



917 Irving Street, Suite 4  
San Francisco, Ca 94122  
415.393.9990  
www.uphelp.org

## 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.

## Our Programs

Advocacy and Action  
Roadmap to Preparedness  
Roadmap to Recovery™

The Honorable Tom Daly  
Chair, Assembly Insurance Committee  
State Capitol, Room 369  
Sacramento, CA 95814

### RE: Senate Bill 11 (Rubio), as Amended June 14, 2021 — SUPPORT

Dear Assemblymember Daly,

United Policyholders writes in strong support of Senator Susan Rubio's Senate Bill 11, a bill that is supported by a diverse coalition of agricultural producers and the Personal Insurance Federation of California.

By amending a statute governing the California FAIR Plan Association ("CFP"), this bill will help farmers, vintners and ranchers keep their real property assets insured and protected in an era where some are having trouble finding that insurance in the private market. With this clarification, the FAIR Plan will be clearly authorized to insure farm buildings such as barns, farmhouses and silos. The bill does not require or allow CFP to insure crops or livestock.

California farmers are an essential part of the state's economy and support many other industries. In 2019, California's farms and ranches received more than \$50 billion in cash receipts for their output and agricultural exports totaled \$21.7 billion.<sup>1</sup> California farm and closely related processing industries employ 7.3 percent of the state's private sector labor force and account for 5.6 percent of the state labor income.<sup>2</sup> With climate change perpetuating drought, an increasing number of agricultural producers have had a hard time finding private insurers willing to insure their real property assets.<sup>3</sup>

Under existing law, the CFP's definition of "basic property insurance" blanketly excludes automobile and farm risks. This blanket exclusion of farm risks has meant that farmers, ranchers and vintners have been unable to turn to the state's last resort plan to insure their real property and the contents of their homes.

Because of the substantial direct and indirect effect agricultural producers have on our state's gross domestic product, it is in their best interest and also the State of California's best interest to keep this industry secure and thriving.

<sup>1</sup> California Department of Food and Agriculture. (n.d.). *California Agricultural Production Statistics*. CDFA. <https://www.cdfa.ca.gov/Statistics/>.

<sup>2</sup> *The Measure of California Agriculture*. UC Davis. (n.d.). [https://aic.ucdavis.edu/publications/moca/moca\\_current/moca09/moca09chapter5.pdf](https://aic.ucdavis.edu/publications/moca/moca_current/moca09/moca09chapter5.pdf).

<sup>3</sup> Pierre-louis, K., & Schwartz, J. (2020, August 21). *Why Does California Have So Many Wildfires?* The New York Times. <https://www.nytimes.com/article/why-does-california-have-wildfires.html>.

About United Policyholders: United Policyholders (UP) is a national non-profit 501(c)(3) organization founded in 1991 that is a voice and an information resource for insurance consumers in California and throughout the U.S. UP's work is divided into three program areas: Roadmap to Recovery™ (disaster recovery and claim help), Roadmap to Preparedness (financial literacy and disaster resiliency), and Advocacy and Action (advancing pro-policyholder laws and public policy). [www.uphelp.org](http://www.uphelp.org)

United Policyholders does not sell insurance or accept funding from insurance companies. UP serves California residents and business owners, and coordinates on a regular basis with public officials and the Department of Insurance.

Sincerely,

A handwritten signature in black ink that reads "Amy Bach". The signature is written in a cursive, flowing style.

Amy Bach, Esq. Executive Director

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