



Reducing Risk



**Our units exist in a forest
that is *clearly* a wildfire risk.**

Is this a risk?

I'd think likely.

**California Fair Plan
required tree removal.**



Is this a risk?

Hmmm, probably.

IBHS required tree removal.

If a building receives any damage from a wildfire, there is a 90% chance that the building will be a total loss.

That's the risk.

It's an all or nothing event.

CAL FIRE categorizes damage into five distinct tiers:

1. **No Damage** (0%)
2. **Affected** (1%–9%)
3. **Minor Damage** (10%–25%)
4. **Major Damage** (26%–50%)
5. **Destroyed** (>50% structural loss)

- **Eaton Fire:** 9,413 structures destroyed vs. 1,074 structures lesser damage. **89.8% were completely destroyed.**
- **Palisades Fire:** 6,831 structures destroyed vs. 1,045 lesser damage. **86.7% were completely destroyed.**
- **Camp Fire (Paradise - NIST Study):** Over 18,800 structures destroyed vs. approx. 700 lesser damaged. **96.4% were completely destroyed.**
- **Aggregate California WUI Fires:** Across major California wind-driven wildfire disasters over the past decade, consistently **80% to 92%** were completely destroyed.

Insurance cost is about the risk of something bad happening.

The only tool we have to manage our insurance cost is reducing that risk.

Beyond saving money, reducing risk means that *when* (not if) there is a wildfire we might not lose our buildings.