

September 6, 2023

Dear Legislator:

The undersigned associations strongly urge you to support a plan to increase insurance availability and reliability in California endorsed by the Insurance Commissioner.

We have previously communicated to you the critical need to have a functioning and competitive market for property insurance in California. Insurance is a requirement for financing residential and commercial property and is a condition precedent to financing and to growing a business. Insurance is also a must for those who want and need to protect what is usually the most valuable asset of a family or business.

The plan supported by the Insurance Commissioner encompasses the near universal recommendations of experts who testified before the five informational hearings held this session by the Insurance and Emergency Management committees relative to changes to the FAIR Plan and the State's insurance rate review process needed to restore a competitive and resilient marketplace for admitted insurance companies in this state. Residential and commercial property owners must have a functioning competitive market for insurance to have access to insurance rates that are fair and equitable to all.

The plan provides the Insurance Commissioner with the tools needed to restore a competitive insurance marketplace with appropriate oversight within the state's prior approval law. Without immediate action, California could well face a meltdown of the entire insurance industry in the event of a catastrophic wildfire causing major losses to the FAIR Plan. Such a meltdown could undermine the entire housing industry and the California economy. Without immediate implementation by the Insurance Commissioner, Californians will continue to face an insurance environment that is so restricted that the most expensive options, the FAIR Plan and non-admitted insurers, are the only available market for consumers.

For the above stated reasons, we urge your support of this critical legislation.

Thank you.



California Apartment Association



California Association of Community Managers



California Association of Winegrape Growers



California Association of Realtors



California Building Industry Association



California Credit Union League



California Farm Bureau



California Mortgage Bankers Association



Independent Insurance Agents and Brokers of California