

119TH CONGRESS
1ST SESSION

S. 2430

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

JULY 24, 2025

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

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).

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