

# Wildfire Mitigation Score

## Measuring risk is more than just a score

How to stay relevant and assess wildfire risk and mitigation credits in CA

### **A better knowledge of what can happen to achieve a more resilient future.**

Wildfires are one of the leading hazards and causes for potential loss in the United States. In fact, one quarter of residents in the U.S. live in a county that has been ravaged by wildfire during the last 25 years.

It is important to understand that while the standalone hazard risk provides great insight for the potential of loss, there are other components that may reduce this risk and lead to a better understanding of assets within a portfolio.

#### **Mitigation Saves – from a hazard & monetary perspective**

Studies show that for every \$1 spent on hazard mitigation, up to \$4 in future disaster recovery costs are saved. For insurers incorporation of mitigating efforts into their rating plans may open potential opportunities for new business or understanding where renewals should or should not occur.

For policy holders and consumers, by increasing mitigation efforts at the property they will have the comfort of decreasing the potential of loss of their homes.

#### **Mitigation Matters – across numerous Industries**

Insurers are not the only industry where understanding hazard risk and mitigation efforts matter. For lenders, the ability to understand where property loss may occur based on wildfire risk and mitigation efforts can provide insights into where potential mortgage default may occur. For local or federal governments mitigation actions could reduce the amount of money spent on disaster assistance. For borrowers, the ability to understand risk before purchasing is crucial to

### **Highlights**

Wildfire Mitigation Score will ensure compliance, while leveraging deep in-house property data assets to protect the health of a portfolio.

- Ability to assess risk and associated mitigation actions at the parcel level
- Simplified integration into rating plans with actuarial assistance
- Workflow integration to ensure efficiency and automation
- Transparent communication for policy holders with a risk factor report
- Fully compliant with CDI regulations

understanding potential financial responsibility.

## Understanding how Wildfire Mitigation Score Is calculated

The Wildfire Mitigation Score is a deterministic wildfire model, which is both comprehensive and granular. Wildfire Mitigation Score was built off the widely accepted Wildfire Risk Score model, while also utilizing the full simulation US Wildfire probabilistic model to validate the relativities associated with each of the mandatory mitigation factors. It is a 0.1-100 risk score to allow for easy integration into existing workflows, with supplemental information for use in underwriting guidelines.

Wildfire Mitigation Score is based on a 30x30 meter grid, one of the highest resolution hazard models in the market, which allows for greater risk differentiation. Throughout the state, even within small neighborhoods or blocks, large variations in wildfire risk are present, which may not be identified utilizing a less granular model. This puts carriers at a higher susceptibility to risk they may be unaware of or avoiding business that could otherwise result in potential profitability.

## Powered by Core AI

The Wildfire Mitigation Score uses Artificial Intelligence and Machine Learning to measure risk reduction based on California's dozen mitigation factors that influence a structure's vulnerability to wildfire. The score offers precise risk assessment, differentiation, and reduction to reflect the unique characteristics of every structure.



**With the wildfire Mitigation Score integrated into carrier rating workflows, insurers have a simple mechanism for establishing more effective, CDI-compliant wildfire underwriting processes.**

**For more information, please call 866-774-3282.**

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