



Date: May 13, 2021

To: The Honorable Lorena Gonzalez, Chair
The Honorable Frank Bigelow, Vice Chair
Members, Assembly Appropriations Committee

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

Members:

STATE FARM

LIBERTY MUTUAL

PROGRESSIVE

MERCURY

NATIONWIDE

FARMERS

ALLSTATE

Associate Members:

NAMIC

CHUBB

CONNECT
by American Family

Re: AB 1500 (Garcia, Eduardo) Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2022, as amended May 11, 2021.

PIFC Position: Support

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

PIFC is pleased to support AB 1500, the Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2022, which authorizes the sale of \$7.080 billion in general obligation bonds. Of this amount, \$1.1 billion would be dedicated to wildfire prevention and community resilience from climate impacts. This funding is a concrete investment in necessary measures to protect vulnerable 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.

AB 1500 will improve forest health and fire resiliency and provide resources to local communities to reduce the impacts of wildfires on Californians by investing in proactive fire reduction projects. For this reason, PIFC supports AB 1500. If you have any questions regarding PIFC's position, please contact Seren Taylor at (916) 442-6646.

cc: Assemblymember Eduardo Garcia, Author
Joe Shinstock, Consultant, Assembly Republican Caucus

Hazel Miranda, Deputy Legislative Secretary, Office of the Governor
Michael Martinez, Senior Deputy Commissioner and Legislative Director, California Department of Insurance