

COUNTY OF NEVADA  
STATE OF CALIFORNIA  
BOARD OF SUPERVISORS



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Julie Patterson Hunter,  
Clerk of the Board

October 25, 2022

Honorable Governor Gavin Newsom  
State Capitol Building, 1<sup>st</sup> Floor  
Sacramento, CA 95814

Honorable Insurance Commissioner Ricardo Lara  
300 Capitol Mall, 17<sup>th</sup> Floor  
Sacramento, CA 95814

Honorable Senator Brian Dahle  
1021 O Street, Room 7230  
Sacramento, CA 95814

Honorable Assemblymember Megan Dahle  
P.O. Box 942849  
Sacramento, CA 94249-0001

**RE: Letter of Concern regarding the availability and affordability of commercial insurance for Local Fire Authorities and Volunteer Fire Brigades**

Honorable Governor Gavin Newsom, Insurance Commissioner Ricardo Lara, Senator Brian Dahle, and Assemblymember Megan Dahle,

On behalf of the Nevada County Board of Supervisors, I am writing you regarding an urgent matter associated with the availability and affordability of commercial insurance for our local fire authorities and volunteer fire brigades. Recently, we have become aware that our local fire special districts and volunteer fire departments were notified on October 3, 2022 either of a loss of commercial insurance coverage and/or forced to accept large increases in their commercial coverage otherwise set to expire on November 1, 2022. As a small rural county, we depend on the fire services provided by ten special districts, two incorporated city departments, and volunteer fire brigades, outside of CAL FIRE.

The average rate increase being reported to us is approximately 114% over the previous year with two districts' rate increases as high as 184% and 200% from this time last year. Consequently, the Graniteville Volunteer Fire Department is set to close its doors starting on October 31, 2022 as the cost of the insurance premium exceeds their small annual operating budget by 80%. After speaking with our fire chiefs, they have all indicated that they will be forced to find new cost saving measures on already strained budgets and consider laying off fire fighters if insurance costs continue to rise each year. As you very well know, fire response is a critical public safety service. This situation, coupled with the increasing costs of fuel, places our public safety services in at serious risk – all during the height of fire season – which means that our residents are in direct jeopardy. It is simply unacceptable to allow our fire departments to close when we have never needed them more.

We are not ignorant on the complexities of insurance and the exorbitant amount of risk carriers face from catastrophic wildfires today. But we need state action, whether executive, regulatory, legislatively or all three to ensure fire authorities, special districts and volunteer fire brigades are protected from market-driven and inflationary costs that place public safety activities at risk. As fire authorities begin to shutter their doors, the State Responsibility Area (SRA) will increase with CAL FIRE's responsibility expanding. This is not a local problem; it's a California problem and we need action and your support to protect Californians today. Therefore, we urge you to work directly with us, the insurance carriers and local fire authorities to take action in addressing this matter to ensure our community has firefighters and the resources needed to keep our communities safe.

Sincerely,

Susan Hoek  
Chair, Board of Supervisors

**RE: Nevada County Letter Advocating or State Action on the availability and affordability of commercial insurance for local Fire Authorities**

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CC:

Honorable Senator Diane Feinstein

Honorable Senator Alex Padilla

Honorable Congressman Doug LaMalfa

Honorable Congressman Tom McClintock

Honorable Senator Susan Rubio, Senate Insurance Committee

Honorable Assembly Member Tom Daily, Assembly Committee on Insurance

Honorable Secretary Wade Crowfoot, CA Natural Resources Agency

Staci Heaton, Rural Counties Representatives of California

Catherine Freeman, California State Association of Counties

Karen Lange, Shaw Yoder Antwih, Schmelzer & Lange

Joe Krahn,. Paragon Government Relations, Inc.