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MOUNTAIN TOWNS 2030 · SUN VALLEY, IDAHO · OCTOBER 2026

Playing With Fire

Navigating the politics of insurance retreat

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It doesn't arrive as a fire.

It arrives as a letter.

30 days' notice (60 after January 1 in Idaho per HB562 in Idaho). No claim. No fire. No appeal.

THE SHAPE OF THE PROBLEM (IDAHO)

Insurance retreat, defined

Not one decision. Three simultaneous withdrawals — price, availability, and coverage itself.

~37%

PREMIUM GROWTH

Increases in the hardest-hit states in recent years, with no change to the home.

~9%

POLICIES WRITTEN

Net decline in policies underwritten as carriers shrink their exposure.

33

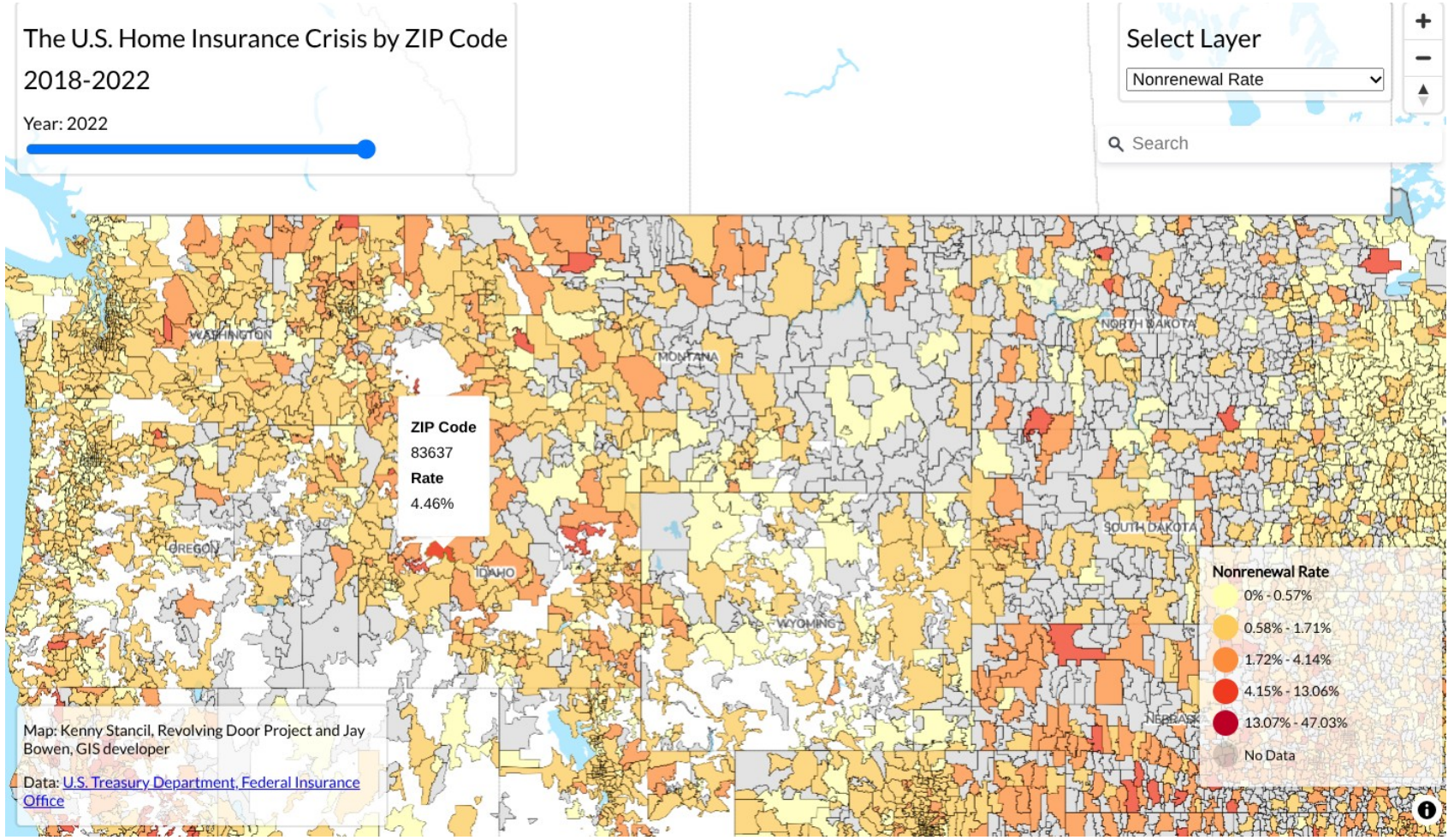
STATES WITH A FAIR PLAN

Which means a third of the country has no insurer of last resort at all.

Fire and flood are the primary drivers. 2022-2024 Idaho numbers

THIS IS NOT A COASTAL PROBLEM

Idaho homeowner policies non-renewed



See: Public Citizen dashboard: https://www.citizen.org/article/mapping-the-home-insurance-crisis/

83637: Lowman, Idaho. 119 miles from here on the scenic route to Boise. And there is no FAIR Plan to catch non-renewals. 4.46% non-renewal rate in 2023

WHY US, SPECIFICALLY

Mountain towns are a worst case on paper

Every feature that makes these places desirable also makes them expensive to underwrite.

Wildland-urban interface

Homes sited in fuel, on slopes, at the end of one road in and one road out.

Long response times

Volunteer and combination departments, seasonal staffing, thirty-minute drives.

Extreme rebuild costs

Remote logistics and a labor shortage mean total loss costs far more here than the model assumes.

Concentration risk

One fire can take an entire carrier's book in a valley. Diversification doesn't exist at this scale.

HOA and condo master policies

One non-renewal hits fifty households at once — often the workforce housing stock.

Second homes and high values

Pushes the market into surplus lines, where the rules and the protections are thinner.

THE POLITICS

The insurance industry settled the climate debate decades ago.

It just doesn't always call it that.

Actuaries don't argue about attribution — they price it. But the industry's trade associations fight the climate framing hard in Washington, because attribution drives regulation. When federal reports blamed climate, National Assn. of Mutual Insurance Companies (NAMIC) and American Property Casualty Insurance Assn. (APCIA) pushed back on the same day: inflation, litigation, rebuild costs, and development in high-hazard places.

THE FEDERAL REGULATORY & RESOURCE PARADOX

Two laws, and the gap between them

One decides who regulates the market. The other decides who pays after it burns. Neither one is built to keep you insurable. Dillon's Rule also complicates things.

McCARRAN-FERGUSON ACT · 1945

Who regulates the market

The states regulate insurance. Federal antitrust law largely doesn't reach the business of insurance where a state regulates it.

There is no federal insurance regulator. Treasury's Federal Insurance Office collects data. It cannot write rules.

Every lever sits in the statehouse. Rate filings, non-renewal notice, mitigation credits, model transparency, whether a FAIR Plan exists.

STAFFORD ACT · 1988

Who pays after the loss

Money moves only after a declaration. A governor requests, a president declares. Reactive by design.

Pre-disaster authority is fragile. Section 203 funds mitigation before the fire. FEMA's BRIC program was terminated in 2025 and litigated since.

The reliable money follows a disaster. HMGP activates after a declaration. The gate is a current FEMA-approved mitigation plan.

Insurance retreat lives in the seam. One law governs the market but can't be reached from Washington. The other reaches from Washington but only opens after the loss. Nobody is assigned the job of keeping a community insurable before the fire — so it falls to the people standing closest to it.

DILLON'S RULE VS. HOME RULE

Are you actually allowed to act?

The job falls to local government. Whether your state gave you the tools is a separate question.

DILLON'S RULE • 1868

Only what the state gave you

Express grants and nothing more. Powers the state wrote down, what's necessarily implied, and what's essential. Reasonable doubt is resolved against you.

Counties are held tighter than cities. Which matters here: most of your fuel is in the unincorporated county.

So a defensible space mandate is a bill, not a memo.

HOME RULE

Broad power, until preempted

The presumption flips. You may act unless the state has withdrawn the power or your rule conflicts with state law.

It is not a shield. States preempt home rule communities routinely — building codes, fees, point-of-sale requirements.

And it cuts both ways. Colorado's home rule tradition left WUI codes to each county — until the state imposed a statewide minimum.

Authority decides program design. Convening, inspecting, documenting, educating and applying for grants need no new power — which is why the Big Sky model (below) travels anywhere. New taxes, codes above the state floor, and mandates on private property usually do. And HOA covenants are private law: they route around the question entirely.

HOW TO TALK ABOUT IT

Lead with premiums, not parts per million

Same work. Same budget. Same outcome. Radically different meeting.

LOSES THE ROOM

“Climate adaptation planning”

“Resilience framework”

“Emissions and warming scenarios”

“Managed retreat”

“Environmental justice outcomes”

KEEPS THE ROOM

“Keeping your policy”

“Protecting your property value”

“Lowering your premium”

“Making sure the closing goes through”

“Keeping our neighbors housed”

This is not spin. It is the accurate description of what the homeowner actually experiences.

You cannot argue
with a catastrophe model.
You can change its inputs.

That is the entire opportunity — and it is local.

THE WINDOW THAT JUST OPENED

Mitigation became priceable — fast

In roughly eighteen months, the plumbing changed underneath all of us.

CA	**Mitigation discounts, mandated**	Carriers must offer and publish discounts for documented hardening, and weigh mitigation before non-renewal.
CO	**Show your work — and your score**	Insurers using wildfire risk models must factor in structural mitigation and give homeowners a plain-language explanation they can challenge.
IBHS	**Wildfire Prepared Neighborhood**	A neighborhood-scale designation now exists alongside the home standard — plus a free community program framework built with the industry's own trade association.
NV	**The cautionary one**	A 2026 law lets carriers strip wildfire out of a homeowners policy and sell it separately — or not at all. First of its kind.

https://www.insurance.ca.gov/0400-news/0100-press-releases/2022/release076-2022.cfm
https://leg.colorado.gov/bills/hb25-1182
https://ibhs.org/2025-year-in-review/
https://sierranevadaally.org/2026/09/01/nevada-let-insurers-drop-wildfire-coverage-in-january-residents-will-pay-the-price/

CASE STUDY ONE

Tahoe: proving it to the underwriter

Incline Village, Nevada — the Tyrolian Village pilot, a partnership of a fire district, an HOA, a regional nonprofit, and four technology firms.

61

ACRES TREATED

34 of them mechanically, in under a week

228

HOME INSPECTIONS

each producing a written, parcel-level report

4

MORE PILOTS LAUNCHED

across the basin, in two states

33%

PREMIUM REDUCTION

for the McCloud HOA in Incline Village

The HOA had already received a notice of non-renewal. The mitigation is what brought the carrier back to the table.

Tahoe Fund with North Lake Tahoe Fire Protection District, Tyrolian Village HOA, the Climate and Wildfire Institute, Vibrant Planet, Fire Aside, BurnBot, RockRose Risk, and Dr. Hussam Mahmoud (CSU). https://www.tahoefund.org/projects/active-projects/incline-fire-smart-community-pilot/

CASE STUDY ONE

Why it moved the needle

1 They treated the whole risk, not the parcel

Public land, the utility corridor, and private lots were treated as one job. Underwriters model the surroundings, not just your roof.

2 Every action produced a document

228 inspections meant 228 reports a homeowner could attach to an application. Unrecorded work is, to an insurer, work that did not happen.

3 They negotiated as a block, not as households

One HOA is an underwriting unit. One homeowner is a rounding error. Scale is the leverage.

4 They put an insurance translator on the team

Somebody whose job was converting acres and inspections into the metrics a carrier actually prices.

CASE STUDY TWO

Big Sky: one front door

Alpenscapes — a fire department, a river task force, a native plant nonprofit, and a sustainability org that stopped running four programs.

THE MOVE

Four organizations, one brand, one website, one phone number.

Free on-site wildfire risk visits that end in a written report, emailed to the owner.

Cash rebates for the upgrades, funded through the resort tax district and local foundations.

Model landscape language written for HOAs to adopt into their own covenants.

WHY IT WORKS

It sells beauty, not fear.
Fire safety arrives bundled with a lower water bill and a yard people actually want.

It removed the excuse.
Nobody has to figure out which agency to call. There is one answer.

It targets the covenants.
The lawn requirement in the CC&Rs is a wildfire policy. Most towns never look at it.

Big Sky, Montana. Partners: Big Sky Fire Department, Gallatin River Task Force, Grow Wild, Big Sky SNO. Big Sky faces higher wildfire risk than roughly 93% of U.S. communities.

THE PLAYBOOK — PART ONE

What you can start in ninety days

1 **Measure your exposure before you need it**

Pull county non-renewal data. Survey your HOAs and your biggest employers. Ask lenders and title companies how many closings failed on insurance this year. Right now nobody in your town owns this number — and you cannot govern what you haven't counted.

2 **Build one front door**

One brand, one website, one number for everything a homeowner needs to do. Collapse the silos before you launch anything new. This costs staff time, not capital.

3 **Inspect — and put it in writing**

Free defensible-space visits that end in a dated, digital, parcel-level report the owner can attach to an application. Verbal advice has no underwriting value. Adopt the IBHS standards so your assessments speak a language carriers already recognize.

4 **Organize at the scale insurers underwrite**

Neighborhoods and HOAs, not households. Firewise USA for the entry point, IBHS Wildfire Prepared Neighborhood for the designation carriers are beginning to price. Start with the associations carrying workforce housing.

THE PLAYBOOK — PART TWO

And what takes a budget cycle

5 Put it in the code — and in the covenants

Noncombustible zone in the first five feet, Class A roofs and ember-resistant vents on new construction and substantial remodels, defensible space verified at point of sale. Then read your HOA covenants: the ones mandating turf against the siding are wildfire policy nobody voted on.

6 Fund it like infrastructure, not like a pilot

Resort tax and local option tax, county wildfire fees, Community Wildfire Defense Grants, community foundations, Forest Resilience Bonds. Big Sky's program runs on resort district money and local philanthropy. Grant-funded programs that end in year three teach homeowners that this was a phase.

7 Put carriers and the regulator in the room

Invite underwriters to walk your treatments — most have never seen one. Ask your insurance department for mitigation-credit rules and model transparency. If your state has neither a FAIR Plan nor a mitigation-credit statute, you just found your legislative ask.

WHAT I WON'T OVERSELL

Four things that are true and inconvenient

The discounts are small.

Research puts the average maximum combined mitigation discount near $216 a year. Do not sell this on savings.

But insurability is the real prize.

In high-hazard markets, documented mitigation is increasingly the difference between a quote and no quote. That's worth far more than the discount.

Hardening costs money people don't have.

A new roof is not a behavior change. Without subsidy, mitigation programs quietly transfer risk onto the households least able to pay — long-time residents, mobile homes, workforce stock.

Some of this risk is real.

Mitigation doesn't touch reinsurance costs or rebuild inflation. And in a few places the honest answer is that we should not rebuild there. I don't say that lightly.

THE ASK

Three things before the snow flies

01

Find your number

Call one lender and one title company this week. Ask how many closings failed on insurance this year. Bring that number to your next council meeting.

02

Pick one neighborhood

Not the whole town. One association — ideally one carrying workforce housing. Inspect it, document it, designate it, and take it to a carrier as a block.

03

Read your covenants

Find the HOA rules that mandate fuel against the siding. Changing them costs nothing and no one has done it.

State-level policies that may gain traction regardless of politics **highlighted indicate conservative favorability

- **Mitigation funds**
- Stabilization efforts
  - Front loaded reinsurance
  - Deductible buy-down
  - Community purchasing pools
  - **Risk adjustment**
- Community fortification analysis
- Community modeling strategies
  - Community modeling with state assistance
  - **Lidar, drones and other data**
  - **Local community building standards**
- Building with fortified materials

A fire doesn't check your voter registration.

Neither does an underwriter.

We don't have to agree on why the risk is rising to agree on what to do about it. That's not a compromise. In this fight, it's the fastest road we've got.

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See also, from IBHS: https://wildfireprepared.org/