



Commercial Property

California Adopts New ‘Zone 0’ Wildfire Standard

CALIFORNIA HAS approved a “Zone 0” wildfire standard that sets requirements to reduce combustible materials immediately around commercial buildings and homes in areas with elevated wildfire risk.

The California Board of Forestry and Fire Protection approved the regulations on Aug. 19, 2026. The rules apply to properties in State Responsibility Areas and Very High Fire Hazard Severity Zones within Local Responsibility Areas and affect an estimated 2 million buildings.

Zone 0 covers the first five feet around a structure, an area that can play an outsized role in whether a building ignites during a wildfire. Wind-driven embers can land next to a building and ignite mulch, leaves, firewood, plants, fencing and other combustible materials. Flames can then spread to the structure.

Maintaining an ember-resistant area around a building can significantly increase its chances of surviving a wildfire.

A smaller noncombustible area

The final rules are less restrictive than the standard originally envisioned under a 2020 state law that called for an ember-resistant zone extending five feet from structures.

Instead, the new regulations create a noncombustible safety area extending at least one foot from a structure or to the edge of its eaves, whichever is greater.

Materials barred from within 1’ of building

- Vegetation
- Firewood
- Bark mulch
- Wood chips
- Dead leaves
- Branches

Vegetation must be kept at least two feet from windows, doors and vents and five feet from attached decks and similar features.

The rest of Zone 0 is considered a low-combustibility area. Some well-maintained plants, ground cover, grass and trees may remain if they meet the requirements.

Trees may remain within Zone 0 but must be maintained. Among other requirements, dead wood and lower branches that could act as “ladder fuels” should be removed. Branches must be kept away from roofs, eaves and chimneys, and roofs and gutters should be kept free of combustible debris.

The regulations also address fences and outbuildings. Where a fence attaches to a building, a five-foot noncombustible section will eventually be required. Sheds and outbuildings within Zone 0 must have noncombustible exterior roofs and walls.

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Property wildfire protection zones

Zone 0: 0 to 5 feet – Concrete, gravel mulch and low-growing plants or lawns are good choices for this zone. Avoid combustible materials.

Zone 1: 5 to 30 feet – Remove dead vegetation, trim trees and separate plants to slow the spread of fire.

Zone 2: 30 to 100 feet – Keep grass mowed, remove fallen branches or dead vegetation and ensure proper spacing between trees. Don’t let canopies touch.



Commercial Drivers Stressed as Road Risks Rise

COMMERCIAL DRIVERS are facing a more stressful and unpredictable environment on U.S. roads as distraction, reckless driving and unsafe behavior around large vehicles increase, according to a new survey.

Nationwide's "2026 Driving Behaviors Survey" found that 77% of commercial drivers believe passenger-vehicle drivers are more distracted than they were a year ago, up 10 percentage points from the 2025 survey. Seven in 10 commercial drivers said other motorists are more reckless, also up 10 points. Perhaps most concerning for fleet managers, 74% said passenger-vehicle drivers do not drive safely around commercial vehicles, a 15-point increase from 2025.

For businesses that operate fleets or employ commercial drivers, the findings underscore the importance of driver training, safety technology and engaged management, all of which help employees manage risks they cannot always control.

Concerns about reckless and aggressive driving by other motorists, traffic congestion and motorists multitasking behind the wheel appear to be taking a toll on professional drivers.

The effects on drivers

- 47% said they are often stressed while driving for work,
- 43% reported feeling frustrated while driving,
- 35% said they often feel anxious, and
- 27% reported feeling enraged.

What drivers are doing to cope

- 56% said they listen to music, podcasts or audiobooks,
- 51% take scheduled breaks to rest or stretch, and
- 44% plan routes in advance to avoid traffic or delays.

Technology can help manage the risk

While fleet operators cannot control how other motorists behave, they can take steps to reduce their drivers' exposure to risk.

Commercial vehicle operators have increasingly turned to telematics, dash cameras, collision-avoidance systems and driver coaching to identify risky behaviors before they result in crashes. These technologies can give managers greater insight into speeding, hard braking, following distance and other behaviors that may warrant additional training.

Technology, however, works best when paired with a strong safety culture. Managers can use telematics and camera data as coaching tools instead of addressing unsafe habits only after a crash occurs.

Companies should also regularly review driver records, provide defensive-driving training and establish clear policies on cell phone use, speeding and seat belts. Scheduled breaks and realistic delivery or service schedules can also help reduce pressure on drivers.

The takeaway

Companies should review their driver safety programs, accident trends and use of available safety technology. They should also provide regular safety training and refresher courses for their driving employees.

Another important step is discussing fleet operations and commercial auto coverage with us to identify areas where additional risk controls or coverage may help.



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Property Owners Will Have a Phased Compliance Period

When the rules take effect

Property owners will have a phased compliance period, with some requirements taking effect within three years and full compliance required within five years. Once the official grace period for your fire-hazard tier expires, penalties will apply for continued noncompliance:

- **Initial infractions:** These typically result in an administrative fine of \$100 to \$500 per day until the violation is corrected.
- **Severe misconduct:** Repeated refusal to clear the zone after multiple warnings can be treated as a misdemeanor, potentially leading to higher court-ordered fines.

Insurance warning

While state and local agencies may be lenient early on, insurance companies are not. Many private insurers have already adopted Zone 0 benchmarks. Failing a private insurance inspection or not clearing your five-foot perimeter can result in an immediate premium increase, policy nonrenewal or claim denial.

If you are making defensible-space improvements, check with us before starting major work. We can help you understand your insurer's requirements and whether documentation, photographs or an inspection is necessary to receive credit for the improvements.

More Employers Could Be Affected by Rules Change

CAL/OSHA has released a revised discussion draft of proposed changes to the state's indoor and outdoor heat illness prevention regulations that would expand the number and types of employers required to follow California's outdoor high-heat procedures.

The proposal is part of Cal/OSHA's work to implement Assembly Bill 2243 and make the two standards more consistent. The proposed language would also require new acclimatization procedures and expand training requirements.

While many proposed revisions align terminology and requirements between the standards, some could create significant new compliance obligations. Here's what's brewing.

High-heat rules could expand

Under the current outdoor heat standard, special high-heat procedures take effect when temperatures reach 95 degrees Fahrenheit. The procedures generally apply only to specified industries, including agriculture, construction, landscaping, oil and gas extraction and certain transportation operations.

The proposed revision would remove that industry limitation.

As a result, employers with outdoor workers who have not previously been subject to the high-heat procedures could be required to comply whenever temperatures reach 95 degrees.

That could bring a much broader range of employers under the requirements and make heat planning an important compliance issue for businesses that may not traditionally consider themselves high-heat workplaces.

Among other requirements, the proposal would require employers to ensure that employees working in high heat take a minimum 10-minute cool-down break every two hours during a shift. Time needed to reach the shade would not count toward the break.

New acclimatization procedures

Cal/OSHA is also proposing more detailed requirements for acclimatizing employees to hot working conditions.

The outdoor proposal would require close observation when a newly assigned employee or an employee returning after an absence of more than 14 days is assigned to a location where the day's predicted high temperature is at least 80 degrees.

Employers would generally have two options for protecting workers while they acclimatize:

- They could either implement enhanced protective measures and close observation procedures, or
- Phase employees into heat exposure through prescribed exposure schedules.

Similar revisions are proposed for indoor workplaces, with close observation requirements generally triggered when temperatures reach 82 degrees or the heat index reaches 87 degrees.

Training and written plans

Under the draft, heat illness training would have to be provided in a language and at a literacy level employees understand. Workers would also have to be given an opportunity to ask questions.

Employers would be required to distribute their written heat illness prevention plan to new employees when they are hired, during heat illness prevention training and at least annually thereafter.

What employers can do now

The Aug. 14 revisions are a discussion draft and are not yet final regulations. Additional changes may be made before Cal/OSHA begins the formal rulemaking process.

Still, employers may want to start evaluating how the proposal could affect their operations, particularly if they have outdoor workers but are not currently subject to the state's high-heat procedures.

Steps employers can take

- Identify jobs involving outdoor work and employees who could be exposed to temperatures of 95 degrees or higher.
- Review current heat illness prevention policies and written plans.
- Evaluate procedures for monitoring newly assigned and returning employees.
- Review training materials for language and literacy considerations.
- Assess how required high-heat cool-down breaks would be provided and documented.
- Prepare to update plan distribution and training procedures if the changes become final.



Underinsured Property

Have Your Policy Limits Kept Up with Rebuild Costs?

RAPIDLY RISING commercial building construction costs could leave your facility underinsured if you haven't increased your insurance policy's replacement cost limits lately.

Your policy has a maximum amount it will pay to rebuild your building, and that limit should reflect current construction costs. Otherwise, the policy may not cover the full cost of rebuilding after a total loss, such as a fire that destroys your facility. Whatever the insurance doesn't cover, you would have to pay out of pocket.

Construction costs

The danger of going underinsured has grown due to rising rebuilding costs. According to a report by Verisk, reconstruction costs in the U.S. increased by 5.2% from April 2025 to April 2026. Those rising costs come on the heels of massive material price increases of 40% from 2020 to 2023, when supply chains were snarled.

Some prices have come down a little, but most remain higher than before the pandemic.

With tariffs still in place on many construction goods, prices remain elevated for vital products such as steel, lumber, fixtures and roofing materials, most of which are imported.

Also, the construction industry faces a labor shortage, which has increased rebuilding

costs and project completion times. Longer waits for available workers can extend compensation periods and place a serious burden on businesses.

Replacement cost

One critical part of the claims settlement process is determining the cost to reconstruct a building using new materials and current labor rates. When reconstruction costs rise, so should your policy limits.

For example, a property owner bought insurance five years ago with a coverage cap of \$1.5 million.

With escalating material and labor expenses, the present reconstruction price has soared to \$1.8 million. Should a total loss occur, the insurance payout may fall \$300,000 short, forcing the owner to pay the rest out of pocket if they haven't increased their policy limits.



If you have any questions regarding any of these articles or have a coverage question, please contact your broker at:

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How to get ahead of the problem

Review your policy – Work with us to conduct an annual policy check to ensure that your limits reflect current reconstruction costs, averting monetary shortfalls.

Choose a replacement cost value policy – An actual cash value policy deducts depreciation, resulting in payouts that may not cover the actual construction cost. RCV policies may cost slightly more but cover rebuilding with new materials at prevailing market rates, lessening out-of-pocket expenses.

Expand your coverage – Ask us about expanded coverage options like:

- Extended replacement value coverage, which boosts your policy limits if reconstruction costs exceed them.
- Loss of use insurance, which helps pay for temporary relocation costs if the property becomes uninhabitable.
- Ordinance or law insurance, which covers expenses for complying with current building codes.