

119TH CONGRESS 1ST SESSION

H. R. 550

To require the Government Accountability Office to conduct a study regarding insurance coverage for damages from wildfires, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

January 16, 2025

Ms. Waters (for herself and Mr. Sherman) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To require the Government Accountability Office to conduct a study regarding insurance coverage for damages from wildfires, and for other purposes.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,
- 3 SECTION 1. SHORT TITLE.
- 4 This Act may be cited as the "Wildfire Insurance
- 5 Coverage Study Act of 2025".
- 6 SEC. 2. GAO STUDY REGARDING INSURANCE FOR WILDFIRE
- 7 DAMAGE.
- 8 (a) STUDY.—The Comptroller General of the United
- 9 States, in consultation with the Director of the Federal

1	Insurance Office and State insurance regulators, shall
2	conduct a study to analyze and determine the following:
3	(1) Risk assessment.—The extent and nature
4	of wildfire risk in the United States, including—
5	(A) identifying trends in declarations for
6	wildfires under the Fire Management Assist-
7	ance grant program under section 420 of the
8	Robert T. Stafford Disaster Relief and Emer-
9	gency Assistance Act (42 U.S.C. 5187), with
10	respect to geography, costs, probability, and
11	frequency of wildfire disasters;
12	(B) identifying mitigation practices that
13	would assist in reducing costs and risks for in-
14	surance policies covering damages from
15	wildfires;
16	(C) identifying existing programs of the
17	Federal Government and State governments
18	that measure wildfire risk and assess their ef-
19	fectiveness in forecasting wildfire events and in-
20	forming wildfire response; and
21	(D) analyzing and assessing the need for a
22	national map for measuring and quantifying
23	wildfire risk.
24	(2) Existing state of coverage.—With re-
25	spect to the existing state of homeowners insurance

1 coverage and commercial property insurance cov-2 erage for damage from wildfires in the United 3 States—

- (A) the extent to which private insurers have, during the 10-year period ending on the date of the enactment of this Act, adjusted rates, policyholder cost-sharing provisions, or both for such coverage (after adjusting for inflation) and the geographic areas in which adjusted rates, policyholder cost-sharing, or both have increased;
- (B) the extent to which private insurers have, during the 10-year period ending on the date of the enactment of this Act, declined to renew policies for such coverages and the geographic areas to which such declinations applied;
- (C) the events and economic factors that have contributed to any such increased rates and declinations to renew policies;
- (D) in cases in which private insurers have curtailed their overall wildfire exposure, the extent to which homeowners insurance coverage and commercial property coverage were terminated altogether and the extent to which such

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1	coverages are still offered but with coverage for
2	damage from wildfires excluded; and
3	(E) the extent to which, and circumstances
4	under which, private insurers are continuing to
5	provide coverage for damage from wildfires—
6	(i) in general;
7	(ii) subject to a condition that mitiga-
8	tion activities are taken, such as hardening
9	of properties and landscaping against
10	wildfires, by property owners, State or
11	local governments, park or forest authori-
12	ties, or other land management authorities;
13	and
14	(iii) subject to any other conditions.
15	(3) REGULATORY RESPONSES.—With respect to
16	actions taken by State insurance regulatory agencies
17	in response to increased premium rates, policyholder
18	cost-sharing, or both for coverage for damage from
19	wildfires or exclusion of such coverage from home-
20	owners insurance policies—
21	(A) the extent to which States have lever-
22	aged their respective authorities to regulate rate
23	increases;
24	(B) the extent to which States have en-
25	acted any moratoria on such rate and policy-

1	holder cost-sharing increases or exclusions and
2	on non-renewals;
3	(C) the extent to which States require
4	homeowners insurance coverage to include cov-
5	erage for damage from wildfires or make sales
6	of homeowners insurance coverage contingent
7	on the sale, underwriting, or financing of sepa-
8	rate wildfire coverage in the State;
9	(D) the extent to which States have estab-
10	lished State residual market insurance entities,
11	reinsurance programs, or similar mechanisms
12	for coverage of damages from wildfires;
13	(E) any other actions States or localities
14	have taken in response to increased premium
15	rates, policyholder cost-sharing, or both for cov-
16	erage for damage from wildfires or exclusion of
17	such coverage from homeowners policies, includ-
18	ing forestry and wildfire management policies
19	and subsidies for premiums and cost-sharing
20	for wildfire coverage;
21	(F) the effects of actions taken by States
22	on the availability, coverage level, and afford-
23	ability of homeowners insurance coverage; and
24	(G) the effectiveness and sustainability of
25	such actions taken by States.

1	(4) Challenges in underwriting wildfire
2	RISK.—With respect to the challenges faced by pri-
3	vate insurers underwriting wildfire risk, what is or
4	are—
5	(A) the correlated risks and the extent of
6	such risks;
7	(B) the factors affecting the extent of pri-
8	vate insurers' ability to estimate magnitude of
9	future likelihood of wildfires and of expected
10	damages from wildfires;
11	(C) the effects of the need to increase more
12	affordable housing options, which may con-
13	tribute to increased homebuilding in more re-
14	mote, heavily-wooded areas with higher wildfire
15	risk;
16	(D) the potential for wildfire losses suffi-
17	ciently large to jeopardize insurers' solvency;
18	(E) the extent to which, and areas in
19	which, risk-adjusted market premiums for wild-
20	fire risk limit affordability or availability of cov-
21	erage for consumers;
22	(F) the effects of various existing and po-
23	tential State and Federal Government responses
24	to help address these challenges and mitigate
25	wildfire risk, including actions such as—

1	(i) improved forest management poli-
2	cies;
3	(ii) improved data to estimate risk;
4	(iii) relocating homeowners from wild-
5	fire zones;
6	(iv) offsetting a portion of insurers'
7	charged risk-adjusted premiums with
8	means-tested government affordability pro-
9	grams for lower income homeowners;
10	(v) encouraging the increased use of
11	private reinsurance and other risk-sharing
12	mechanisms by insurers to better diversify
13	wildfire risk; and
14	(vi) developing programs that offset
15	the costs of wildfire risk for consumers and
16	industry;
17	(G) the available policy responses if private
18	insurers exit the wildfire coverage market and
19	the potential advantages and disadvantages of
20	each such response;
21	(H) the effects of the availability and af-
22	fordability of wildfire coverage, policyholder
23	cost-sharing, or both, on—
24	(i) local communities that are dis-
25	proportionately vulnerable to wildfires, in-

1	cluding on low- or moderate-income prop-
2	erty owners and small businesses;
3	(ii) rebuilding in communities pre-
4	viously damaged by wildfires;
5	(iii) the availability and affordability
6	of housing supply; and
7	(iv) the demand for wildfire insurance
8	coverage by property owners;
9	(I) the effects of potential State prohibi-
10	tions on termination of policies due to wildfire
11	claims on insurer solvency; and
12	(J) the manner in which private insurers
13	are modeling or estimating future wildfire risk.
14	(b) Report.—Not later than the expiration of the
15	12-month period beginning on the date of the enactment
16	of this Act, the Comptroller General shall submit to the
17	Congress a report identifying the findings and conclusions
18	of the study conducted pursuant to subsection (a).