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Tom Botsko, Chair
Catastrophe Risk Subgroup
P/C RBC Working Group
National Association of Insurance Commissioners

Via email

Dear Tom:

Thank you again for inviting the American Academy of Actuaries¹ to present a summary of our issue paper [*Wildfire: Lessons Learned from the 2017–2018 California Events*](#) at the Catastrophe Risk Subgroup’s meeting in early December. At that session there were several questions raised, which I said I would explore and get back to you and the subgroup with answers. On behalf of the Academy’s Extreme Events and Property Lines Committee, I am happy to provide the following supplemental information.

In our presentation, it was noted that between 1990 and 2010, the population in Wildland Urban Interface (WUI) zones increased 35 percent and the number of houses grew by 41 percent. You asked for a comparison with population growth in general in the United States during that same period. According to the U.S. Census, there was an overall population increase of 24 percent during those two decades. Population growth rate in the WUI was significantly greater than the national average.

In a related question, you asked about the definition of “house,” inquiring if this meant a single-family dwelling, an apartment unit, etc. In the paper and in the presentation when we referred to a “house” it would have been more accurate for us to have said “housing unit.” We were referencing U.S. Census data; its numbers include houses, condo units, apartments, single rooms occupied as separate living quarters, etc.

Regarding California’s post-wildfire regulations, there was a question about the ceasing of insurer moratoriums on writing policies in wildfire-impacted areas. In the wildfire paper, we noted that the California Department of Insurance (CDI) required the California Fair Plan to terminate the moratorium it initiated on writing new fire insurance coverage in wildfire-impacted areas (December 2017). Also, the CDI directed insurers to cease moratoriums on issuing auto

¹ The American Academy of Actuaries is a 19,500-member professional association whose mission is to serve the public and the U.S. actuarial profession. For more than 50 years, the Academy has assisted public policymakers on all levels by providing leadership, objective expertise, and actuarial advice on risk and financial security issues. The Academy also sets qualification, practice, and professionalism standards for actuaries in the United States.

insurance in wildfire areas (December 2017). The latest news is that the CDI is banning insurers from non-renewing policyholders in wildfire disaster areas under SB 824 (December 2019).

The Academy's Extreme Events Committee looks forward to working with the Catastrophe Risk Subgroup as you continue to expand your knowledge and understanding of wildfire risk and its implications for questions of insurer solvency. If you have any additional questions, you can contact us through Marc Rosenberg, the Academy's senior casualty policy analyst, at 202-785-7865 or rosenberg@actuary.org.

Sincerely,

Jeri Xu, MAAA, ACAS
Member
Extreme Events and Property Lines Committee
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