

January 23, 2020

Senator Bill Dodd
Attn: Heather Hopkins, Policy Analyst
State Capitol, Room 4032
Sacramento, CA 95814

Our Mission

*United Policyholders
is a non-profit 501(c)(3)
organization whose mission
is to be a trustworthy and
useful information resource
and an effective voice for
consumers of all types of
insurance in all 50 states.*

Re: Two Legislative Proposals

Dear Senator Dodd,

Thank you for introducing SB872 and for your and your staff's ongoing commitment to helping your constituents overcome insurance obstacles to wildfire recovery and resilience.

We write with three additional legislative concepts for your consideration. We've run them by the staff of the Senate and Assembly Insurance Committees and both were well received.

1) The Wildfire Risk Reduction and Reward Act

A bill to establish a statewide program with the following components:

- **A prescribed series of home improvements that have been deemed effective in fire risk reduction**
- **A designated inspection agency and certification provider**
- **Technical support to homeowners that can't make the improvements themselves**
- **Financial support for homeowners that can't afford to make the improvements.**
- **A requirement/mandate/law that insurers accept certified completion of the home improvements as evidence of insurability and/or eligibility for a preferred rate**
- **Increased CDI authority over risk classifications and scoring models**

This bill will help advance one of our non profit organization's priority goals: Making it easier for Californians to make their homes less likely to be damaged or destroyed in a natural disaster and to be able to maintain adequate insurance at an affordable price.

Rationale: Admitted insurers with CIGA insolvency protection are sharply

curtailing the number of homes they're willing to insure in WUI, suburban and brush regions of the state. As a result, property owners are having to turn to non-admitted insurers and pay double triple and more to protect their assets. In the interest of engaging property owners in helping reduce wildfire risk and preserving the affordability and availability of residential insurance, a legislatively mandated program is imperative.

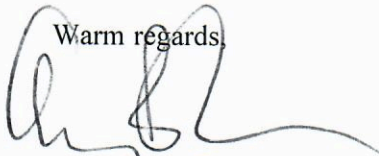
2) The Property Insurance Limits Disclosure Act

A bill to require that all monetary limits in a residential or business property insurance policy be set forth plainly on the policy Declarations page.

Rationale: The "Declarations Page" of a residential property insurance policy states the maximum dollar amounts of the benefits the policy provides, as well as the name(s) of the insured, additional named insureds, and the location of the insured property. However, most policies now also contain "sub-limits" and formulae within the language of the contract. Examples are **Debris Removal, Art, Collections, Guns, Valuable Papers, Computer Equipment, Building Code and Ordinance Compliance, Trees, Landscapes and Shrubs**. These sub-limits often are hidden in the policy and don't appear on the Declarations page. A simple requirement that they be listed on the Dec page will reduce consumer frustration and disappointment in the event of a loss, and help consumers adjust their insurance to fully cover their assets.

Our organization stands ready and willing to assist in moving these concepts through the legislative process and seek out other supporters to do the same.

Warm regards,



Amy Bach, Esq.
Executive Director