

Stanford | Doerr

School of Sustainability

Testimony to CA Senate Insurance
Committee

Michael Wara,
March 12, 2025



What is a healthy insurance market?

Accurate pricing of risk



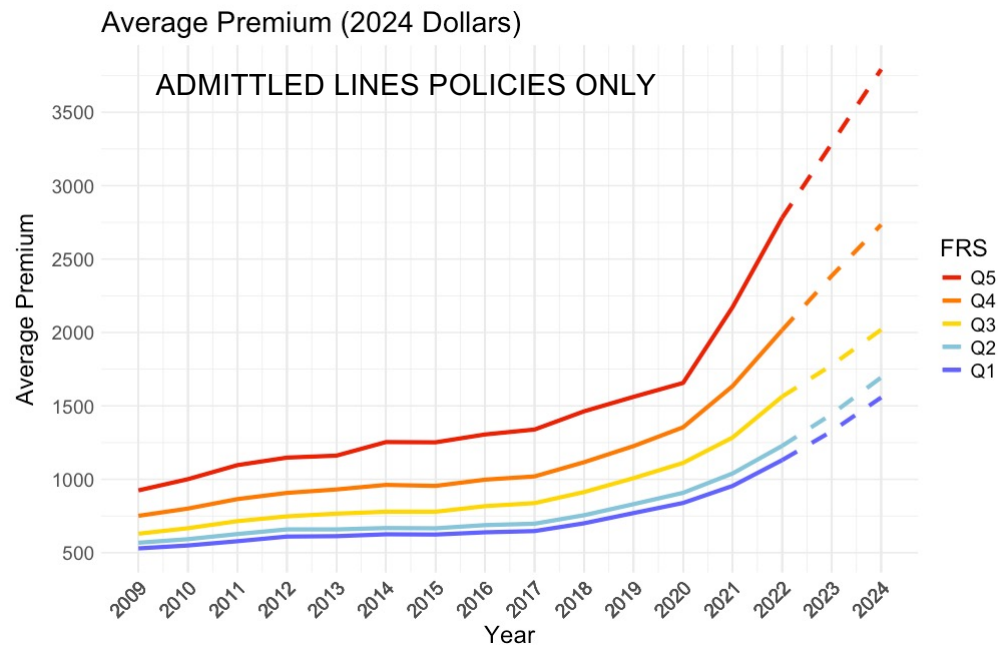
Insurance availability

Reduced levels of risk



Insurance affordability

Pricing trends in California Insurance



Nguyen et al., *in prep*

Insurance Market Trends

- *CDI Sustainable Insurance Strategy* will, in time, create accurate pricing and therefore restore availability.
- *Zone 0 implementation* and wider implementation of *Chapter 7a building code plus retrofits* could substantially reduce risk and so preserve affordability.



Altadena burning, NASA JPL, 2025

Risk in California

- Zone 0 will not apply to **existing homes** until 2029 at the earliest and lacks implementation strategy or funds.
- Chapter 7a does not apply **broadly enough** given the limitations of fire models and the pace of climate change.
- We do not have a **scalable** home retrofit strategy



Altadena burning, NASA JPL, 2025