



Members:

STATE FARM

LIBERTY MUTUAL

PROGRESSIVE

MERCURY

NATIONWIDE

FARMERS

Associate Members:

NAMIC

CHUBB

Date: February 21st, 2020

To: The Honorable Mike McGuire, Chair
The Honorable John M. W. Moorlach, Vice Chair
Members, Senate Governance and Finance Committee

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

Re: SB 944 (McGuire) Personal Income Taxes: Fire Safe Home Tax Credits Act

PIFC Position: Support

The Personal Insurance Federation of California (PIFC) is a statewide trade association that represents six of the nation's largest property and casualty insurance companies (State Farm, Liberty Mutual Insurance, Progressive, Mercury, Nationwide and Farmers as well as associate members NAMIC and Chubb) who collectively write a majority of personal lines auto and home insurance in California.

PIFC is pleased to support SB 944, which establishes a tax credit for homeowners who perform home hardening and vegetation management measures around their properties. This is a positive step to protect our communities and our natural resources from devastating wildfires.

As stated in the final report of the (SB 901) Commission on Catastrophic Wildfire Cost and Recovery: "*Insurance price and availability is based on underlying risk. California should act to reduce the underlying risk of wildfire to the extent feasible.*" Towards that end, PIFC has long supported legislation to encourage proactive pre-hazard mitigation and projects that reduce the risk of wildfire spreading into populated areas from wildlands.

The 2017 and 2018 wildfires were the largest and most destructive in California's history. The \$26 billion of wildfire related losses experienced in 2017-18 drove California homeowners' insurance loss ratios to the highest levels in the nation. Since then, the insurance industry has been working diligently to help customers rebuild their homes, replace their personal property, and restore their lives.

SB 944 will not only incentivize homeowners to take steps to reduce the risk of wildfires around their homes, but will also help homeowners who would not have otherwise been able to afford it.

For this reason, PIFC supports SB 944. If you have any questions regarding PIFC's position, please contact Seren Taylor at (916) 442-6646.

cc: Ryan Eisberg, Consultant, Senate Republican Caucus
Ronda Paschal, Deputy Legislative Secretary, Office of the Governor
Melissa Gear, Chief Deputy Legislative Director, California Department of Insurance