

# COUNTY OF NEVADA

STATE OF CALIFORNIA

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May 26, 2020

Honorable Assemlymember Jim Wood  
State Capitol  
PO Box 942849  
Sacramento, CA 94249-0002  
(916) 319-2102 (fax)

### **RE: Letter of Support for AB 3012 (Wood and Daly)**

Dear Honorable Assemblymember Wood,

On behalf of the Nevada County Board of Supervisors, I am sending you this Letter of Support for AB 3012 (Wood and Daly) regarding residential property insurance. Nevada County and much of rural California faces a crisis over the availability and affordability of homeowner's insurance as a result of the devastating impacts that wildfires have had throughout California and the Wildland Urban Interface (WUI) areas. On October 8, 2017, Nevada County experienced simultaneous fires in the middle of the night, which resulted in devastating impacts for our County that included 30 homes destroyed and 897 acres burned. Only a short time later in 2018 and only a stone's throw away from Nevada County, the Camp fire tore through Butte County as one of the deadliest wildfires in CA history with 85 lives lost and 18,804 structures destroyed. Nevada County knows the impacts and how difficult it can be to recover from wildfire firsthand.

This new normal has dramatically shifted the availability and affordability of homeowner's insurance in WUI areas. In Nevada County alone, approximately 75% of all improved parcels are within the WUI area and are at risk of losing insurance or have discovered they cannot afford homeowner's insurance with dramatic increases in premiums of up to 69%. Even more alarming is that these homes are also in areas identified as elevated or extreme high-fire danger areas. Nevada County is in the center of an insurance crisis while under direct threat from wildfire.

As such, AB 3012 (Wood and Daly) strikes a reasonable balance between prioritizing consumer protections and genuine concerns over extreme risks faced by insurers. In the aftermath of the 2017 October fires, homeowners not only struggled with the reckoning of losing everything but became overwhelmed by administrative processes that resulted in critical delays in their ability to rebuild. AB 3012 increases consumer protection by requiring an insurer to provide a payment for contents of no less than 30% of a given policy limit without requiring an itemized claim.

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When picking up the pieces of one's life, having to submit an itemized claim is difficult and overwhelming. AB 3012 also provides an important safeguard by prohibiting policies that cover living expenses from limiting a policyholder's right to recovery if the insured home is not habitable or otherwise usable. Additionally, the bill also includes important requirements that assist homeowners in obtaining insurance including but not limited to a) requiring non-renewal notices to have information on the CA Home Insurance Finder Program and information on the CA Fair Plan; and b) requiring the CA Fair Plan to develop and implement a clearinghouse program to help reduce the number of existing FAIR Policies.

While AB 3012 does not fully address all the challenges that homeowners and insurance companies face, it does provide real protections for homeowners who are faced with one of the most devastating experiences possible - the loss of their home. It also provides common sense requirements that help homeowners obtain insurance.

Therefore, the County of Nevada supports AB 3012 (Wood and Daly) and encourages committee members and legislative leaders to do the same. Please do not hesitate to reach out to me with any questions.

Sincerely,

Heidi Hall  
Chair, Board of Supervisors

Copied:  
Honorable Senator Brian Dahle  
Honorable Assemblymember Megan Dahle  
Honorable Assemblymember Tom Daly  
California State Association of Counties  
Rural County Representatives of California  
Karen Lange, Shaw Yoder Antwih Schmelzer & Lange