



**Equitable & Just
Insurance Initiative**

A Guide for State and Local Governments to Protect People Financially in the Lead-up to and Aftermath of Climate Disasters

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In a world of increasingly severe and frequent climate disasters, state and local governments need to be prepared to protect the public with emergency interventions. Hurricanes, wildfires, floods and more create not just physical and emotional devastation but also undermine economic and financial security for months or years after disasters strike. Recent examples like the 2025 Los Angeles wildfires have made clear what's at stake for the financial health of a community if policymakers don't act quickly to provide new resources and protections. These demands are critical to protect communities, homeowners, renters, insurance policyholders, and the general public.

This guide also includes recommendations for state and local governments to hold responsible parties accountable. When a climate disaster strikes, it should be fossil fuel firms and their financial backers and insurers that pay for the damages, not the public.

Affected communities can use this guide to make demands of their elected officials and regulators to better protect people and avert the financial scarring that unfortunately often comes from a climate disaster.

Note: Some policies in this report may need to be tailored for feasibility for small businesses, small financial institutions, and owner-occupier landlords.

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Renter Protections

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- Implement a one-year moratorium on rent increases.
- Implement a one-year eviction moratorium on evictions for nonpayment of rent or for violating terms of a lease that would otherwise prohibit renters from sheltering one or more displaced people.¹ This should include a prohibition on new eviction filings and a freeze on evictions already filed or in progress at time of disaster.²
- Increase access to and ease of eviction record sealing.
- Issue a right of return for displaced residents once repairs are completed.
- Localities should apply recovery funds to rebuild affordable rental housing units lost due to the disaster with new units that meet forward-looking climate resilience and mitigation standards.

¹ For example, see [California Executive Order N-11-25](#) related to the 2025 LA wildfires.

² For justification, see analysis of evictions following Hurricane Harvey: [Evictions in Houston After Hurricane Harvey](#), [When Danger Season Collides with the Affordable Housing Shortage](#).

Homeowner Protections



- Implement a one-year moratorium on mortgage foreclosures for nonpayment and make forbearance and loss mitigation available commensurate with the options available for GSE or FHA mortgages.³ If a FEMA disaster declaration extends beyond one year, the foreclosure moratorium should be extended to coincide.
- Prohibit unsolicited bids on homes for an amount less than fair market value of property before the disaster for 120 days to prevent corporate takeovers by entities like private equity firms that drive up housing costs.⁴
- Consider developing a voluntary home buyout program.
- Restrict online foreclosure auctions.
- State disaster recovery funds to cover emergency expenses and rebuild should be available for those with alternative title documentation and those who are heirs of the homeowner borrower.⁵ This is especially important in the wake of a disaster because documents are often destroyed or lost due to the disaster.

³ For example, see <https://www.fhfa.gov/programs/loss-mitigation>.

⁴ For example, see [California Executive Order N-7-25](#) related to the 2025 LA wildfires.

⁵ For example, consider using the rules outlined by the U.S. Department of Housing and Urban Development for [Community Development Block Grant Disaster Recovery Grantees](#): “Grantees may include the following documentation as acceptable: deed, title, mortgage documentation, tax receipts or bills, home insurance, home purchase contracts, will or affidavit or heirship naming them as heir, receipts of major repairs completed prior to the disaster, court documents, letter from a manufactured housing community owner or public official, self- certification, or utility bills.”

Insurance Policyholder Protections

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- Claims
 - Require speedy, no-questions-asked insurance claims payments to cover emergency expenses (e.g., food, hotels, rent). This is sometimes called the “Additional Living Expense” (ALE).
 - Expedite fair payment of total loss claims, including smoke damage from wildfires, automatically up to 70 percent of the covered policy without having to prove your loss. Require speedy claims and appeals processes for payments above 70 percent.
 - Provide state and local resources to help consumers file insurance claims (including National Flood Insurance Policy claims).
 - State insurance departments or commissions should track and publicly disclose, at no cost, claims’ response times by each carrier for major disasters that disaggregate critical information (claim fully paid, partially paid, close with no payment, and timeframe).
 - Require full transparency over Fair Access to Insurance Requirements (FAIR) or other state insurer-of-last resort plan claims payments, solvency, and assessments related to the disaster.
 - Increase insurer penalties for unfair claims settlement practices for 1 year following the disaster.
 - Require insurance companies to pay interest on insurance claims-related funds sitting in escrow or held by mortgage lenders.
 - Require mortgage servicers to pay out homeowners insurance based on the rules for federal government-backed loans, even if the loans are private, to provide transparent and uniform options for accessing funds to rebuild and to prevent having the insurance money prematurely applied to mortgage balances.
 - Provide for civil remedies including attorneys fees and costs in the event of a wrongful denial of coverage or other claims or payment failures on the part of the insurer.

- Premium rates and avoiding retreat
 - Prohibit post-disaster price gouging on premium rates by limiting rate increases filed (for file and use states) or approved (for prior approval state) in catastrophe-impacted areas to 5 percent for a year following the event, and ban insurance cancellations or nonrenewals for any reasons for one year following disaster in the affected area.
 - Require one year notice of non-renewals for policyholders anywhere in the state following a disaster to provide needed time for consumers and businesses to obtain new coverage.
 - Require insurers to report their underwriting guidelines to the insurance commissioner and require the insurance commissioner to publish the underwriting guidelines so policyholders can hold insurers and regulators accountable for unfair underwriting actions following the disaster.
- Avoiding public bailouts
 - If a state insurer-of-last resort runs out of cash to pay claims related to the disaster, private insurers should cover the full cost of any assessment. There should be no bailout provided by consumers.



General Public Protections



- Getting people the information, guidance, and support they need
 - Locality must create an online recovery portal to serve as the central hub for information and community engagement.⁶
 - Locality must develop, fund, and staff a disaster recovery center (with mobile and pop-up site options, including outside of regular business hours) so people can receive all the services they need in one place and receive help in filing applications, including for state and federal relief funds, like FEMA disaster recovery funds.⁷
 - Include accessible program materials, free written translations of documents and oral interpretation services from qualified interpreters, and services for those with limited or impaired vision, hearing, speech, and cognition. More guidance is available [here](#).
 - Provide marketing materials, case management, and direct service staff that are representative of the population being served and, whenever possible, include trusted community members and partners.
 - Provide general education and awareness of fair housing rights (e.g., reasonable accommodations; modifications for persons with disabilities; insurance, zoning, and housing and lending discrimination rules) and provide access to housing counselors, including outside of regular business hours.
 - Provide legal aid, including aid that is accessible across immigration statuses, including outside of regular business hours.

⁶ For example, see <https://www.mauirecovers.org/> or <https://recovery.lacounty.gov/>.

⁷ To generate materials for homeowners, advocates, and lawyers, consider these resources: <https://nlihc.org/explore-issues/projects-campaigns/disaster-housing-recovery>, <https://nlihc.org/disaster-housing-recovery-research-resilience>, <https://www.nhlp.org/resources/disaster-resources/>, <https://www.nclc.org/topic/disaster-relief/>, <https://library.nclc.org/article/twelve-tips-homeowners-after-natural-disasters-0>

- Provide assistance to replace government-issued IDs (i.e. birth certificates, driver's license, passports, visas, green cards, death certificates), including outside of regular business hours.
- Advertise the availability of disaster resources and centers in both online and physical settings (e.g. through banner alerts on government webpages; social media posts; public service announcements on TV, radio, and print media; press briefings; town halls), including hours of operation, locations, and length of programs, so survivors without internet access are fully aware of their options to access aid.
- Preventing fraud and abuse
 - Rigorously expand anti-fraud enforcement to prevent phony or unlicensed insurance claims adjusters to grift homeowners. Maintain and advertise a method to report scammers.
 - Rigorously expand anti-fraud enforcement including to prevent contractor fraud and scams. Phony or unlicensed contractors often try to scam disaster victims by offering quick rebuild or debris removal that is not up to code. Oversee quality control through inspections, monitoring, and performance evaluations by housing inspectors. Maintain and advertise a method to report scammers.
 - Provide educational resources to affected people so they are aware of common claims adjustment and contractor scams and how to avoid and report them. Maintain a service to provide guidance to people who need advice on accessing legitimate service providers.
 - Allow unemployment and emergency aides on-the-ground to notify and override any fraudulent applications and stop scammers.
 - Offer in-person identity theft support.
 - Prohibit predatory lending on emergency loans for living expenses or repairs. This can be accomplished by a cap on fees and interest rate (e.g., an effective interest rate of 1 percent over the prime rate) for loans originating for this purpose within 90 days of the disaster.
 - Provide educational resources to consumers on federal and state laws preventing predatory loans, and on how to assess safety and fairness of emergency loan terms by looking out for high interest, late fees, final costs especially for short-term loans, fees to apply, prepayment terms, liens, and postdating checks policies.

- Ensuring health and safety
 - Provide free and readily available personal protective equipment, safe drinking water, food, internet and phone access, and emergency shelter for disaster survivors, including displaced renters (noting that renters insurance policies rarely cover temporary housing).
 - Prohibit price gouging for physical materials needed for disaster preparation and recovery (including anticipatory stockpiling pre-disaster). Cost increases for emergency supplies, medical supplies, building materials, fuel, housing, transportation, freight, storage services should be capped at 10 percent higher than the prevailing price two weeks before the disaster.
 - Provide public housing and cash assistance for displaced individuals and families.
 - Suspend enforcement of any civil or criminal vagrancy or comparable violations for unhoused and displaced individuals and families for six months following disaster.

- Providing financial relief and recovery
 - Suspend state permitting requirements to bolster temporary housing options and recovery efforts.
 - Suspend and / or forbear property tax collection and enforcement for one year. Advertise in online, print, and other physical media located at locations throughout the affected community so all individuals are aware.
 - Provide a tax deduction for casualty loss income at the state and local level. Advertise in online, print, and other physical media located at locations throughout the affected community so all individuals are aware.
 - Prohibit credit bureaus from reporting missed payments for 120 days following the disaster or until a FEMA disaster declaration expires, whichever is later. Note that authorities should first conduct a preemption analysis to confirm that this action is not preempted in your state by federal law.

- Protecting disaster recovery workers and volunteers⁸
 - Provide safe temporary housing, food, water and resource hubs for local and traveling workers and volunteers
 - Enact rules regarding recovery-related workplace safety, provision of medical care, and wage enforcement.

- Prevent post-disaster housing displacement
 - Enact or implement Tenant Opportunity to Purchase and Community Opportunity to Purchase legislation so that tenants, local governments, and nonprofit organizations have the first right of refusal when properties are placed on the market.
 - Support local land trusts to make purchases.

⁸ Resilience Force and The New Florida Majority, "[A People's Framework For Disaster Response: Rewriting the Rules of Recovery after Climate Disasters](#)," January 2020.

Fossil Fuel Accountability Measures

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- Cities and states should sue the responsible parties for damages, including fossil fuel companies, utilities, and financial firms that have contributed to the climate crisis or otherwise contributed to the climate-related disaster.
- Policymakers should pass laws that make it easier for individuals and small businesses to sue responsible parties including fossil fuel companies (as [California bill SB222](#) would allow).
- Require or incentivize insurers and state insurer-of-last resort plans/residual markets to bring subrogation claims against fossil fuel companies for damages from the disaster.



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