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Date: September 23, 2025

To: The Honorable Gavin Newsom
Governor of the State of California
State Capitol, First Floor
Sacramento, CA 95814

Attn: Christine Aurre, Legislative Affairs Secretary

Re: Request for Signature on SB 326 (Becker)

Dear Governor Newsom,

The Personal Insurance Federation of California (PIFC) is a statewide trade association that represents thirteen of the nation's largest property and casualty insurance companies. These companies include State Farm, Farmers, Liberty Mutual Insurance, Progressive, Mercury, Nationwide, Allstate, CONNECT by American Family Insurance, Kemper, CSAA Insurance Group, Interinsurance Exchange of the Automobile Club (Automobile Club of Southern California), GEICO, USAA and associate members NAMIC and CHUBB, who collectively write the majority of personal lines auto and home insurance in California, **respectfully requests your signature on SB 326 (Becker).**

Climate change along with population shift toward the wildland-urban interface (WUI) areas have contributed to an increase in the impacts of wildfires and other weather-related disasters. The 2017 and 2018 wildfires were the largest and most destructive in California's history up to that point. The \$26 billion wildfire related losses experienced in 2017-18 drove California homeowners' insurance loss ratios to the highest levels in the nation. The 2025 wildfires in Los Angeles are currently anticipated to result in total property and capital losses between \$76 billion and \$131 billion, with insured losses estimated up to \$45 billion.

SB 326 would require the Office of the State Fire Marshal (OSFM) to prepare, and regularly update, a Wildfire Risk Mitigation Planning Framework (Framework), a Wildfire Risk Baseline and Forecast (Forecast), and a Wildfire Mitigation Scenarios Report (Report). SB 326 would create a planning structure to evaluate and guide the state's effort to reduce the impacts of wildfire and increase the coordination of wildfire reduction efforts.

SB 326 equips California with:

- A robust framework to compare multiple risk-reduction strategies by cost-effectiveness,
- A clear baseline and forecast to track wildfire risk over time,
- Annual accountability on the outcomes of mitigation investments,
- Support for tighter building standards and defensible space grants to reduce ignition and spread.
- Expands the CAL FIRE's local assistance grant program to include activities consistent with early zone zero implementation.

By creating a planning structure to maximize the effectiveness of California's work to reduce the impacts of wildfire, SB 326 will address a critical missing piece of California's wildfire mitigation strategy. This is meaningful for the insurance sector because fewer, smaller, and less severe wildfires reduce catastrophic losses, improve underwriting discipline, and ensure greater market stability.

In 2023, Insurance Commissioner Lara introduced his Sustainable Insurance Strategy (SIS), which is a comprehensive plan to stabilize and modernize the state's insurance market in the face of growing wildfire and climate-related risks. The strategy aims to ensure that insurance remains available, affordable, and aligned with risk reduction efforts.

SB 326 and Commissioner Lara's SIS are highly complementary because they work in tandem: one reduces wildfire *risk*, and the other helps the *insurance market* respond to that reduced risk with better availability and reliability of coverage.

For this reason, **PIFC supports SB 326 and respectfully requests your signature.** If you have any questions regarding PIFC's position, please contact Seren Taylor at (916) 346-9427 or staylor@pifc.org.

Sincerely,

A handwritten signature in dark ink, appearing to read "Seren Taylor", with a stylized flourish at the end.

Seren Taylor
Vice President
Personal Insurance Federation of California

Cc:

Senator Josh Becker, Author
Josephine Figueroa, Deputy Commissioner and Legislative Director, California Department of Insurance