

The Fire Insurance Crisis; Cause & Effect

Arizona Senate Federalism Committee

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**Data in presentation is current as of 06Mar2025.*

The Fire Insurance Crisis; Cause & Effect

- Over the periods studied (2010-2020), **12.5 percent** of all United States Forest Service(USFS) land ***in the West burned***, while **only 3.6 percent** of the land received ***fuel-reduction treatments***.
- The Congressional Joint Economic Committee estimates wildfires cost between **\$394 billion** and **\$893 billion** annually, equal to **2–4 percent of U.S. GDP**.

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- Of the 10 congressional districts with the largest shares of USFS managed lands that burned, eight are in California, ***and two are in Arizona.***
- The USFS manages ***16% of the land in Arizona***, approximately ***11,673,395 acres.***
- ***63 percent of USFS managed acreage in Arizona are classified as High Wildfire Risk.***

The Fire Insurance Crisis; Cause & Effect

- 23 percent of USFS managed acreage burned between 2010-2020.
- Only ***10 percent of USFS managed acreage***, approximately ***1,673,395 acres in Arizona***, has been treated to reduce wildfire risk between 2013-2023.

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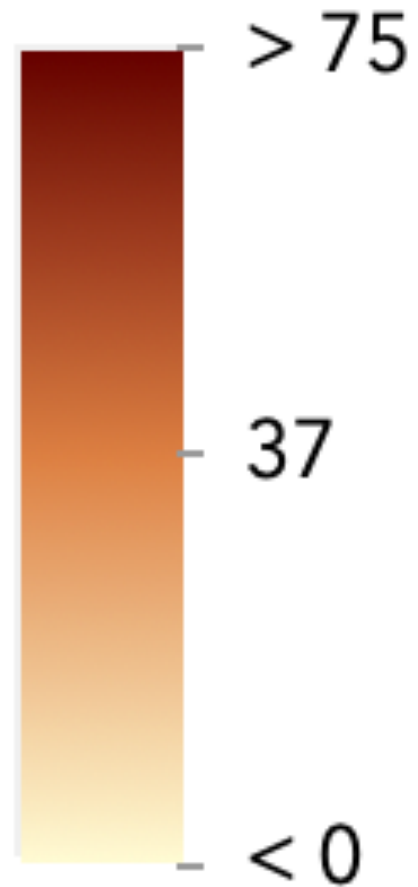
- “Soft Constraints”, such as critical habitat designations and ironically the National Ambient Air Quality Standards have curtailed 44% of USFS fuel reduction treatments.
- “Hard Constraints”, such as Wilderness Areas and Roadless Areas, ***completely prevent 21% of USFS treatments***. Multiple USFS proposals could soon have over 90 percent of their managed lands fall under Hard Constraints.

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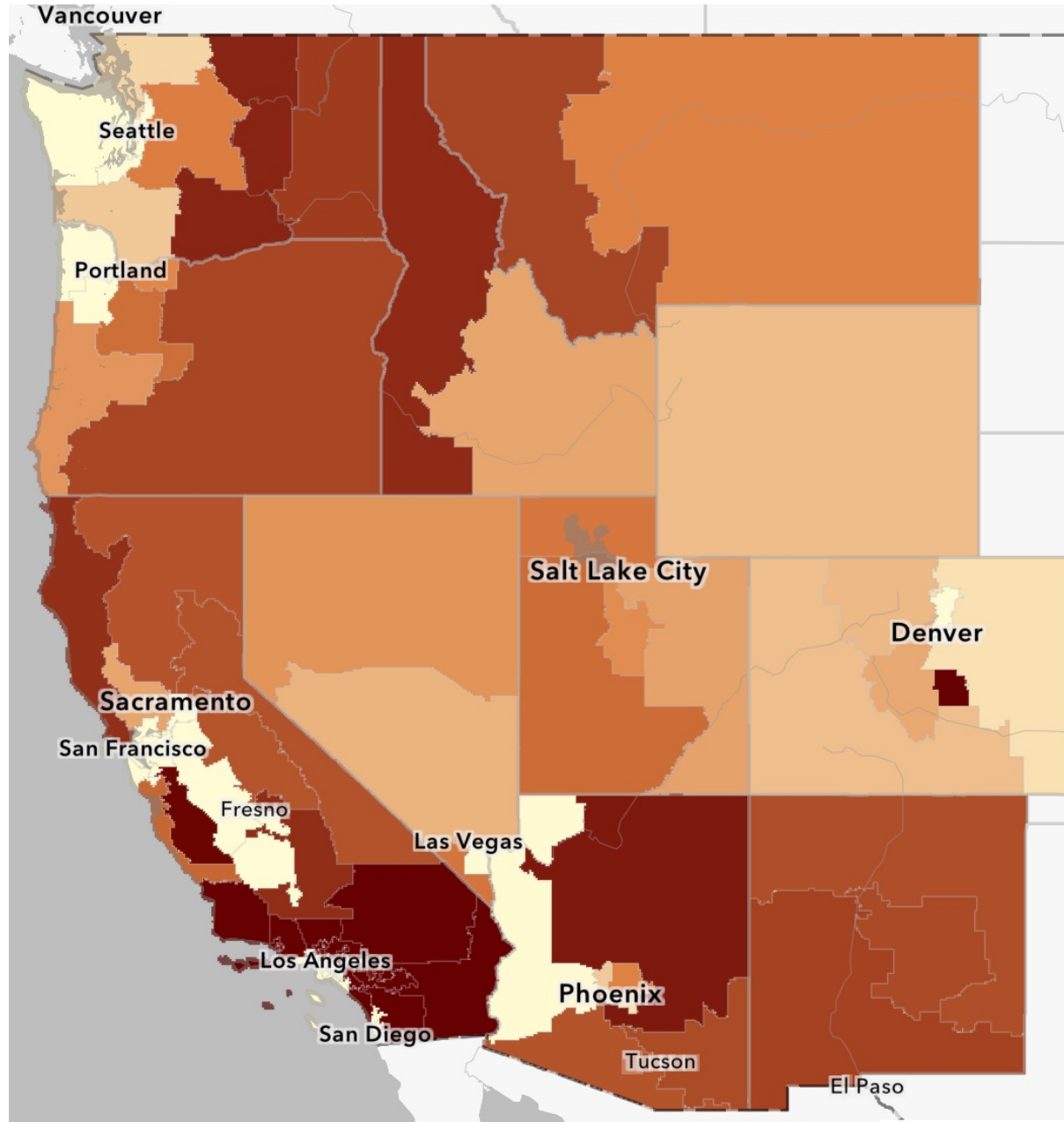
- 2 of the 9 Congressional Districts (CD's) in Arizona are in the top 10 of all CD's for acreage burned, CD-1 and CD-6.
- **CD-2**, the largest CD in Arizona, contain the areas of the two largest wildfires in Arizona history, the ***Rodeo-Chedeski Fire (468,000+ acres)*** and the ***Wallow Fire (526,000 acres)***, while **68%** of CD-2 is still at a ***High Wildfire Risk***.

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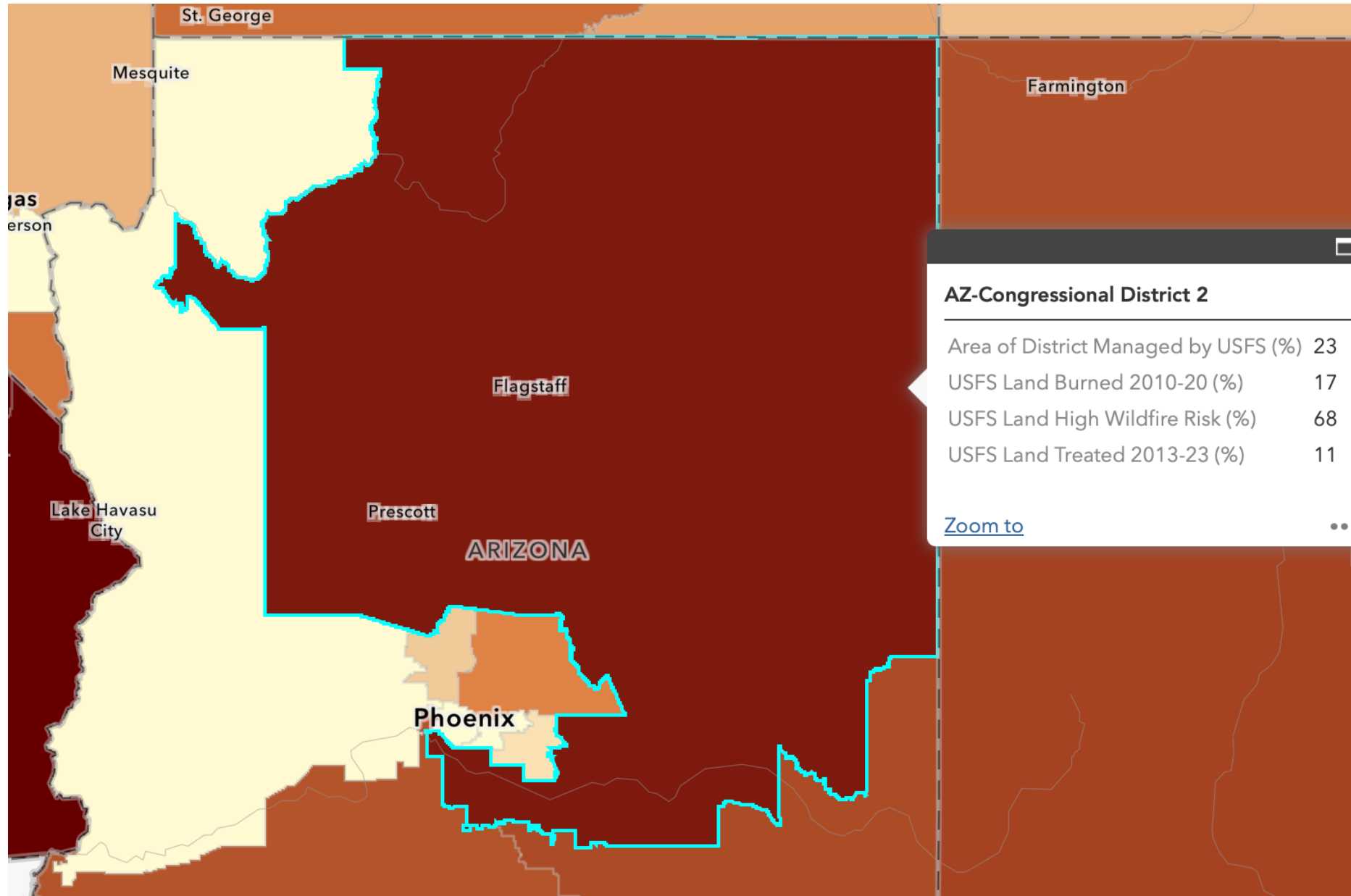
USFS Land High Wildfire Risk (%)



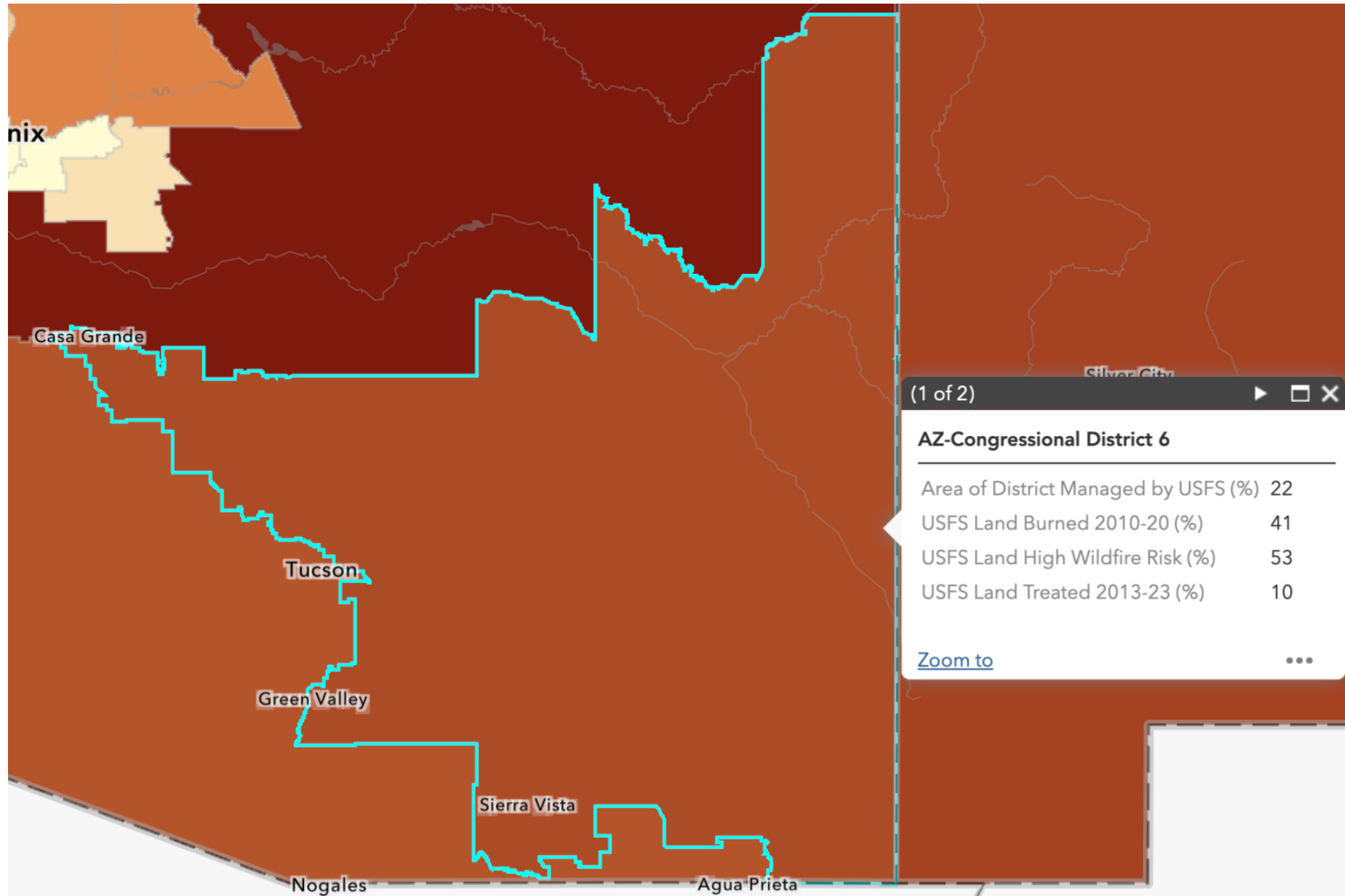
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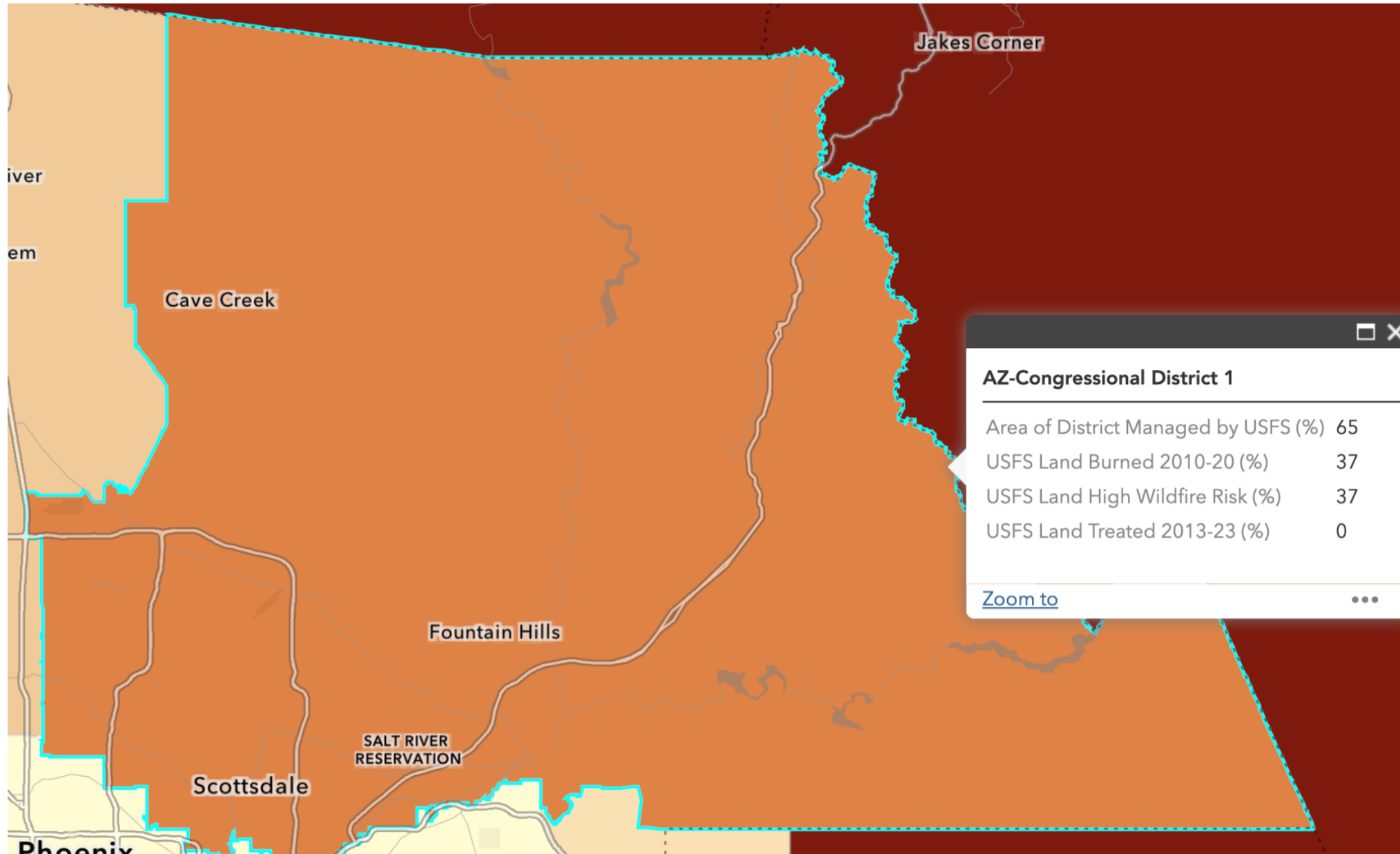
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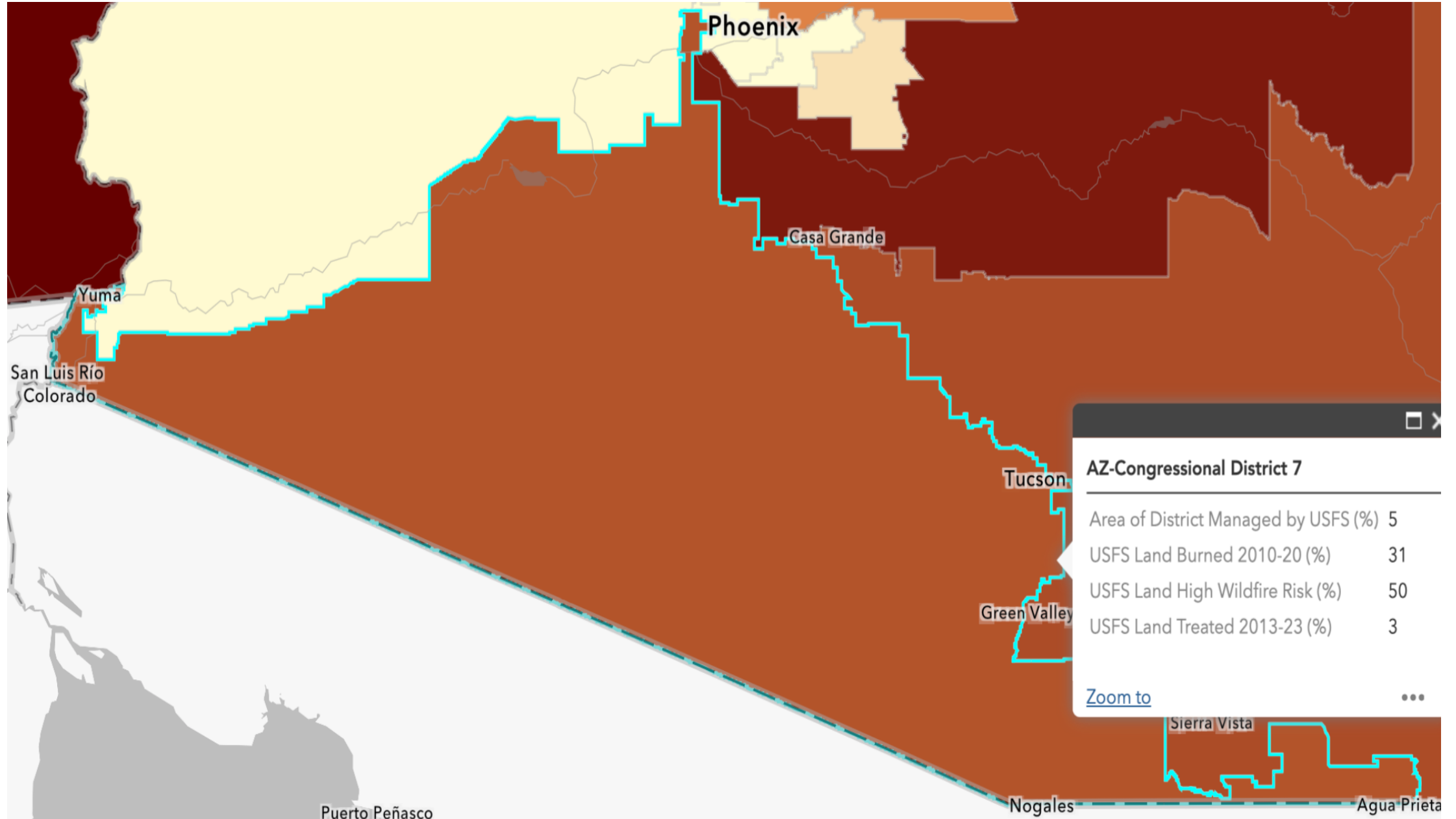
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Actual letters sent in large quantities throughout the White Mountains- “adjoining lot” reference is USFS managed lands.

“During the handling of your fire claim on the above property it has come to State Farm’s attention that your property is at a high risk for sustaining another fire claim due to the remaining stand of charred trees that were burned during the major fire last year on the lot adjoining yours. While ***we understand that you do not have any control over these trees,*** they are an increased hazard to your home and potentially other homes in the area and should be removed. ***If the charred trees are not removed it may result in your policy not being renewed. Obtaining a new policy with another carrier may be difficult at the least if not substantially more costly due to the existing increased fire hazard***”

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- Treated v. Untreated in the same location during the same wildfire in CD-2, the San Juan Fire. Van with license plate is captured in both photos to show the close-proximity and differences between High Wildfire Risk areas and lands under proper forest stewardship (see next two slides for full size images).



The Fire Insurance Crisis; Cause & Effect With treatment



The Fire Insurance Crisis; Cause & Effect Without treatment

