**RISK:**

**Insurers brace for higher rates of property damage as more Americans move to wildfire-prone areas**

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A rise in the number of people moving to wildfire-prone areas has some insurance companies striking back with stricter rules for obtaining homeowner's insurance.

From 2002 to 2011, wildfires in the United States accounted for $13.7 billion in total economic losses and $7.9 billion in insured losses. The previous decade saw $6.8 billion in economic losses and $1.7 billion in insured losses.

The rising threats to lives and property involve several factors: longer fire seasons that some have tied to climate change, logging and reduction in fire prevention funds that have allowed the accumulation of flammable fuel.

Ten million new homes were built between 2000 and 2010 in wildland-urban interface (WUI) areas, where the homes either border or are built on land prone to wildfires. According to research from the Forest Service, the University of Wisconsin and Oregon State University, homes in WUI areas made up two-thirds of all homes built in the United States during that time.

Nationwide, there are more than 47 million homes in the WUI.

"More and more, these communities that are in these fire-prone areas are growing," said Nancy Farr, a spokeswoman for the Arizona Insurance Council, a group that represents the state's insurance industry. "That is creating these more costly wildfires because people are living in these areas."

In response, some in the insurance industry are creating new rules that aim to encourage or require homeowners to create "defensible spaces," an area around the house cleared of debris that could help fuel fire.

State Farm, the country's largest insurer, is reassessing high-risk properties in specific Western states as policy renewal nears. According to the company, fewer than 1 percent of residents decline to alter their property and discontinue their insurance policy.

"Most people take great pride in their property," said State Farm spokeswoman Angela Thorpe. "They're interested in mitigating their fire risk."

Carole Walker, executive director of the Rocky Mountain Insurance Information Association, said residents in some parts of Colorado may have few choices for obtaining an affordable insurance policy (Matt Haldane,[**Reuters**](http://www.reuters.com/article/2013/08/14/us-usa-wildfires-insurance-idUSBRE97D0W620130814), Aug. 14). **-- CJ**