

STATE CAPITOL
P.O. BOX 942849
SACRAMENTO, CA 94249-0010
(916) 319-2010
FAX (916) 319-2110

E-MAIL
Assemblymember.Levine@assembly.ca.gov

WEBSITE
www.assembly.ca.gov/Levine

SOCIAL MEDIA
@AsmMarcLevine



DISTRICT OFFICES
3501 CIVIC CENTER DRIVE, SUITE 412
SAN RAFAEL, CA 94903
(415) 479-4920
FAX (415) 479-2123

11 ENGLISH STREET
PETALUMA, CA 94952
(707) 576-2631

50 D STREET, SUITE 301
SANTA ROSA, CA 95404
(707) 576-2631

August 25, 2021

Mr. Rex Frazier, President
Personal Insurance Federation
1201 K St. #1220
Sacramento, CA 95814

Mark Sektnan, Vice President
American Property Casualty Insurance Association
1415 L Street, Suite 670
Sacramento, CA 95814

RE: Letter of Inquiry - Homeowners' Insurance Information Request

Messrs. Frazier and Sektnan,

Californians are all too familiar with the threat that wildfires pose to our families, homes, and communities. As wildfires are exacerbated by negligent utility management and climate change, it is clear that insurance companies are making coverage decisions to minimize their risks.

Recently, it has come to my attention, through complaints from a number of my constituents, that insurance companies are increasingly unwilling to insure homes that they deem to be at risk of damage due to wildfires.

Upon further investigation into this issue, I found that in 2019 alone, over 200,000 policies may have been dropped or non-renewed in California. This unsettling pattern of cancellation and non-renewal continues to impact our North Bay community of Marin and Sonoma counties.

This information, coupled with the number of complaints I received in my district offices, was alarming, and prompted me to send out an e-alert to my constituents, asking them to fill out a confidential Insurance Assistance Request posted on my website. Within a few days I received over 50 responses.

The complaints contained in these responses from my constituents ranged from receiving a notice of non-renewal, being cancelled outright, spiking homeowners' insurance premiums, and having difficulty finding another insurance company to provide coverage.

I understand that wildfires pose considerable risk to many California homeowners and residents, and climate change and population growth are expected to make matters worse. But unfortunately, my constituents, and California consumers in general, are being forced to suffer the inconveniences, bear the burden, and pay the price for circumstances beyond their control.

I do not believe that the costs of utility mismanagement, or the impacts of climate change should be arbitrarily and capriciously passed through to my constituents in the form of homeowners' insurance being declined, non-renewed, or their insurance premiums being raised exorbitantly. Particularly when there has been no change of conditions or circumstances.

Under Prop 103, California consumers have the right to obtain information about your member insurance companies' rates and practices. As a member of the California Assembly, I have the privilege and duty to care for, and protect the interests of, the people who elected me to represent them in Sacramento.

Accordingly, I am asking you to coordinate with, and acquire the necessary information from, the insurance companies who are members of your trade association, in order to satisfactorily answer the following questions pertaining to cancellations, non-renewals, and increases in premiums of homeowners' policies.

- How many California homeowners' policies have been cancelled or non-renewed?
- How are the cancellations and non-renewals distributed across California?
- What methodologies are being used to determine whether to write, cancel or non-renew a homeowners' policy in California?
- How do you justify the dramatic increase in some homeowners' policies, and not others who are similarly situated?
- Are you using zip codes to determine whether to write, cancel, non-renew, or increase homeowners' insurance premiums?
- Are you reviewing each homeowner's policy individually?
- Are you inspecting each covered home prior to taking adverse actions? (i.e., declination, non-renewal, increase in premiums.)
- Do you take into consideration any home hardening, wildfire protection measures, or remedial actions to mitigate potential damage and protect their homes from wildfires that your policyholders take prior to taking adverse actions?

- Do you provide your policyholders any opportunity to question or appeal your adverse actions?
- If so, how many of your policyholders have been successful in reversing those adverse actions?

Insurance company decisions to cancel and non-renew appear callous and are causing great pain, suffering and harm to my constituents, and many other California consumers.

Insurance company actions have placed Californians in untenable positions without an ability to effectively review or challenge those actions; or been allowed the opportunity to take any remedial measures to mitigate whatever reasons that caused the company to take such actions.

In order to try and assist my constituents and other Californians who have been adversely impacted by these summary cancellations and non-renewals of homeowners' policies throughout California, I request your companies respond to this inquiry as soon as possible.

It is my hope that this letter of inquiry will suffice to convey the seriousness and urgency of my request; and that my constituents will be provided with the answers they well deserve.

Sincerely,

A handwritten signature in black ink that reads "Marc Levine". The signature is written in a cursive, slightly slanted style.

MARC LEVINE