



Property Casualty Insurers
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PERSONAL INSURANCE FEDERATION
OF CALIFORNIA



DATE: April 10, 2018

TO: The Honorable Monique Limón

FROM: American Insurance Association
National Association of Mutual Insurers
Pacific Association of Domestic Insurers
Personal Insurance Federation of California
Property Casualty Insurers Association of America

RE: **AB 1923 (Limón): Consolidated debris removal.**
Trade Position: Oppose Unless Amended

The above listed associations (The “Trades”), whose members write most of the homeowner’s insurance in California, want to thank you and your staff for working with the insurance industry towards improving the existing debris removal process. Debris removal is the first step, and often one of the most difficult steps towards rebuilding communities impacted by natural disasters such as wildfire.

The trades are opposed to the bill in its current form and have suggested a series of amendments for your consideration. The amendments further the intent of the bill by addressing issues arising from previous wildfires and adopting some of the best practices from the recent North Bay Fire Storm. The amendments would do the following:

- Clarify that it is the policyholder who makes the decision whether to opt in to the program, not the insurer. The decision is rightfully the decision of the policyholder. In some cases, the insurance company may be able to appropriately remove the debris and commence construction earlier. This language allows for that option.
- Require the insurer to provide relevant information to the county (assignee) and provides for payment.
- Limit the right of the assignment of benefits to the county or other governmental entity conducting the debris clean-up. This prevents the abuses of the assignment of benefits we have seen in other states such as Florida.
- Require a detailing invoice from the county including a detailed itemization of charges. This ensures the policyholder is paying only for the clean up of their property. The policyholder’s policy should only be responsible for the amount **actually owed** not the policy limit which may be higher. This is consistent with the program in Napa and Sonoma counties.
- Require the county to submit invoices to the insurance company six months after the clean-up is completed. This seems like an adequate timeframe and allows for a timely resolution to the claim.
- Confirm that an insurer that fulfills its obligation to remit the proper amount has discharged its duty and has no further liability to any parties.

The trades support the efforts of the counties to consolidate and improve the debris removal process and look forward to working with the author and the counties towards this goal.

Should you have any questions, please contact Kara Cross, Personal Insurance Federation of California ([916-442-6646](tel:916-442-6646)/kcross@pifc.org); Mark Sektan, Property and Casualty Insurers Association of America ([916-449-1370](tel:916-449-1370)/mark.sektan@pciaa.net); Katherine Pettibone, American Insurance Association ([916-873-3677](tel:916-873-3677)/kpettibone@aiadc.org); Shari McHugh, Pacific Association of Domestic Insurance Companies ([916-930-1993](tel:916-930-1993)/smchugh@mchughgr.com); or Christian Rataj, National Association of Mutual Insurance Companies ([303-907-0587](tel:303-907-0587)/crataj@namic.org)

cc Honorable Members, Assembly Insurance Committee
 Paul Riches, Consultant, Assembly Insurance Committee
 Frank Prewoznik, Policy Consultant, Assembly Republican Caucus
 Ronda Paschal, Deputy Legislative Secretary, Governor's Office