completing validated mitigation steps from insurers is still a moving target, even with the California Department of Insurance now having the nation's first wildfire safety regulation to help drive down the cost of homeowners insurance, passed in October 2022.²

External Factors

The most impactful external factor was the COVID-19 pandemic, which delayed the rollout of the mitigation certification pilot and increased concerns and pressures by the nonprofits and community organizations who hoped to participate but were very concerned about health risks and agency liability for volunteers and homeowners.

Participating Stakeholders

The lead agency on the grant project was San Diego County Office of Emergency Services, in partnership with United Policyholders.

Interested mitigation certification pilot project partners included: Scripps Ranch Fire Safe Council, City of Poway Fire Department and Poway Neighborhood Emergency Corps, Rancho Bernardo Fire Safe Council.

The WRAP Working Group was comprised of the following partners and participants:

- National Association of Insurance Commissioners, Catastrophe Risk and Resilience Research
- Institute for Business and Home Safety
- Rebuild Paradise Foundation
- Cal Poly SLO
- Western Shasta Resource Conservation District
- California Department of Insurance
- National Fire Protection Association
- NHA Advisors
- Supervisor Rosemarie Smallcombe, Mariposa County

² <https://www.insurance.ca.gov/0400-news/0100-press-releases/2022/release076-2022.cfm>

- Town of Paradise, Recovery and Economic Development Department
- California Association of Realtors
- Rural County Representatives of California
- American Property Casualty Insurance Association
- County of Santa Cruz Wildfire Resilience Program
- Marin Wildfire Prevention Authority
- County of San Mateo Department of Emergency Management
- Rancho Santa Fe Association Environmental Resource Coordinator
- San Mateo Resource Conservation District
- SLO County Parks and Recreation Department
- Del Mesa Carmel Healthy Forest Project
- Western Shasta Resource Conservation District
- Poway Neighborhood Emergency Corps
- San Luis Obispo County Farm Bureau

Firefighting Professionals

- Bill Tyler, Novato Fire District
- Jordan Villagomez, Deputy Fire Marshall, Encinitas Fire
- Monterey County Regional Fire District
- California Department of Forestry and Fire Protection
- Western Fire Chiefs Association
- Walt White, Amador Fire Protection District
- Northern Sonoma County CERT
- Paso Robles Fire and Emergency Services
- South San Francisco Fire Department
- Torchbearr
- Cal Fire
- Woodside Fire Protection District
- Asst. Fire Marshal / Emergency Manager SLAC National Accelerator Laboratory
- California Department of Forestry and Fire Protection

Research Professionals

- Michael Newman, Institute for Home and Business Safety
- Dan Gorham, Institute for Home and Business Safety
- Dan Turner, Cal Poly WUI FIRE Institute
- Marc Horney, Cal Poly
- Margot McDonald, Professor, Cal Poly SLO
- Yana Valachovic, University of California Cooperative Extension
- Chris Dicus, Professor, Wildland Fire & Fuels Management, Cal Poly SLO
- David Pierson, Cambria Fire Safe Focus Group
- Michele Steinberg, Wildfire Division Director, NFPA

- Megan Fitzgerald-McGowan, Firewise USA® Program Manager, NFPA
- Steve Dooley, Data Scientist

Fire Safe Councils and FireWise Community Advocates

- California Fire Safe Council
- National Fire Protection Association Firewise USA Program
- Ventura Regional Fire Safe Council
- COPE (Citizens Organized to Prepare for Emergencies)
- Wildfire Partners
- Alvarado Estates Fire Safe Council
- Auburn Area Fire Safe Council
- Auburn Lake Trails Fire Safe Council
- Bell Canyon Fire Safe Council
- Camino Fire Safe Council
- Diamond Mountain Fire Safe Council
- Greater Auburn Fire Safe Council
- El Dorado County Fire Safe Council
- Fire Adapted Big Sur
- Fire Safe Council East Orange County Canyons
- Fire Safe Marin
- Fire Safe Council for Monterey County
- Fire Safe Council of Santa Cruz County
- Fire Safe Sonoma
- Firesafe Camp Meeker
- Julian Fire Safe Council
- Kensington Fire Safe Council
- Lakehills Fire Safe Council
- Los Tules Fire Safe Council
- Lytle Creek Fire Safe Council
- Mt. Veeder Fire Safe Council
- Manton Fire Safe Council
- Mariposa Fire Safe Council
- Modoc Fire Safe Council
- Mountain Rim Fire Safe Council
- Napa Communities Firewise Foundation
- Oakland Fire Safe Council
- Ojai Valley Fire Safe Council
- Olivenhain Fire Safe Council
- Pacheco Valley Firewise Committee
- Placerville Fire Safe Council
- Poway Fire Safe Council

- Rancho Bernardo Fire Safe Council
- Rancho Penasquitos Fire Safe Council
- Rancho Tierra Grande Fire Committee (Monterey)
- Santa Clara County FireSafe Council
- SLO Fire Safe Council
- Scripps Ranch Fire Safe Council
- Silverado Fire Safe Council
- Fire Safe Council of Siskiyou County
- South Skyline Fire Safe Council
- SW Riverside County Fire Safe Council
- Three Rivers Fire Safe Council
- Topanga Canyon Fire Safe Council
- Tularcitos Ridge Firewise
- Ventura Regional Fire Safe Council

Mitigation Products and Services

- All Risk ShieldsFirebrand Safety Systems, Inc.
- Ember Defense
- Firebreak Risk
- Brandguard Vents
- Wildfire Services
- Wildfire DefenseWorks
- Green Infrastructure Design
- Brush Hog Tree Care Inc.
- PHNX Development
- Madronus Wildfire Defense
- Working on Fire
- A Plus Tree Urban Forest Management

Wildfire Modeling Professionals

- Zesty AI
- Black Swan Analytics
- Headwaters Economics
- Guidewire Software Inc.

Mitigation standards partners included the California Department of Insurance, Institute for Business and Home Safety (IBHS), and Cal Fire.

Lessons for other communities considering similar projects

Lessons learned that should be considered if your community would like to implement a mitigation certification project include the following:

- Be cognizant of the problems with insuring volunteers in the field if your preferred model for certifying mitigation actions by homeowners involves volunteers. The costs of such insurance coverage were significant for nonprofits interested in participating in the mitigation pilot project, ultimately derailing that component.
- Training and constant quality assurance is key to ensure that compliance with mitigation actions is consistent and standardized, so that insurers are confident in the certification.
- The California Department of Insurance has a tool on their website, “Insurers Currently Offering Discounts” for Fire Hardened Homes and/or Communities, a resource to help your residents find insurers rewarding their mitigation efforts.³

Next steps

In our climate-change and drought-impacted era, particularly in rural, forested, brush heavy, and Wildland Urban Interface regions, property insurance has become hard to find, keep, and afford. As insurers use drones, and data mining to sort high to low residential risks at a granular level, they are dropping and refusing to issue new policies and increasing premiums dramatically. An increasing number of homeowners with paid-off properties and no mortgage are opting to “go bare” because they can’t afford insurance. Home insurance has become a major challenge to many households.

Once the California Department of Insurance’s wildfire safety regulations are in force and the insurance industry rewards homeowners who complete IBHS’s “Wildfire Prepared Home™” designation for mitigation activities, communities will have a blueprint to move forward the goals of increasing home hardening efforts and helping consumers with affordable, available homeowners insurance.

³ <https://www.insurance.ca.gov/01-consumers/105-type/95-guides/03-res/Insurers-Currently-Offering-Discounts.cfm>