

Date June 12<sup>th</sup>, 2019

**To:** The Honorable Susan Rubio, Chair  
The Honorable Brian Jones, Vice Chair  
Members, Senate Insurance Committee

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

**Re:** AB 548 (Rodriguez) Earthquake Brace and Bolt Program.

**PIFC 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.

PIFC is pleased to support AB 548, a measure that seeks to better prepare California for the next major earthquake.

California has taken great steps to prepare for the next major seismic event, including creating the California Earthquake Authority (CEA) to ensure homeowners can have access to earthquake insurance policies. The CEA and the Governor's Office of Emergency Services also created the California Residential Mitigation Program (CRMP) Brace and Bolt program to retrofit and strengthen residences to prevent loss of life and property.

The Brace and Bolt program has successfully improved homes across California for 8 years. However many of the most vulnerable, low income households still face barriers to the program; one of the barriers being having to bear the remaining cost of the retrofit after the grant is exhausted. AB 548 would increase access to the Brace and Bolt program by providing community outreach, annually appropriating 10 percent of program funds to provide supplemental grants, and establishing additional supplemental grants – all to low income households.

California is the one of the most seismically-active places in North America, and it is imperative to prepare our communities for the risk. Furthermore, 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 548 (Rodriguez). If you have any questions regarding PIFC's position, please contact Seren Taylor at (916) 442-6646.

cc: Assemblymember Freddie Rodriguez, Author  
Hugh Slayden, Principal Consultant, Senate Insurance Committee  
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Ronda Paschal, Deputy Legislative Secretary, Office of the Governor  
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