



CALIFORNIA
ASSOCIATION
of WINEGRAPE
GROWERS



PERSONAL INSURANCE FEDERATION
OF CALIFORNIA

AFRICAN-AMERICAN



**FARMERS OF
CALIFORNIA**



**Agricultural Council
of California**



California Rice





June 17, 2021

The Honorable Tom Daly
Chair, Assembly Insurance Committee
Legislative Office Building
1020 N Street, Room 369
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 agricultural infrastructure and buildings are eligible for basic property insurance via the California FAIR Plan. Senate Bill 11 (Rubio) will stabilize the state's highly volatile commercial agriculture insurance market and provide a much needed "insurer of last resort." As amended, Senate Bill 11 (Rubio) specifically prohibits FAIR Plan from underwriting insurance for agricultural commodities or livestock, as these components are generally covered under existing crop or livestock insurance policies. This legislation is not intended to expand the availability of crop insurance, or provide additional coverage for farm vehicles utilized in production agriculture. This legislation reflects nearly one-year of negotiation with the insurance industry, agricultural stakeholders and the California Department of Insurance to find a solution that provides basic property insurance coverage for the state's farmers and ranchers who are now currently uninsurable.

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

Respectfully,



ROBERT SPIEGEL
Governmental Affairs Advocate
California Farm Bureau Federation



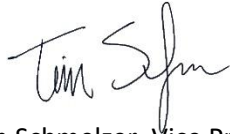
Tricia Geringer, Vice President
Governmental Affairs
Agricultural Council of California



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



Timothy A. Johnson, President/CEO
California Rice Commission



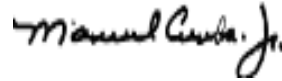
Tim Schmelzer, Vice President
Wine Institute



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



Hilary Graves, President
San Luis Obispo County Farm Bureau



Manuel Cunha, Jr., President
Nisei Farmers League



Seren Taylor, Senior Legislative Advocate
Personal Insurance Federation of California



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




Tawny Tesconi, Executive Director
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Roger Isom, President/CEO
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Santa Barbara County Farm Bureau



Hannah Gbeh, Executive Director
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