



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 1/22/2018

Agenda Placement: 7E

Napa County Legislative Subcommittee Board Agenda Letter

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 894 (Dodd) - Wildfire Recovery

RECOMMENDATION

County Executive Officer seeks discussion and possible action on SB 894 (Dodd) that would require insurers to renew policies for disaster victims for a minimum of two years following the loss of a home. The bill would also require companies to report to the Insurance Commissioner if they subsequently non-renew policies or pull out of a market.

EXECUTIVE SUMMARY

Senator Bill Dodd (D-Napa) filed SB 894 after the spate of devastating wildfires up and down the state, including the Tubbs, Atlas and Nuns fires in his district. There is a growing number of reports of insurance companies non-renewing homeowners' policies and pulling out of areas they deem unprofitable after the recent disasters.

SB 894 would:

- | require insurers to renew policies for disaster victims for a minimum of two years following the loss of a home
- | require companies to report to the Insurance Commissioner if they subsequently non-renew policies or pull out of a market
- | require an insurer to allow disaster victims to combine their policy limits for primary dwelling, other structures, contents, and additional living expenses, to pay for any of the covered purposes.

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

Senator Bill Dodd (D-Napa) filed SB 894 after the spate of devastating wildfires up and down the state, including the Tubbs, Atlas and Nuns fires in his district. There is a growing number of reports of insurance companies non-renewing homeowners' policies and pulling out of areas they deem unprofitable after the recent disasters.

SB 894 was written with the reality that there will be more frequent wildfires and other natural disasters in California. It is a reform measure that seeks to improve consumer protections going forward, specifically for homeowners recovering from devastating losses.

SB 894 would:

- | require insurers to renew policies for disaster victims for a minimum of two years following the loss of a home
- | require companies to report to the Insurance Commissioner if they subsequently non-renew policies or pull out of a market
- | allow disaster victims to recover living expenses from their insurance company over 36 months, helping families make ends meet while they work to rebuild and recover
- | require an insurer to allow disaster victims to combine their policy limits for primary dwelling, other structures, contents, and additional living expenses, to pay for any of the covered purposes
- | increase from 24 months to 36 months the minimum time limit an insurer may place on an insured to collect the full replacement cost of a loss relating to a state of emergency
- | require an insurer to allow an insured that has suffered a loss relating to a declared state of emergency to combine the policy limits for primary dwelling, other structures, contents, and additional living expenses, and to use the combined amount for any of the covered purposes.

CSAC: pending

RCRC: pending

SUPPORTING DOCUMENTS

A . SB 894 - BILL TEXT - Wildfires; Property Insurance

Recommendation: Approve

Reviewed By: Molly Rattigan