



JANUARY 27, 2025

# Group Micro-Insurance for California Wildfire Communities

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*Integrated with California's Sustainable Insurance Strategy and Safer from Wildfires Framework*

January 27, 2025

# California Wildfire Mitigation Program (CWMP)

CDI/InnSure Presentation Presentation Summary

## 1 | Background

- Organizations Involved
- Problem Trying to Solve
- Program Background

## 2 | Program Details

1. Program Goals
2. Program Design
3. Stakeholders
4. Timeline

## 3 | What Does Success Look Like

## 4 | Q&A

## Program Background & Organizations



Sustainable Insurance Strategy, a comprehensive initiative aimed at reforming the state's insurance market.



A Nonprofit Innovation Hub Focused on Reimagining How Insurance Can Better Address Climate Risks



We support communities where the physical, economic, and social conditions ensure all residents have a fair opportunity to thrive and live their healthiest life.



## Problem Defined

# Why we are doing this?

Insurance Markets are Struggling.

## Risk is Increasing

- Climate change
- Development trends - long term

## Insurance Challenges

- Insurance Innovation is needed to promote
  - New product development
  - Higher coverage adoption
  - Affordability
- Insurance providers have difficulty quantifying the value of mitigation efforts (defensible space, home hardening) making it difficult to capture the value in insurance markets.

# Program Overview

Insurance innovation is necessary to fully and quickly capture the value of investments into fire safety.

## Insurance Concepts Primer/Innovation

- *Group Purchase*
  - Analogy - benefits provider by employer. Employer has a master policy + employees have an individual policy.
  - Leverages purchasing power of community
    - Lower Cost
    - Promote/reward resilience

## Community Embedded Insurance Planning

- Group Purchase of a Micro-Insurance product
- Preliminary design
  - \$3-10k limits - deductible gap protection
  - 2000 Housholds
  - \$200-400 per household
- 6 pre-identified (by CWMP) low-income wildfire prone communities in counties: Lake Siskiyou Shasta, Tuolumne, San Diego
- Community Eligibility:
  - Achieve risk mitigation levels
  - Income criteria
  - Commit to funding beyond state & philanthropic supported pilot period

# Key Objectives

Insurance innovation is necessary to fully and quickly capture the value of investments into fire safety.

## Key Objectives

- *Close the protection gap for low-income communities;*
- *Leverage group purchasing and more effectively capturing the value of the State's mitigation investments to make insurance more affordable. It is our expectation that the cost of group insurance should be less than the aggregate cost of individual purchase of similar levels of insurance;*
- *Rapidly flood capital into the community in the event of a catastrophic event;*
- *Install infrastructure for and demonstrate benefits of group purchase of insurance at a community level so that efforts and impacts continue after philanthropic support for the program expires; and*
- *Relieve pressure on market participants so as to catalyze greater market participation by leading insurance providers through and beyond engagement in this specific project.*

# Major Milestones

Approx.  
Timeline

Kickoff  
Feb. 28 2025

## Discovery Q1 & Q2

Identify stakeholders, local contacts, CWMP, CalOES, Cal Fire, etc.  
Ongoing community engagement  
MOU describing roles and responsibilities of stakeholders

## Initial Planning Report - Q2 & Q3

Summary of community engagement  
Summary of risk and community data analyzed  
Insights of analysis  
Proposed micro insurance design recommendation  
Estimated funding requirement and sources for demonstration group purchase  
Analysis of long-term sustainability and market impacts.

## Procurement Support Q3 & Q4

Program requirements  
Vendor selection criteria  
Procurement process  
Secure premium funding

## Implementation Support (If funded) Q4 or 2026

On-going community engagement & data collection/analysis  
Monitoring implementation challenges  
Industry engagement

## Final Report Q4

Lessons Learned  
Summary of progress towards goals  
Opportunities for further innovation

# Roles and Responsibilities

## 1 | CDI

- Facilitate introductions & support program
- Provide guidance on priorities and innovations objectives

## 2 | InnSure

- Project Management.
- Lead Insurance industry engagement efforts.
- Prepare deliverables.

## 3 | CWMPA

- Facilitate local introductions
- Provide guidance on home hardening and defensible space related eligibility criteria
- Provide introductions and general support for initiative.
- Support RFP/LOI development

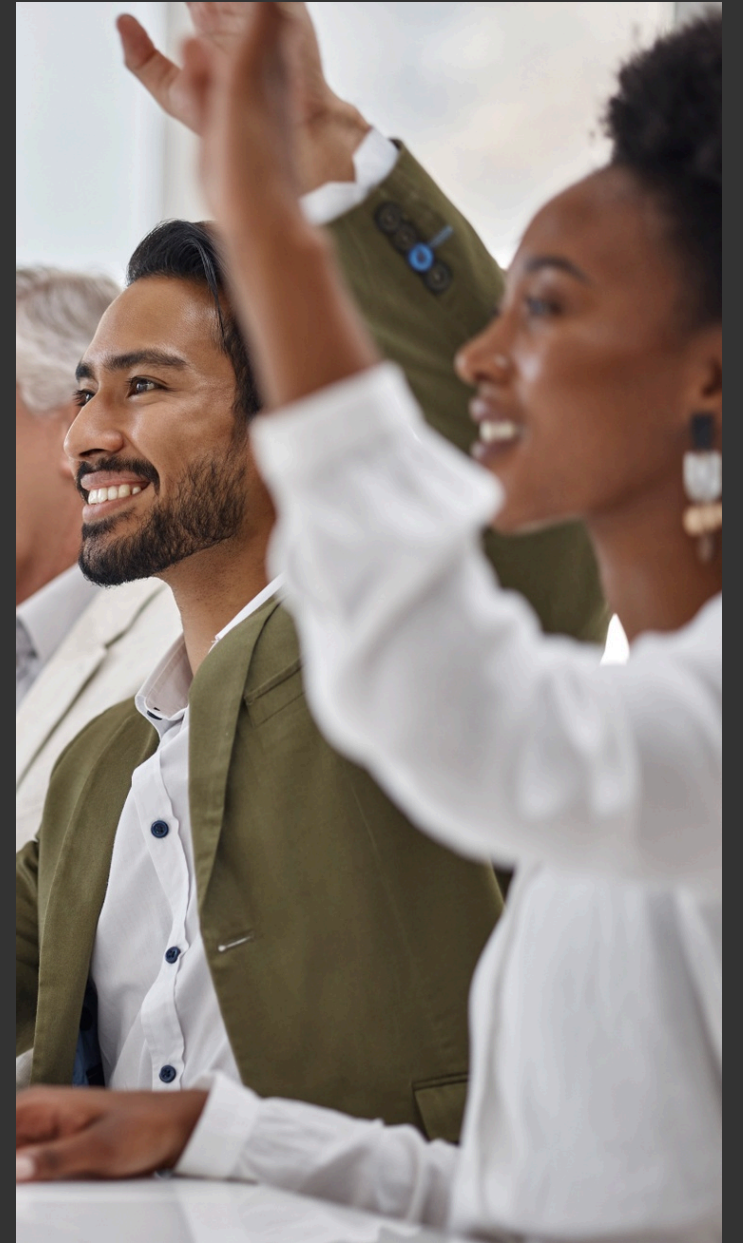
## 4 | Local Facilitator

- Support community engagement
- Support deliverable development
- Support implementation/rollout



# Thoughts? **Questions?**

Open floor for feedback and discussion.



**Q&A/Next Steps**