

# Executive Summary – Arizona HB 2054

## Bill Title & Approval

**Arizona House Bill 2054**, addressing DIFI (regulatory modernization for the Department of Insurance and Financial Institutions), was enacted into law on **June 25, 2025**, when Governor Katie Hobbs signed it.

## Core Initiative: Fire Insurance Review Task Force

### Purpose

The bill establishes the **Fire Insurance Review Task Force (FIRTF)** within DIFI, created to curate data-driven insight and intentional recommendations regarding homeowners insurance in wildfire-prone areas.

### Composition & Governance

- **Chair:** DIFI Director (or designee)
- **Vice-Chair:** State Forester (or designee)
- Director also appoints:
  - Two individuals—one must represent the homeowners insurance industry
  - One from a wildfire risk reduction organization
- State Forester appoints:
  - Four specialists in wildfire prevention/mitigation
- Appointments are for **two-year terms**, aligned to the third Monday in January, with eligibility for reappointment (maximum two consecutive terms). Vacancies are filled similarly.

### Data & Oversight Role

DIFI is tasked with delivering to the task force:

- Aggregated and anonymized annual insurance premium and policy coverage data from insurers
- Annual counts of consumer complaints tied to nonrenewal, cancellation, or premium hikes due to wildfire risk

### Mandates & Responsibilities

The task force shall:

- Review insurance and consumer complaint data
- Spot both current and historical trends in coverage availability, rates, and nonrenewals or cancellations
- Assess scientific data on wildfire risk mitigation and craft recommendations for building codes, defensible space standards, and local ordinances to reduce wildfire impact

## **Operational Structure**

- Minimum of **four meetings per year**
- Ability to form **ad hoc work groups** and tap outside wildfire or insurance experts
- Members eligible for state-standard expense reimbursement

## **Annual Reporting & Transparency**

By **December 31 each year**, the task force must deliver a public report detailing findings and recommendations to:

- Governor
  - Legislative leaders (Speaker of the House, Senate President, minority leaders)
  - Secretary of State
  - DIFI (the Department itself)
- The DIFI Director is also responsible for making this report available on the department's website.

## **Sunset Provision**

Together with the insurer reporting requirement, the FIRTF is slated for automatic repeal effective **December 31, 2027**.

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## **Strategic Impacts**

HB 2054 embodies a proactive, structured approach to the wildfire-insurance nexus—using robust data, cross-sector expertise, public transparency, and iterative governance to navigate the unpredictable terrain of risk, cost, and resilience. The built-in sunset encourages interim evaluation and potential recalibration.