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(Original Signature of Member)

119TH CONGRESS
1ST SESSION

H. R. _____

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

Ms. WATERS introduced the following bill; which was referred to the Committee on _____

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”.

1 **SEC. 2. GAO STUDY REGARDING INSURANCE FOR WILDFIRE**
2 **DAMAGE .**

3 (a) STUDY.—The Comptroller General of the United
4 States, in consultation with the Director of the Federal
5 Insurance Office and State insurance regulators, shall
6 conduct a study to analyze and determine the following:

7 (1) RISK ASSESSMENT.—The extent and nature
8 of wildfire risk in the United States, including—

9 (A) identifying trends in declarations for
10 wildfires under the Fire Management Assist-
11 ance grant program under section 420 of the
12 Robert T. Stafford Disaster Relief and Emer-
13 gency Assistance Act (42 U.S.C. 5187), with
14 respect to geography, costs, probability, and
15 frequency of wildfire disasters;

16 (B) identifying mitigation practices that
17 would assist in reducing costs and risks for in-
18 surance policies covering damages from
19 wildfires;

20 (C) identifying existing programs of the
21 Federal Government and State governments
22 that measure wildfire risk and assess their ef-
23 fectiveness in forecasting wildfire events and in-
24 forming wildfire response; and

1 (D) analyzing and assessing the need for a
2 national map for measuring and quantifying
3 wildfire risk.

4 (2) EXISTING STATE OF COVERAGE.—With re-
5 spect to the existing state of homeowners insurance
6 coverage and commercial property insurance cov-
7 erage for damage from wildfires in the United
8 States—

9 (A) the extent to which private insurers
10 have, during the 10-year period ending on the
11 date of the enactment of this Act, adjusted
12 rates, policyholder cost-sharing provisions, or
13 both for such coverage (after adjusting for in-
14 flation) and the geographic areas in which ad-
15 justed rates, policyholder cost-sharing, or both
16 have increased;

17 (B) the extent to which private insurers
18 have, during the 10-year period ending on the
19 date of the enactment of this Act, declined to
20 renew policies for such coverages and the geo-
21 graphic areas to which such declinations ap-
22 plied;

23 (C) the events and economic factors that
24 have contributed to any such increased rates
25 and declinations to renew policies;

1 (D) in cases in which private insurers have
2 curtailed their overall wildfire exposure, the ex-
3 tent to which homeowners insurance coverage
4 and commercial property coverage were termi-
5 nated altogether and the extent to which such
6 coverages are still offered but with coverage for
7 damage from wildfires excluded; and

8 (E) the extent to which, and circumstances
9 under which, private insurers are continuing to
10 provide coverage for damage from wildfires—

11 (i) in general;

12 (ii) subject to a condition that mitiga-
13 tion activities are taken, such as hardening
14 of properties and landscaping against
15 wildfires, by property owners, State or
16 local governments, park or forest authori-
17 ties, or other land management authorities;
18 and

19 (iii) subject to any other conditions.

20 (3) REGULATORY RESPONSES.—With respect to
21 actions taken by State insurance regulatory agencies
22 in response to increased premium rates, policyholder
23 cost-sharing, or both for coverage for damage from
24 wildfires or exclusion of such coverage from home-
25 owners insurance policies—

1 (A) the extent to which States have lever-
2 aged their respective authorities to regulate rate
3 increases;

4 (B) the extent to which States have en-
5 acted any moratoria on such rate and policy-
6 holder cost-sharing increases or exclusions and
7 on non-renewals;

8 (C) the extent to which States require
9 homeowners insurance coverage to include cov-
10 erage for damage from wildfires or make sales
11 of homeowners insurance coverage contingent
12 on the sale, underwriting, or financing of sepa-
13 rate wildfire coverage in the State;

14 (D) the extent to which States have estab-
15 lished State residual market insurance entities,
16 reinsurance programs, or similar mechanisms
17 for coverage of damages from wildfires;

18 (E) any other actions States or localities
19 have taken in response to increased premium
20 rates, policyholder cost-sharing, or both for cov-
21 erage for damage from wildfires or exclusion of
22 such coverage from homeowners policies, includ-
23 ing forestry and wildfire management policies
24 and subsidies for premiums and cost-sharing
25 for wildfire coverage;

1 (F) the effects of actions taken by States
2 on the availability, coverage level, and afford-
3 ability of homeowners insurance coverage; and

4 (G) the effectiveness and sustainability of
5 such actions taken by States.

6 (4) CHALLENGES IN UNDERWRITING WILDFIRE
7 RISK.—With respect to the challenges faced by pri-
8 vate insurers underwriting wildfire risk, what is or
9 are—

10 (A) the correlated risks and the extent of
11 such risks;

12 (B) the factors affecting the extent of pri-
13 vate insurers' ability to estimate magnitude of
14 future likelihood of wildfires and of expected
15 damages from wildfires;

16 (C) the effects of the need to increase more
17 affordable housing options, which may con-
18 tribute to increased homebuilding in more re-
19 mote, heavily-wooded areas with higher wildfire
20 risk;

21 (D) the potential for wildfire losses suffi-
22 ciently large to jeopardize insurers' solvency;

23 (E) the extent to which, and areas in
24 which, risk-adjusted market premiums for wild-

1 fire risk limit affordability or availability of cov-
2 erage for consumers;

3 (F) the effects of various existing and po-
4 tential State and Federal Government responses
5 to help address these challenges and mitigate
6 wildfire risk, including actions such as—

7 (i) improved forest management poli-
8 cies;

9 (ii) improved data to estimate risk;

10 (iii) relocating homeowners from wild-
11 fire zones;

12 (iv) offsetting a portion of insurers'
13 charged risk-adjusted premiums with
14 means-tested government affordability pro-
15 grams for lower income homeowners;

16 (v) encouraging the increased use of
17 private reinsurance and other risk-sharing
18 mechanisms by insurers to better diversify
19 wildfire risk; and

20 (vi) developing programs that offset
21 the costs of wildfire risk for consumers and
22 industry;

23 (G) the available policy responses if private
24 insurers exit the wildfire coverage market and

1 the potential advantages and disadvantages of
2 each such response;

3 (H) the effects of the availability and af-
4 fordability of wildfire coverage, policyholder
5 cost-sharing, or both, on—

6 (i) local communities that are dis-
7 proportionately vulnerable to wildfires, in-
8 cluding on low- or moderate-income prop-
9 erty owners and small businesses;

10 (ii) rebuilding in communities pre-
11 viously damaged by wildfires;

12 (iii) the availability and affordability
13 of housing supply; and

14 (iv) the demand for wildfire insurance
15 coverage by property owners;

16 (I) the effects of potential State prohibi-
17 tions on termination of policies due to wildfire
18 claims on insurer solvency; and

19 (J) the manner in which private insurers
20 are modeling or estimating future wildfire risk.

21 (b) REPORT.—Not later than the expiration of the
22 12-month period beginning on the date of the enactment
23 of this Act, the Comptroller General shall submit to the
24 Congress a report identifying the findings and conclusions
25 of the study conducted pursuant to subsection (a).