

# WILDFIRE, INSURANCE, AND INVESTMENT

# **Aligning Risk & Resilience**

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**HEADWATERS**  
ECONOMICS

# The Wildfire Insurance Crisis

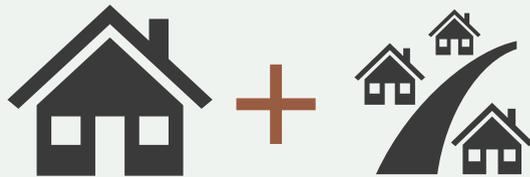
What's happening and what does this mean?



**Wildfires are getting more expensive.**



**Homes are fuel.**



**Parcel and neighborhood level risk reduction is needed.**

# The Wildfire Insurance Crisis

What's happening and what does this mean?

HOMEOWNERS WANT:



**Reliability**



**Affordability**



**Availability**

INSURERS WANT:



**Risk reduction to  
homes and  
neighborhoods.**

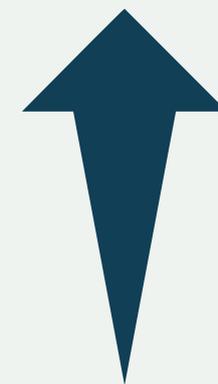
# The Wildfire Insurance Crisis

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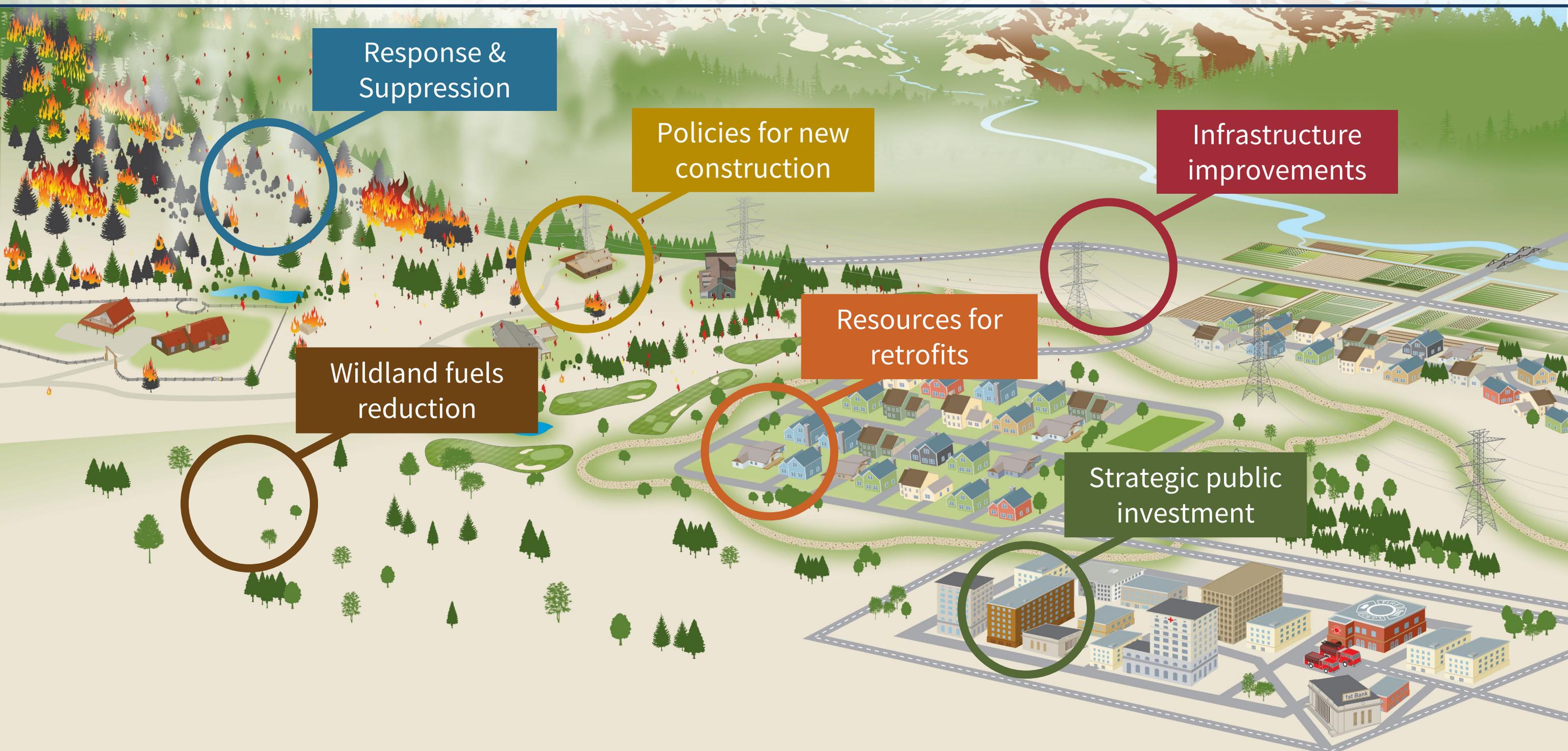
**Risk**



**Insurance  
Retention**



# Risk Reduction Measures



Response & Suppression

Policies for new construction

Infrastructure improvements

Resources for retrofits

Wildland fuels reduction

Strategic public investment

# Risk Reduction Measures



## Voluntary Measures

- Homeowner education
- Neighborhood ambassador
- Firewise communities



## Regulatory Measures

- Building codes
- Wildland-Urban Interface code
- Regulations, standards, and zoning

**What can we  
do about it?**



# Montana communities need:

- Structure density & location
- Clear baseline standards
  - Building materials and design
- Support a certification program
- Landscaping near homes
- State regulatory reform
- Evacuation and response

An aerial photograph of a residential neighborhood with a forest in the background. The houses are clustered together, and the forest is dense with tall trees. The image is dark and serves as a background for the text.

## ☑ Support a certification program

- Homeowner programs that certify properties or neighborhoods for wildfire preparedness
- Technical assistance



## ☑ State regulatory reform

- Don't compound the problem: Establish wildfire-resistant standards
- Validate a state-wide certification program
- Consider code upgrade costs for rebuilding
- Use a "backstop" FAIR Plan only if needed and with careful design.

# Upfront investments reduce long-term costs.



**Housing Durability  
& Affordability**  
safeguards Montanans



**Insurance Access**  
more stable coverage  
& financial resiliency



**Lower disaster costs**  
protect state budgets



**\$1**

invested in  
wildfire-resistant  
neighborhoods

**SAVES**

**\$4**

in avoided disaster costs  
shouldered by taxpayers

# CONTACT



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