

RESOLUTION NO. 24-8953

**A RESOLUTION REQUESTING IMMEDIATE EMERGENCY REGULATORY AND
LEGISLATIVE ACTION TO STRENGTHEN AND STABILIZE CALIFORNIA'S
MARKETPLACE FOR HOMEOWNERS INSURANCE AND COMMERCIAL
PROPERTY INSURANCE**

WHEREAS, proposition 103, passed by California voters in 1988, aimed to protect consumers from unfair insurance practices and promote a competitive, affordable insurance market; and

WHEREAS, last year, two of the States largest insurance carriers, representing over 27 percent of the admitted insurance market in California, announced they would stop issuing new homeowners and commercial property insurance policies in California; several others, representing more than another 36 percent of the market, announced plans to limit new policy origination; and

WHEREAS, despite extensive efforts by homeowners, local government agencies, and non-profits to improve fire resistance and reduce wildfire risk, in Plumas County homeowners reported canceled or significantly higher premiums, indicating a reduction in insurance options directly impacting consumer access, greatly exacerbating the States housing affordability crisis, and profoundly affecting those most vulnerable including those on fixed incomes and young families; and

WHEREAS, those unable to obtain coverage from the admitted market must resort to the California FAIR Plan, the States insurer of last resort, which has steadily seen increased enrollment, threatening its stability; and

WHEREAS, the stability and availability of homeowners and commercial property insurance markets and the FAIR Plan is crucial to preventing catastrophic losses and maintaining fair, affordable coverage; and

WHEREAS, the reduction of insurance options in the State has a direct negative effect on consumer access to coverage: in all parts of the State, homeowners, business owners, and farmers are now unable to obtain new insurance policies from the admitted insurance market; and

WHEREAS, recent draft regulations created by the California Insurance Commissioner to address this immediate crisis may take years to go into effect, and several years following that for the market to react; and

WHEREAS, the California Insurance Commissioner has broad authority under the Insurance Code to adopt emergency regulations to promote the public welfare, including under sections 1861.01, 1681.05, and 1861.055 to adopt emergency regulations governing the prior approval process for insurance rate change applications, and to adopt emergency regulations under section 11346.1 of Government Code and section 12921.7 of the Insurance Code.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Supervisor, County of Plumas, State of California, requests that the Governor declare a state of emergency and that the Governor, Insurance Commissioner, and State Legislature, take immediate emergency regulatory and legislative action to strengthen and stabilize California's marketplace for homeowners' insurance and commercial property insurance. The Governor, Commissioner, and Legislature must consider the following goals in crafting an appropriate regulatory response:

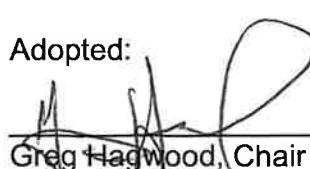
1. Expand coverage choices for all consumers, particularly in underserved areas of the State.
2. Improve the efficiency, speed, and transparency of the California Department of Insurance's rate approval process.
3. Tailor the rate approval process to account for all factors necessary to promote a robust, competitive insurance marketplace, including through potential revisions to the way catastrophic risks, reinsurance costs, and other legitimate insurer costs are accounted for.
4. Maintain the long-term availability of homeowners and commercial property insurance coverage.
5. Maintain the solvency of the FAIR Plan to protect its policyholders and promote long-term resiliency in the face of extreme weather events, including by identifying mechanisms to reduce its share of the overall market in underserved areas and move its customers not the admitted insurance market.

The foregoing resolution was duly passed and adopted by the Board of Supervisors of the County of Plumas, State of California at a regular meeting of said board held on October 1, 2024

AYES:Supervisors: Ceresola, McGowan, Goss, Engel, Hagwood

NOES:

ABSENT:

Adopted:

Greg Hagwood, Chair
Board of Supervisors

Attest:



Allen Hiskey
Clerk of the Board of Supervisors

Approved as to form:


Joshua Breitenthal, Attorney
County Counsel's Office