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AB-888 California Safe Homes grant program. (2025-2026)

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Assembly Bill No. 888

CHAPTER 536

An act to add Section 2033 to the Insurance Code, relating to insurance.

[Approved by Governor October 10, 2025. Filed with Secretary of State October 10, 2025.]

LEGISLATIVE COUNSEL'S DIGEST

AB 888, Calderon. California Safe Homes grant program.

Existing law creates the Department of Insurance, headed by the Insurance Commissioner, and prescribes the department's powers and duties. Existing law directs the department and commissioner to administer various grant programs that, among other things, defray property retrofitting costs.

This bill would establish the California Safe Homes grant program to be developed by the department to reduce local and statewide wildfire losses, among other things. The bill would require the department to prioritize specified needs when awarding grant funds, and would require eligible program applicants, which would include individuals, cities, counties, and special districts, to meet specified criteria. The bill would establish the Sustainable Insurance Account within the Insurance Fund and would make the funds available to the department for the program upon appropriation by the Legislature or upon receipt of federal or other grants or funds. The bill would require the department to collect specified information about the performance of the program and, on or before January 1, 2027, and every 2 years thereafter, to publish a performance report that would be posted to its internet website and submitted to the Legislature.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. The Legislature finds and declares all of the following:

(a) Since 2006, the state has funded and undertaken four comprehensive climate change assessments designed to assess the impacts and risks from climate change. In the most recent, California's Fourth Climate Change Assessment identified that if greenhouse gas emissions continue to increase, the frequency of extreme wildfires will increase.

(b) Climate change and development into wildland areas has increased the frequency and severity of wildfires in California, posing increased risks to lives and property.

(c) The Insurance Commissioner promulgated the first wildfire safety regulatory incentives, known as Safer from Wildfires, in October 2022.

(d) Home hardening and community mitigation actions, like those in the Safer from Wildfires regulations, are important to reduce the risk of loss from wildfires, and, consequently, to improve the insurability of communities in areas of the state with increased

wildfire risk.

(e) Multiple state governments have successfully used grant programs to reduce local risk to structure losses and build a culture of resilience among contractors, building codes, and homeowner actions.

(f) Home hardening is essential to community risk mitigation and future insurability in communities that face the threats of wildfires.

(g) Communitywide implementation of structure hardening and forest and watershed management are critical to long-term mitigation of insured losses.

SEC. 2. Section 2033 is added to the Insurance Code, immediately following Section 2032, to read:

2033. (a) The California Safe Homes grant program is hereby established to be developed and administered by the department for the purpose of achieving the following goals:

(1) Reducing local and statewide wildfire losses.

(2) Improving insurability and resilience of vulnerable communities.

(3) Home hardening of insurable properties to mitigate wildfire risk and enable consumers to get access to insurance premium incentives offered by insurance companies and in alignment with the department's rules.

(b) (1) The Sustainable Insurance Account is hereby established within the Insurance Fund. Funds in the Sustainable Insurance Account shall be available to the department for the program upon appropriation by the Legislature, upon receipt of federal grants or funds, or upon receipt of other sources of grants or funds.

(2) Special funds in the Sustainable Insurance Account shall not be redistributed. Funds shall be used to support activities necessary to carry out the functions and purposes of the program.

(c) The department may adopt rules and establish eligibility requirements and additional procedures as necessary for the effective administration of the program and in accordance with any conditions associated with grants or funds received by the program. The department may contract with a third party to assist with program administration.

(d) When awarding grant funds under the program, the department shall prioritize the following, in descending order:

(1) The replacement of roofs to align with the standards specified in the department's Safer from Wildfires regulations (Section 2644.9 of Title 10 of California Code of Regulations).

(2) The creation of a five-foot noncombustible zone around the structure, to align with the standards specified in the department's Safer from Wildfires regulations (Section 2644.9 of Title 10 of California Code of Regulations).

(3) Projects that improve communitywide mitigation to reduce the risk of losses caused by wildfires, with consideration of all of the following priorities:

(A) Collective actions that mitigate risks before a disaster occurs by addressing risk factors on structures and in the surrounding area that exacerbate insurable wildfire losses.

(B) Alignment with existing risk mitigations identified in Section 2644.4.5 or 2644.9 of Title 10 of California Code of Regulations.

(C) Anticipated benefit to insurance policyholders.

(e) Eligible program applicants shall be qualifying individuals and qualifying cities, counties, and special districts, as follows:

(1) For a qualifying individual, grant funds related to incentives specified in paragraphs (1) and (2) of subdivision (d) may be awarded if the following criteria are met:

(A) The property of the applicant is covered by an admitted insurer or the California FAIR Plan Association.

(B) The property of the applicant is in a ZIP Code that overlaps with a high or very high fire hazard severity zone, as shown on current maps published by the Department of Forestry and Fire Protection.

(C) The income of the applicant is no higher than the low-income limit for the county in which they reside, as designated by the Department of Housing and Community Development.

(2) For a qualifying city, county, or special district, the applicant shall demonstrate the alignment of the use of grant funds to enhance and expand the priorities stated in subdivision (d) and the criteria for tracking performance.

(f) The department shall collect information to account for the performance of the program over time, including both of the following:

(1) The department shall require that grantees provide subsequent information on the use of grant funds, including receipt for contractor services, if appropriate, written attestation of work done by the recipient, and documentation that demonstrates if the grantee qualified for wildfire incentives from their insurance company after the grant funds were used to reduce wildfire risk of loss to the home.

(2) Regional information on the geographic distribution of grant funding.

(g) The California FAIR Plan Association shall submit an annual report to the department stating the number of policyholders that have qualified for each of the wildfire mitigation rating factors specified in the department's Safer from Wildfires regulations (Section 2644.9 of Title 10 of California Code of Regulations).

(h) On or before January 1, 2027, and every two years thereafter, the department shall publish a performance report using aggregate information collected from grantees and metrics for the beneficial impacts of the grants awarded, including an accounting of the funding for each of the mitigation actions, geographic distributions, and present recommendations on how to improve the implementation of the program. The report shall be posted on the department's internet website and submitted to the Legislature pursuant to Section 9795 of the Government Code.