# CA SB 254 Natural Catastrophe Resiliency Study Released

On April 7, 2026, the California Earthquake Authority, as Administrator of the Wildfire Fund, released the SB 254 (2025) Study Report, Enhancing California's Resiliency to Natural Catastrophes. The 127-page report was submitted to Governor Newsom and the Legislature.

The report is likely to serve as a roadmap for future legislative activity, as it was developed specifically to identify policy pathways and options to improve California's catastrophe resiliency. It seems likely the Legislature will use this framework to refine existing concepts and advance new proposals in the coming months.

The core policy discussion is in Section 5, "Pathways to Catastrophe Resiliency." While we are still reviewing the report in full, several themes emerging from this section are particularly relevant to TCIA, including: (1) movement toward statewide mitigation standards (including defensible space and "zone zero" requirements), (2) increased emphasis on formalized workforce development and contractor networks, (3) potential restructuring of utility liability frameworks, and (4) an expanded state role in financing and underwriting catastrophe risk.

Below are the main Section 5 items that appear most relevant at this stage.

**Pathway 1 – Commit to Community Wildfire Risk Reduction**

- Strategy 1.1: Enhance the Statewide Approach to Driving Targeted Community Wildfire Risk Reduction.
    - Option 1.1.1: Strengthen and align statewide coordination for community wildfire mitigation, which includes a statewide entity to **"establish standards for performing effective mitigation work".**
    - Option 1.1.3: Adopt and implement science-informed standards and programs to guide targeted, high-impact mitigation efforts in communities across the state, including adopting "**zone zero requirements**".
- Strategy 1.2: Stimulate Community and Home Level Commitment and Shared Responsibility for Wildfire Risk Reduction and Community Resiliency
    - Option 1.2.1: Incentivize community wildfire mitigation planning and project-level implementation with financial resources and technical support. This includes **developing pre-qualified contractor networks** to reduce potential for price fixing and price gouging and establishing **wildfire resilience job classifications** that create a defined career pathway **enabling targeted workforce development, training investments, and apprenticeship programs**.
    - Option 1.2.2: Tighten the link between risk reduction and insurance by aligning insurance pricing with demonstrated risk mitigation efforts, such as maintaining defensible space.
- Strategy 1.3: Continue to Prioritize Electric Utility Safety and Accountability

    - Option 1.3.1: Develop a risk tolerance standard with binding application to electric utility liability.

**Pathway 2 – Equitably Allocate Catastrophe Burdens**

- Strategy 2.2: Reform Utility Liability
    - Option 2.2.1: Eliminate inverse condemnation for electric and gas utility-caused wildfires.
    - Option 2.2.2: Modify the damages for which electric and gas utilities are liable outside of inverse condemnation.
    - Option 2.3.3: Eliminate insurance subrogation.
- Strategy 2.4: Make a More Durable, Permanent Wildfire Fund
    - Option 2.4.1: Create a more durable Wildfire Fund with potential to use risk transfer.
    - Option 2.4.2: Create a more durable Wildfire Fund with diversified funding sources.
    - Option 2.4.3: Establish a more durable Wildfire Fund along with liability reforms.

**Pathway 3 – State Roles for Addressing Catastrophe Resiliency**

- Strategy 3.1: State Roles to Finance Catastrophe Risk
    - Option 3.1.1: Establish a State-administered wildfire liability insurance program for electric utilities.
    - Option 3.1.2: Establish a State-backstop for electric utility wildfire liability with a residual utility self-insurance pool.
    - Option 3.1.3: Establish a State-backed catastrophe reinsurance layer for the residential property insurance market.
    - Option 3.1.4: Create a State-sponsored wildfire insurer.
- Strategy 3.2: Statewide Funding for Community Wildfire Mitigation
    - Option 3.2.1: Develop a long-term funding and financing strategy for statewide community wildfire mitigation including a new revenue stream for households, businesses, and communities.

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