July 21, 2020

Senator Susan Rubio
Chair, Senate Insurance Committee
State Capitol
Sacramento, CA 95814

RE: AB 2167 (Daly)—SUPPORT

Dear Chair Rubio,

The Community Alliance with Family Farmers has represented small and mid-scale family farmers in California for over 40 years, seeking to preserve family-scale agriculture and promote environmental sustainability. We write today in support of AB 2167 by Assemblymember Daly.

CAFF was very involved in relief efforts associated with the fires in Sonoma County and we have worked with farmers in the Sacramento Valley foothills who faced similar devastation. These farmers have told us that they and their neighbors are having a very difficult time securing insurance at reasonable prices, if it is available at all, apart from the FAIR plan. They have asked us to find a way to improve the local insurance markets.

AB 2167—the Insurance Market Action Plan—proposes to address these insurance market failures by encouraging insurance providers to present a statewide plan, including rates, to the insurance commissioner that includes coverage for properties in high risk areas. The plan must meet all existing requirements and standards, and the insurance commissioner can reject the plan if it fails in this regard. For this reason, we do not agree with the opposition to the bill from the consumer advocates. CAFF believes this approach should be tried to see what effect it has on the insurance market in these high-risk areas. This effort is likely to be a multi-year undertaking and require follow-up legislation.

As fire season heats up again, we believe the issue is urgent and requires action and therefore we support AB 2167.

Sincerely,

David Runsten
Policy Director

cc: Members, Senate Insurance Committee
Assemblymember Daly