

119TH CONGRESS
1ST SESSION

S. _____

To require the Comptroller General of the United States to conduct a study regarding insurance coverage for damages from wildfires, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. HEINRICH (for himself and Mr. SHEEHY) introduced the following bill;
which was read twice and referred to the Committee on

A BILL

To require the Comptroller General of the United States 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 the effec-
19 tiveness of those programs in forecasting wild-
20 fire events and informing 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—

4 (A) the extent to which private insurers
5 have, during the 10-year period ending on the
6 date of enactment of this Act, adjusted rates,
7 policyholder cost-sharing provisions, or both for
8 those coverages (after adjusting for inflation)
9 and the geographic areas in which adjusted
10 rates, policyholder cost-sharing, or both have in-
11 creased;

12 (B) the extent to which private insurers
13 have, during the 10-year period ending on the
14 date of enactment of this Act, declined to renew
15 policies for those coverages and the geographic
16 areas to which those declinations applied;

17 (C) the events and economic factors that
18 have contributed to any increased rates de-
19 scribed in subparagraph (A) and declinations to
20 renew policies described in subparagraph (B);

21 (D) in cases in which private insurers have
22 curtailed the overall wildfire exposure of those
23 insurers, the extent to which homeowners insur-
24 ance coverage and commercial property cov-
25 erage were terminated altogether and the extent

1 to which those coverages are still offered but
2 with coverage for damage from wildfires ex-
3 cluded; and

4 (E) the extent to which, and the cir-
5 cumstances under which, private insurers are
6 continuing to provide coverage for damage from
7 wildfires—

8 (i) in general;

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

16 (iii) subject to any other conditions.

17 (3) REGULATORY RESPONSES.—With respect to
18 actions taken by State insurance regulators in re-
19 sponse to increased premium rates, policyholder
20 cost-sharing, or both for coverage for damage from
21 wildfires, or the exclusion of that coverage from
22 homeowners insurance policies—

23 (A) the extent to which States have lever-
24 aged their respective authorities to regulate rate
25 increases;

1 (B) the extent to which States have en-
2 acted any moratoria on those rate and policy-
3 holder cost-sharing increases or exclusions and
4 on non-renewals;

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

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

15 (E) any other actions States or localities
16 have taken in response to increased premium
17 rates, policyholder cost-sharing, or both for cov-
18 erage for damage from wildfires, or the exclu-
19 sion of that coverage from homeowners policies,
20 including forestry and wildfire management
21 policies and subsidies for premiums and cost-
22 sharing for wildfire coverage;

23 (F) the effects of actions taken by States
24 on the availability, coverage level, and afford-
25 ability of homeowners insurance coverage; and

1 (G) the effectiveness and sustainability of
2 actions described in subparagraphs (A) through
3 (F) taken by States.

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

8 (A) the correlated risks and the extent of
9 those risks;

10 (B) the factors affecting the extent of the
11 ability of private insurers to estimate the mag-
12 nitude of future likelihood of wildfires and of
13 expected damages from wildfires;

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

19 (D) the potential for wildfire losses suffi-
20 ciently large to jeopardize the solvency of insur-
21 ers;

22 (E) the extent to which, and the areas in
23 which, risk-adjusted market premiums for wild-
24 fire risk limit the affordability or availability of
25 coverage for consumers;

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

5 (i) improved forest management poli-
6 cies;

7 (ii) obtaining improved data to esti-
8 mate risk;

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

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

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

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

22 (G) the available policy responses if private
23 insurers exit the wildfire coverage market and
24 the potential advantages and disadvantages of
25 each such response;

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

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

8 (ii) rebuilding in communities pre-
9 viously damaged by wildfires;

10 (iii) the availability and affordability
11 of housing supply; and

12 (iv) the demand for wildfire insurance
13 coverage by property owners;

14 (I) the effects of potential State prohibi-
15 tions on the termination of policies due to wild-
16 fire claims on insurer solvency; and

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

19 (b) REPORT.—Not later than 1 year after the date
20 of enactment of this Act, the Comptroller General of the
21 United States shall submit to Congress a report identi-
22 fying the findings and conclusions of the study conducted
23 under subsection (a).