



January 26, 2024

The Honorable Adam Schiff
Member, U.S. House of Representatives
2309 Rayburn House Office Building
Washington, DC 20515

RE: H.R. 6944 - INCORPORATING NATIONAL SUPPORT FOR UNPRECEDENTED RISKS AND EMERGENCIES (INSURE ACT) — SUPPORT

Dear Congress Member Schiff,

On behalf of the Rural County Representatives of California (RCRC), we thank you for introducing the Incorporating National Support for Unprecedented Risks and Emergencies (INSURE) Act (H.R. 6944) and offer our support for the legislation. We believe this legislation will positively impact the availability and affordability of property insurance in California, particularly in high wildfire risk areas where insurers are currently withdrawing from the market. RCRC is an association of forty rural California counties and the RCRC Board of Directors is comprised of elected supervisors from each of those member counties.

Recent reports show that property catastrophe reinsurance rates rose as much as 50 percent on January 1, 2024, due to nationwide losses from natural disasters such as wildfires, hurricanes and storms.¹ California insurance customers have already seen a preponderance of policy non-renewals over the past decade due to increased occurrences of catastrophic wildfires across the state, reclassifying more of California's residents as living in high fire hazard zones. The state's Fair Access to Insurance Requirements (FAIR) Plan is oversubscribed due to property owners' widespread inability to find coverage in the admitted market to the point where a single large wildfire event could crater the entire insurance structure in the state and reinsurance costs remain a key issue for the insurance industry.

¹ (2024, January 2). *U.S. Property reinsurance rates rise by up to 50% on Jan 1-broker says*. Reuters. Retrieved January 24, 2024, from <https://www.reuters.com/markets/us/us-property-reinsurance-rates-rise-by-up-50-jan-1-broker-says-2024-01-02/>

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The INSURE Act has the potential to aid property owners by creating a catastrophic property loss reinsurance program, thereby alleviating the cost and availability issues currently challenging insurers nationwide. The INSURE Act will also benefit homeowners by creating a grant program to promote loss prevention investments, which is particularly useful in rural California communities with large populations of socio-economically disadvantaged residents. While home hardening measures for wildfire mitigation are crucial to decreasing loss potential for insurers, they can often be costly and necessitate investment for certain sectors of the population.

RCRC believes that this legislation has the potential to help solve a major issue related to insurance affordability and availability for residents in loss-prone areas. We look forward to working with you to ensure its passage into law.

For the above reasons, RCRC is pleased to support the INSURE Act. Please do not hesitate to contact me at sheaton@rcrcnet.org with any questions.

Sincerely,



STACI HEATON
Senior Policy Advocate

cc: Katie Wheeler Mathews, California Governor's Office, Washington D.C.
Ricardo Lara, Insurance Commissioner, State of California