

Date: July 2nd, 2019

To: The Honorable Bill Dodd, Chair
The Honorable Scott Wilk, Vice Chair
Members, Senate Governmental Organization Committee

From: Personal Insurance Federation of California
Pacific Association of Domestic Insurance Companies

Re: **AB 38 (Wood) Fire safety:** *Low-Cost Retrofits: Fire Hardened Homes Revolving Loan and Rebate Fund: Regional Capacity Review*

Position: Support

The Personal Insurance Federation of California (PIFC) is a statewide trade association that represents five of the nation's largest insurance companies (State Farm, Liberty Mutual Insurance, Progressive, Mercury, and Nationwide as well as associate member NAMIC) who write personal line auto and home insurance in California. Membership of the Pacific Association of Domestic Insurance Companies, is comprised of about a dozen property and casualty insurers domesticated in California.

Wildfire has been an integral part of California ecosystems for centuries. Now, however, nearly a third of homes in California are in wildland urban interface areas where houses intermingling with wildlands and fire is a natural phenomenon. Two of the most important factors in protecting homes from wildfire are selection of building materials and the maintenance of vegetation and other flammable materials in order to establish adequate defensible space.

Hardening or mitigation of homes is a valuable tool that can lessen damages resulting from wildfires and other natural catastrophic events while a defensible space area around a building, in which vegetation and other types of combustible fuels have been cleared, can help slow the spread of fire to and from the structure.

The 2017 and 2018 wildfires were the largest and most destructive in California's history. The insurance industry has been working diligently to help customers rebuild their homes, replace their personal property, and return to their lives. Further, PIFC and PADIC member companies are committed to supporting policies that help reduce the risks associated with devastating wildfires that have become part of California's "new normal".

Towards that end, **PIFC and PADIC are pleased to support AB 38 (Wood)**, which will require the National Resources Agency to review the regional capacity of each county that contains a very high fire hazard severity zone, in order to improve forest health, fire resilience, and safety. In addition, it will establish a state fund (*the Fire Hardened Homes Revolving Loan Fund*) to provide financial help for owners to retrofit buildings and homes to harden them against fire risk.

If you have any questions regarding our position, please contact Seren Taylor at (916) 442-6646.

cc: Assemblymember Jim Wood, Author
Felipe Lopez, Chief Consultant, Senate Governmental Organization Committee
Richard Paul, Consultant, Senate Republican Caucus
Melissa Immel, Deputy Legislative Secretary, Office of the Governor
Michael Martinez, Senior Deputy Commissioner and Legislative Director, California Department of Insurance



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