

RESOLUTION

WHEREAS, any official position of the City of Los Angeles with respect to legislation rules, regulations or policies proposed to or pending before a local, state, or federal government body or agency must have first been adopted in the form of a resolution by the City Council; and

WHEREAS, communities across the State of California have suffered through some of the most disastrous wildfires in State history over recent years; and

WHEREAS, as a result, insurance companies doing business in the State have sought to cancel a significant number of homeowner's insurance policies and drastically increase rates in areas that are at higher risk of suffering wildfires; and

WHEREAS, State Farm Insurance recently announced that it would be cancelling policies for 72,000 property owners across the State starting this Summer; and

WHEREAS, without homeowner's insurance, individuals cannot afford to rebuild or repair homes that are damaged in fires, which creates negative impacts to the economy and housing market; and

WHEREAS, without the ability to buy insurance on the private market, homeowners may be forced to rely on the California Fair Access to Insurance Requirements (FAIR) plan, which provides last resort insurance to individuals who have been unable to obtain insurance through the private market; and


WHEREAS, the FAIR plan insurance is expensive and not as comprehensive as private insurance; also, the FAIR Program is currently facing financial strain which threatens its ability to insure policy holders; and

WHEREAS, the State Insurance Commissioner is responsible for the regulation of the private insurance industry, and is currently considering a set of rules and policies that can ensure that homeowners in areas threatened by wildfires can obtain adequate insurance; and

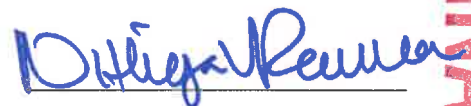
WHEREAS, the State Legislature created the California Earthquake Authority in 1996, a non-profit, publicly-managed, privately funded entity which provides earthquake insurance to residents of California, in response to similar issues in the insurance market after the Northridge Earthquake;

NOW, THEREFORE, BE IT RESOLVED, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2023-2024 State Legislative Program SUPPORT for legislation and/or administrative action which would ensure that homeowners in areas of the State threatened by wildfires can obtain adequate homeowner's insurance without relying on the California FAIR plan, including potential legislation to create an entity to provide fire insurance for California residents modeled after the California Earthquake Authority.

PRESENTED BY:


MONICA RODRIGUEZ
Councilwoman, 7th District

SECONDED BY:



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