
California
Farm Bureau


California
Association
of Winegrape
Growers


WINE
INSTITUTE


PIFC
Personal Insurance Federation
of California


AFRICAN-AMERICAN
FARMERS OF
CALIFORNIA


Agricultural Council
of California


California Rice


SONOMA COUNTY
FARM BUREAU


American Property Casualty
Insurance Association
INSURING AMERICA
apci.org


CALIFORNIA
Blueberry
COMMISSION


OLIVE GROWERS
COUNCIL
OF CALIFORNIA


California Blueberry
Association


NFL
NISEI FARMERS
LEAGUE


AMERICAN
PISTACHIO GROWERS


California
WALNUTS


C
C
G
G
A
California
Cotton
Ginners and
Growers
Association


CALIFORNIA
APPLE
COMMISSION


CALIFORNIA
FRESH FRUIT
ASSOCIATION


California
CITRUS
MUTUAL


GROWER-SHIPPER
ASSOCIATION
of Central California
Since 1930

June 17, 2021

The Honorable Tom Daly
Chair, Assembly Insurance Committee
Legislative Office Building
1020 N Street, Room 369
Sacramento, CA 95814

RE: SB 11 (Rubio) – Support

Dear Honorable Members of the California Legislature:

On behalf of the organizations above, we write to express our support for Senate Bill 11 (Rubio) which will provide a critical property insurance backstop for California's commercial farms and ranches.

Since 2017, California's wildfires have encroached upon agricultural lands with increasing regularity and intensity. California's commercial agricultural crops, livestock and infrastructure

have been destroyed, killed, or significantly damaged because of wildfire ash and smoke. While the agricultural losses, especially related to infrastructure, have been considerably smaller than wildfire losses for other residential and commercial properties, the aggregated loss of all property and greater wildfire risk is driving property insurance non-renewals across the industry. Farmers and ranchers in the Central Valley foothills, along the Central Coast, inland Southern California, and the state's wine grape growing regions of the Napa and Sonoma Valleys are now struggling to find basic property insurance coverage.

Unlike homeowners and many business property owners, California's commercial farms and ranches do not have access to basic property insurance provided by the California FAIR Plan. Under California Insurance Code §10091(c), FAIR Plan is explicitly prohibited from underwriting "farm risks," and thus currently leaves hundreds of the state's commercial farms and ranches uninsured. The unavailability of property insurance has resulted in another financial impact related to commercial agriculture, the availability of financial credit. Insurance is critically important for commercial agriculture and the industry's lines of financial credit require agricultural infrastructure to be insured. An uninsured farm or ranch cannot be collateralized, potentially leaving the farmer or rancher with no access to financial capital for their operation.

Senate Bill 11 (Rubio) corrects this problem by clarifying existing California insurance law to ensure that agricultural infrastructure and buildings are eligible for basic property insurance via the California FAIR Plan. Senate Bill 11 (Rubio) will stabilize the state's highly volatile commercial agriculture insurance market and provide a much needed "insurer of last resort." As amended, Senate Bill 11 (Rubio) specifically prohibits FAIR Plan from underwriting insurance for agricultural commodities or livestock, as these components are generally covered under existing crop or livestock insurance policies. This legislation is not intended to expand the availability of crop insurance, or provide additional coverage for farm vehicles utilized in production agriculture. This legislation reflects nearly one-year of negotiation with the insurance industry, agricultural stakeholders and the California Department of Insurance to find a solution that provides basic property insurance coverage for the state's farmers and ranchers who are now currently uninsurable.

For these reasons, we are pleased to support Senate Bill 11 (Rubio).

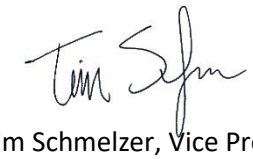
Respectfully,

ROBERT SPIEGEL
Governmental Affairs Advocate
California Farm Bureau Federation

Tricia Geringer, Vice President
Governmental Affairs
Agricultural Council of California

Michael Miiler, Director of Governmental Affairs
California Association of Winegrape Growers

Timothy A. Johnson, President/CEO
California Rice Commission



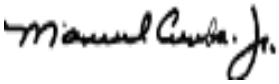
Tim Schmelzer, Vice President
Wine Institute



Will Scott, Jr., President
African American Farmers of California



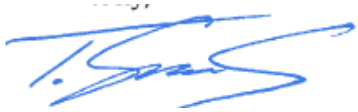
Hilary Graves, President
San Luis Obispo County Farm Bureau



Manuel Cunha, Jr., President
Nisei Farmers League



Seren Taylor, Senior Legislative Advocate
Personal Insurance Federation of California



Todd Sanders, Executive Director
California Apple Commission
California Blueberry Association
California Blueberry Commission
Olive Growers Council of California



Tawny Tesconi, Executive Director
Sonoma County Farm Bureau



Richard Matoian, President
American Pistachio Growers



Norm Groot, Executive Director
Monterey County Farm Bureau



Roger Isom, President/CEO
CA Cotton Ginners & Growers Assoc.
Western Agricultural Processors Assoc.



Christopher Valadez, President
Grower-Shipper Assoc. of Central California



Ian LeMay, President
California Fresh Fruit Association



Michelle M. Connelly, Executive Director/CEO
California Walnut Commission



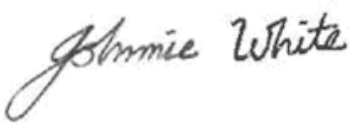
Casey Creamer, President
California Citrus Mutual



Renee Pinel, President/CEO
Western Plant Health Association



Jeremy Merz
Vice President, State Government Relations
American Property Casualty Insurance Association



Johnnie White, President
Napa County Farm Bureau



George Hollister, President
Mendocino County Farm Bureau



Colleen Cecil, Executive Director
Butte County Farm Bureau



Sheldon Bosio, President
Santa Barbara County Farm Bureau



Hannah Gbeh, Executive Director
San Diego County Farm Bureau