May 5, 2020

The Honorable Jim Wood  
Member, California State Assembly  
State Capitol, Room 6005  
Sacramento, CA 95814

RE: Assembly Bill 3012 – SUPPORT  
As Amended May 4, 2020

Dear Assembly Member Wood:

On behalf of the Rural County Representatives of California (RCRC), I am writing to express our support for your recently-amended Assembly Bill 3012, which would place specific requirements on insurers on claims reimbursements in the wake of a loss related to a state of emergency, as well as aid nonrenewed homeowners in finding insurance coverage. RCRC is an association of thirty-seven rural California counties, and the RCRC Board of Directors is comprised of elected supervisors from those member counties.

California has encountered unprecedented wildfire activity over the past decade, culminating in the most destructive wildfires the State has endured over the past two years. RCRC member counties, which contain more than 70 percent of the State’s forested lands, have suffered the vast majority of these fires. RCRC also contains eight of the ten high hazard tree mortality counties, and in recent years residents in our member counties have experienced a sharp uptick in sudden homeowners insurance nonrenewals, resulting in difficulties finding affordable and sustainable coverage outside of the California FAIR Plan.

While the state’s insurance issues in high-fire hazard severity areas are complex and will take a collaborative effort between residents, insurers, and local governments to resolve, we believe AB 3012 will bring much-needed aid to homeowners that have either suffered total losses due to wildfires or other natural disasters, or have been nonrenewed due to their location in a high-fire risk area. By requiring insurers to provide payment of no less than 30 percent of the policy limit without an itemed claim and allowing policyholders to recover an equivalent amount for their claim even if they choose to rebuild elsewhere, without deducting for the value of the land at the new location, displaced
homeowners can begin to put their lives back together much more quickly after the devastation a wildfire such as the Camp Fire in Butte County can cause.

Furthermore, for those homeowners facing nonrenewals in high-fire risk areas, the ability to find new coverage is of paramount importance in the event that a catastrophic fire occurs in their area. RCRC supports educating nonrenewed homeowners about the California Insurance Finder, which can aid in finding new coverage, and the development of a clearinghouse program through the FAIR Plan to help those homeowners that have had to resort to using FAIR Plan coverage find more affordable, whole-home policies.

For the above reasons, RCRC supports your AB 3012. Please do not hesitate to contact me at sheaton@rcrcnet.org or (916) 447-4806 if you have any questions.

Sincerely,

[Signature]

STACI HEATON
Senior Regulatory Affairs Advocate

cc: The Honorable Tom Daly, Chair, Assembly Insurance Committee
Members of the Assembly Insurance Committee
Consultant, Assembly Insurance Committee
Bill Lewis, Consultant, Assembly Republican Caucus
Members of the RCRC Homeowners Insurance Ad Hoc Committee