

March 31, 2015



STATE FARM

FARMERS

LIBERTY MUTUAL
INSURANCE

PROGRESSIVE

ALLSTATE

MERCURY

NATIONWIDE

To: The Honorable Richard Roth, Chair
The Honorable Ted Gaines, Vice Chair
Members, Senate Insurance Committee

From: Rex D. Frazier, President
Michael A. Gunning, Vice President
Kara Cross, General Counsel
Manolo P. Platin, Legislative Advocate

Re: SB 602 (Monning): Seismic Safety: California Earthquake Authority

Senate Insurance Committee Hearing April 8, 2015

PIFC Position: Support

The Personal Insurance Federation of California, representing seven of the nation's largest insurance companies (State Farm, Farmers, Liberty Mutual Insurance, Progressive, Allstate, Mercury and Nationwide) who collectively write a majority of the personal line auto and home insurance in California, **supports SB 602, Seismic Safety: California Earthquake Authority, by Senator Bill Monning.**

SB 602 (Monning) would create an option for Californians to finance specific mitigation activities that have been proven to strengthen structural resiliency to earthquakes. The California Earthquake Authority's "Brace+Bolt" pilot program has been successful and this bill could help even more homeowners mitigate their homes.

This bill is timely, as the United States Geological Survey (USGS) recently announced that the risk of an 8.0 or greater earthquake in California, in the next 30 years, has increased due to greater understanding of faults and models predicting so-called mega-quakes. (Rong-Gong Linn II, Rosanna Xia. "Risk of 8.0 earthquake in California rises, USGS says", *Los Angeles Times* March 10, 2015 Print)

PIFC and its member companies have a long standing record of supporting sound safety measures that serve to reduce injuries and physical damage resulting from earthquakes and believe that SB 602 is a good measure that will offer Californians a way to protect their homes from seismic threats.

PIFC supports SB 602: California Earthquake Authority, by Senator Monning and urges your "aye" vote. If you have any questions regarding PIFC's position, please contact Manolo Platin at (916) 442-6646.

cc: Senator Bill Monning, Author
Erin Ryan, Principal Consultant, Senate Insurance Committee
Tim Conaghan, Consultant, Senate Republican Caucus
Camille Wagner, Secretary of Legislative Affairs, Office of the Governor
Robert Herrell, Legislative Director, California Department of Insurance