



Roadmap to Recovery®
Advocacy and Action
Roadmap to Preparedness

June 10, 2024

The Honorable Susan Rubio
Chair, California Senate Insurance Committee
1021 O Street, Suite 7110
Sacramento, CA 95814-4900

The Honorable Roger Niello
Vice-Chair, California Senate Insurance Committee
1021 O Street, Suite 7110
Sacramento, CA 95814-4900

Sent via Email: SINS.Committee@sen.ca.gov

Re: SUPPORT SB 1060 – Property Insurance Underwriting: Risk Models

Dear Senators' Rubio and Niello:

On behalf of United Policyholders,¹ I write to express support for SB 1060 – Property Insurance Underwriting: Risk Models, co-sponsored by Senators' Becker and Dodd, but ask that it be further amended to restore language *requiring* models to factor in the full spectrum of risk reduction activities that firefighting agencies, individuals and communities are implementing.

Thanks to the pioneering work of the Safer from Wildfires agency partners, the Institute for Home and Business Safety, and United Policyholders' Wildfire Risk Reduction and Asset Protection working group and all the firefighting agencies, Fire Safe Councils and community-based stakeholders, we are seeing a steady increase in wildfire risk reduction in California.

One of the biggest obstacles to widespread home hardening and increasing defensible space around structures is that the risk scoring systems that insurance

¹ United Policyholders (“UP”) is a non-profit organization that has been informing, helping, and speaking for insurance consumers across the United States since 1991. UP is funded by donations, grants and volunteer labor. Through our Roadmap to Preparedness and Roadmap to Recovery programs, UP helps Americans reduce risk, insure their assets, and successfully navigate a loss recovery.

companies are using to select, reject and price risks are factoring in only very limited risk reduction criteria. Many property owners see it as a waste of time and money to make home improvements they won't be rewarded for with a discount and renewal. "Why spend the money if I'm still going to be dropped anyway..." is a common refrain. One example of an underwriting model that isn't taking all measures into account is the Fire Line system that only considers slope, fuels and access. We need underwriting models to take the full spectrum of factors into consideration to ensure that risk reduction is being fully incentivized and rewarded.

We propose restoring "shall" to Section 3001:

"If a property insurer uses risk models for underwriting purposes, those models ~~may~~ **shall** account for wildfire risk reduction associated with hazardous fuel reduction, home hardening, defensible space, and fire prevention activities for properties, communities, and landscapes."

For the above reasons, United Policyholders supports SB 1060 with the requested amendment.

Sincerely,



Amy Bach
Executive Director

cc: jill.rice@sen.ca.gov and kaitlyn.preston@sen.ca.gov