

April 21, 2025

The Honorable Lisa Calderon, Chair
The Honorable Greg Wallis, Vice Chair
Members, Assembly Insurance Committee

Re: AB 888 (Calderon) California Safe Homes grant program. (I-2/19/2025)

Position: Support

The American Property Casualty Insurance Association (APCIA), the National Association of Mutual Insurance Companies (NAMIC), the Pacific Association of Domestic Insurers (PADIC), and the Personal Insurance Federation of California (PIFC), collectively known as the “trades” whose members write the vast majority of property and casualty insurance policies in the state of California, thank you for the opportunity to express our support regarding **AB 888**.

The trades are pleased to support AB 888, a measure that would create the California Safe Homes Act. The Act would establish a program within California Department of Insurance (CDI) to support qualifying residents in obtaining new or replacement fire-safe roofs, clearing the first five feet around their home, and building resilient communities. Applicants could receive funding to cover all or part of the costs.

Insurance companies approved by CDI to transact insurance business in California are called admitted insurers and are all subject to tax on gross premiums.

AB 888 would establish the Sustainable Insurance Account within the Insurance Fund, which would be continuously appropriated to fund the program. The bill would require 40% of the amount of the gross premiums tax collected from property and casualty insurance above the amount collected from those insurers in 2023 to be deposited into the account. Essentially, it uses the growth in the state’s gross premium tax revenue to fund specific high-impact home hardening efforts.

Wildfire science regarding defensible space is clear: removing combustible material— anything that can burn—from the five-foot area surrounding a home (often referred to as “Zone 0”) is among the most important mitigation actions a homeowner can take. It reduces the risk that wind-blown embers will ignite the home via burnable material like fences that connect to structures, vegetation, or trash cans, and it breaks connective fuel pathways that allow wildfire to spread from home to home during conflagrations.

The trades have long supported establishing a Zone 0 regulation for California. This bill would benefit that effort by providing funding for homeowners to comply with the new regulations being developed by the California Board of Forestry pursuant to AB 3074 (2000).

Further, there are currently few programs in California that help cover the cost of replacing a fire-resistant roof. Existing options such as the California Wildfire Mitigation Program, the San Rafael Fire Department's Wildfire Grant Program, and USDA Rural Development Grants have strict eligibility requirements, limited funding, and distribute resources across a range of wildfire mitigation efforts. None of these programs specifically target new or replacement roofing, despite it being one of the most expensive yet effective ways to protect homes from wildfire.

By focusing on high-impact actions like roof replacement and clearing the first five feet around a home, the California Safe Homes ACT can help reduce the risk of loss for properties in California. Because risk mitigation benefits not only the homeowner replacing their roof but also contributes to the safety of the community as a whole, the grant program will benefit consumers that do not directly receive the grant funds. The collective efforts to replace more risky roofs with less risky roofs and increase Zone 0 compliance will have an aggregate benefit by bringing down the risk to entire communities.

For these reasons, **the trades support AB 888 and respectfully ask for your aye vote.**

Sincerely,

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Cc:

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Brady Borcharding, Deputy Legislative Secretary, Office of the Governor
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