



COMMUNITY ALLIANCE
WITH FAMILY FARMERS

July 21, 2020

Senator Susan Rubio
Chair, Senate Insurance Committee
State Capitol
Sacramento, CA 95814

RE: AB 3012 (Wood and Daly)—SUPPORT

Dear Chair Rubio,

The Community Alliance with Family Farmers (CAFF) has represented small and mid-scale family farmers in California for over 40 years, seeking to preserve family-scale agriculture and promote environmental sustainability. We write today in support of AB 3012 by Assemblymembers Wood and Daly.

CAFF was very involved in relief efforts associated with the fires in Sonoma County and we have worked with farmers in the Sacramento Valley foothills who have encountered difficulties receiving compensation after fires and now face limited options in the insurance market. They have asked us to try to address the insurance market failures in their areas.

AB 3012 seeks to address some of the problems that arose for homeowners as a result of those fires. It changes insurance policy rules to allow property owners who have lost their homes to wildfire to be fully compensated for replacement value, even if they choose to build somewhere other than the affected homesite. This change allows homeowners to make a decision that benefits them and also advances the state's interest in reducing building in high-fire areas. The bill also reduces a currently onerous record-keeping requirement for the value of home contents, to ensure that policyholders are fairly compensated when disastrous wildfires burn their houses and all the contents. Finally, it creates a clearinghouse of FAIR plan holders and applicants in the belief that insurers who do not currently have agents in the areas will be willing to write insurance policies for these people if they have the information. This has apparently worked in other states. Since the FAIR plan policies are both limited and expensive, we hope this will improve the insurance market in these high-risk areas.

As fire season heats up again, we believe the issue is urgent and requires action and therefore we support AB 3012.

Sincerely,

David Runsten
Policy Director

cc: Members, Senate Insurance Committee
Assemblymember Jim Wood
Assemblymember Tom Daly