

## **FLOOR ALERT**

Date May 21<sup>st</sup>, 2019

**To:** Members, California State Assembly

**From:** Rex D. Frazier, President  
Seren Taylor, Senior Legislative Advocate

**Re:** AB 393 (Nazarian) Building Codes: Earthquake Safety: Functional Recovery Standard.

### **PIFC Position: Support**

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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.

PIFC is pleased to support AB 393, a measure that would require the California Building Standards Commission to assemble a working group that will focus on whether a "functional recovery standard," or a set of building codes that describe how the basic functions of a building can be maintained following a major seismic event, is warranted. If so, the group would advise the appropriate state agencies and assist in the preparation of the estimated cost of compliance.

As California is the one of the most seismically-active places in North America, it is imperative that a greater variety of structures are evaluated for their resiliency and ability to regain functionality after a major earthquake. A building that incurs less damage after an earthquake has a reduced risk of an electrical fire – a "fire-following" event – which has long been a concern of the insurance industry. It also would result in lower repair costs and reduced deductible expenses, making it easier for Californians to return to their lives after a disaster.

This measure seeks to reduce risk, improve resiliency, and provide the opportunity to implement changes that will make California better prepared for future earthquakes.

For these reasons, PIFC supports AB 393 (Nazarian). If you have any questions regarding PIFC's position, please contact Seren Taylor at (916) 442-6646.

cc: Assemblymember Adrin Nazarian, Author  
Suzanne Sutton, Consultant, Assembly Republican Caucus  
Ronda Paschal, Deputy Legislative Secretary, Office of the Governor  
Michael Martinez, Senior Deputy Commissioner and Legislative Director, California Department of Insurance



STATE FARM

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