

August 12, 2024

TO: Members, California State Legislature

RE: SUPPORT – Streamlined Review of Pending Insurance Filings

On behalf of a broad coalition of, builders, housing advocates, family farmers, lenders, small business owners, fire safety leaders, insurance agents, consumers and others, **we urge the Legislature to support Commissioner Lara’s Sustainable Insurance Strategy, including his recent action to streamline the insurance rate review process**

We are confident that the Commissioner’s Sustainable Insurance Strategy will help remove the obstacles that led to this crisis, enable insurers to once again begin writing new policies for Californians and provide greater insurance availability for all consumers.

In addition to streamlining the ratemaking process, Commissioner Lara’s Sustainable Insurance Strategy includes important reforms to modernize California’s outdated insurance market and protect consumer access to coverage. These reforms include:

- Reforming the California FAIR Plan to expand commercial coverage and establish safeguards to prevent insolvency;
- Allowing the use of catastrophe models;
- Incorporating reinsurance costs into ratemaking; and
- Depopulating the FAIR Plan by requiring insurers to write 85% of their market share in wildfire distressed areas – prioritizing policyholders who have taken action to abide by “Safer from Wildfires” mitigation guidelines. **Importantly, insurers must adhere to the 85% commitment to utilize catastrophe models and reinsurance – incentivizing immediate relief for consumers.**

With nearly a year of work and progress underway by the Department of Insurance, **now is not the time to layer new mandates on an industry in crisis. Such mandates will only worsen the insurance crisis and further reduce the availability of insurance. Therefore, we urge the legislature to avoid any last-minute end-of-session legislation that would undermine implementation of the Sustainable Insurance Strategy and further jeopardize consumer access to insurance coverage.**

We look forward to working with the Legislature, Department of Insurance and the Governor’s administration to implement the Commissioner’s critical reforms.

Thank you,





California Bankers Association



California Mortgage

Bankers Association



**California Building Industry
Association**



**Independent Insurance
Agents and Brokers of California**



California
CREDIT UNION LEAGUE

**California Credit Union
Leagues**



**National Association of Insurance and Financial
Advisors**



Farm Bureau