



A Tradition of Stewardship  
A Commitment to Service

Agenda Date: 1/22/2018

Agenda Placement: 7D

## Napa County Legislative Subcommittee Board Agenda Letter

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**TO:** Napa County Legislative Subcommittee  
**FROM:** Molly Rattigan for Minh Tran - County Executive Officer  
County Executive Office  
**REPORT BY:** Michael Karath, Staff Assistant - BOS - 299-1477  
**SUBJECT:** SB 824 (Lara) - Wildfire Safety and Recovery Act

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### **RECOMMENDATION**

County Executive Officer seeks discussion and possible action on SB 824 (Lara) that seeks to prevent insurance companies from dropping or non-renewing customers following a wildfire disaster.

### **EXECUTIVE SUMMARY**

After a record-setting storm of California wildfires in 2017, a growing outcry rose from homeowners facing insurance cancelation and non-renewal.

SB 824 (Lara), the Wildfire Safety and Recovery Act, seeks to prevent insurance companies from dropping or non-renewing customers following a wildfire disaster. The bill will:

- | require insurance companies to offer mitigation discounts and continued coverage to homeowners who make investments in wildfire safety; and
- | require insurance companies to secure approval from the Department of Insurance before the companies can reduce the volume of policies in high-risk areas, in order to minimize market disruptions for homeowners and communities.

### **FISCAL IMPACT**

Is there a Fiscal Impact?                      No

### **ENVIRONMENTAL IMPACT**

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

### **BACKGROUND AND DISCUSSION**

In January 2018, Senator Ricardo Lara (D-Bell Gardens) introduced the Wildfire Safety and Recovery Act (SB 824) in response to a growing outcry from homeowners facing insurance cancelation and non-renewal after a record-setting storm of wildfires. California homeowners in both rural and urban areas have reported losing insurance, even in areas traditionally considered low-risk for wildfires.

SB 824 seeks to prevent insurance companies from dropping or non-renewing customers following a wildfire disaster. The bill will:

- | require insurance companies to offer mitigation discounts and continued coverage to homeowners who make investments in wildfire safety; and
- | require insurance companies to secure approval from the Department of Insurance before the companies can reduce the volume of policies in high-risk areas, in order to minimize market disruptions for homeowners and communities.

California and local laws require homeowners to maintain a defensible space of 100 feet around structures and fire-resistant building materials in new homes. Homeowners can also harden their home with fire-resistant roofing and other materials, and by covering chimneys and vents, according to Cal Fire.

California would join states including Arkansas, South Carolina, Texas, New York and Florida that prohibit or limit insurance companies from canceling or non-renewing policies following a natural disaster. Others, like Alabama, require insurance companies to offer discounts to property owners who “harden” their homes against disasters.

CSAC: pending  
RCRC: support

### **SUPPORTING DOCUMENTS**

A . SB 824 - BILL TEXT - Homeowners Insurance; Wildfires

Recommendation: Approve

Reviewed By: Molly Rattigan