



CALIFORNIA
ASSOCIATION
of WINEGRAPE
GROWERS



PERSONAL INSURANCE FEDERATION
OF CALIFORNIA

AFRICAN-AMERICAN



**FARMERS OF
CALIFORNIA**



**Agricultural Council
of California**



California Rice



WESTERN AGRICULTURAL PROCESSORS
ASSOCIATION



March 18, 2021

The Honorable Susan Rubio
Chair, Senate Insurance Committee
State Capitol, Room 2195
Sacramento, CA 95814

RE: SB 11 (Rubio) – Support

Dear Honorable Members of the California Legislature:

On behalf of the organizations above, we write to express our support for Senate Bill 11 (Rubio) which will provide a critical property insurance backstop for California's commercial farms and ranches.

Since 2017, California's wildfires have encroached upon agricultural lands with increasing regularity and intensity. California's commercial agricultural crops, livestock and infrastructure have been destroyed, killed, or significantly damaged because of wildfire ash and smoke. While the agricultural losses, especially related to infrastructure, have been considerably smaller than wildfire losses for other residential and commercial properties, the aggregated loss of all property and greater wildfire risk is driving property insurance non-renewals across the industry. Farmers and ranchers in the Central Valley foothills, along the Central Coast, inland Southern California, and the state's wine grape growing regions of the Napa and Sonoma Valleys are now struggling to find basic property insurance coverage.

Unlike homeowners and many business property owners, California's commercial farms and ranches do not have access to basic property insurance provided by the California FAIR Plan. Under California Insurance Code §10091(c), FAIR Plan is explicitly prohibited from underwriting "farm risks," and thus currently leaves hundreds of the state's commercial farms and ranches uninsured. The unavailability of property insurance has resulted in another financial impact related to commercial agriculture, the availability of financial credit. Insurance is critically important for commercial agriculture and the industry's lines of financial credit require agricultural infrastructure to be insured. An uninsured farm or ranch cannot be collateralized, potentially leaving the farmer or rancher with no access to financial capital for their operation.

Senate Bill 11 (Rubio) corrects this problem by clarifying existing California insurance law to ensure that permanent structures used primarily for the production of commercial agricultural commodities or livestock are eligible for basic property insurance via the California FAIR Plan. Senate Bill 11 (Rubio) will stabilize California's commercial agriculture highly volatile insurance market and provide a much needed "insurer of last resort." This legislation is not a vehicle to expand the availability of crop insurance, nor is it intended to be a long-term solution to the broader insurance availability issue facing California properties with the greatest wildfire risk.

For these reasons, we are pleased to support Senate Bill 11 (Rubio).

Respectfully,



ROBERT SPIEGEL
Governmental Affairs Advocate
California Farm Bureau Federation



Tricia Geringer, Vice President
Governmental Affairs
Agricultural Council of California



Michael Miiller, Director of Governmental Affairs
California Association of Winegrape Growers



Tim Schmelzer, Vice President
Wine Institute



Hilary Graves, President
San Luis Obispo County Farm Bureau



Seren Taylor, Senior Legislative Advocate
Personal Insurance Federation of California



Tawny Tesconi, Executive Director
Sonoma County Farm Bureau



Norm Groot, Executive Director
Monterey County Farm Bureau



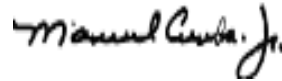
Christopher Valadez, President
Grower-Shipper Assoc. of Central California



Timothy A. Johnson, President/CEO
California Rice Commission



Will Scott, Jr., President
African American Farmers of California



Manuel Cunha, Jr., President
Nisei Farmers League



Todd Sanders, Executive Director
California Apple Commission
California Blueberry Association
California Blueberry Commission
Olive Growers Council of California



Richard Matoian, President
American Pistachio Growers



Roger Isom, President/CEO
CA Cotton Ginners & Growers Assoc.
Western Agricultural Processors Assoc.

A stylized, cursive signature in blue ink, appearing to read 'Ian LeMay'.

Ian LeMay, President
California Fresh Fruit Association

A stylized, cursive signature in blue ink, appearing to read 'Casey Creamer'.

Casey Creamer, President
California Citrus Mutual

A stylized, cursive signature in blue ink, appearing to read 'Michelle M. Connelly'.

Michelle M. Connelly, Executive Director/CEO
California Walnut Commission

A stylized, cursive signature in blue ink, appearing to read 'Renee Pinel'.

Renee Pinel, President/CEO
Western Plant Health Association