



Susan Wengraf
Councilmember District 6

CONSENT CALENDAR

March 22, 2022

To: Honorable Mayor and Members of the City Council

From: Councilmember Wengraf (Author), Councilmember Harrison (Co-Sponsor),
Councilmember Hahn (Co-Sponsor)

Subject: Support for AB 1755 (Levine)

RECOMMENDATION

Adopt a Resolution in Support of AB-1755: Homeowners Insurance: Home Hardening (Levine). AB-1755 will require, beginning in 2025, an insurance provider licensed in California to issue an insurance policy to a homeowner that has taken science-based actions to harden their property from wildfire risk. This legislation would also create the Wildfire Protection Grant Program under the Department of Insurance that would administer grants to residential property owners of up to \$10,000 to help pay for costs associated with home hardening and wildfire mitigation improvements. Send copies of the Resolution to Assembly Member Levine, Assembly Member Wicks, Senator Skinner, Governor Newsom and Insurance Commissioner Lara.

FINANCIAL IMPLICATIONS

None

BACKGROUND

California's wildfires have resulted in loss of life and catastrophic damage to communities and the environment. As Californians try to protect themselves from future loss, they are facing insurance companies who are cancelling policies or are increasing deductibles and premiums to the point where the policy is unaffordable or insufficient. Residents in Berkeley's VHFHZ have experienced non-renewal of insurance policies on a scale never seen before.

AB-1775 resolves the often-arbitrary practice of insurance policy non-renewal or cancellation of a homeowner who may live in an area considered at risk to wildfire. Continued drought conditions, rising global temperatures and other impacts of the climate crisis are quickly turning most of California into a high-risk wildfire zone. Without legislation, Californians could find their homes uninsurable.

AB-1755 would require insurance carriers to issue home insurance policies to homeowners who have hardened their home against fire, regardless of the home's location. The bill would also create the Wildfire Protection Grant Program to help homeowners pay for costs associated with wildfire mitigation improvements, up to \$10,000 per home. AB-1755 would be effective January 1, 2025.

ENVIRONMENTAL SUSTAINABILITY

AB-1755 encourages homeowners in fire prone areas to increase their wildfire mitigation efforts in order to be eligible to be insured. Home hardening is one strategy to help protect property from the spread of wildfire. A key source of air pollution, wildfires release large quantities of carbon dioxide, carbon monoxide and fine particulate matter into the atmosphere. Resulting air pollution can cause a range of health issues, including respiratory and cardiovascular problems. Efforts to lower the risk of out of control wildfires align with Berkeley's environmental sustainability goals.

CONTACT PERSON

Councilmember Wengraf

Council District 6

510-981-7160

Attachments:

1: Resolution

2. [AB-1755](#)

RESOLUTION NO. ##,###-N.S.

CITY OF BERKELEY SUPPORTS AB-1755 (LEVINE)

WHEREAS, California's wildfires have resulted in loss of life and catastrophic damage to communities and the environment; and

WHEREAS, As Californians try to protect themselves from future loss, they are facing insurance companies who are cancelling policies or are increasing deductibles and premiums to the point where the policy is unaffordable or insufficient; and

WHEREAS, Residents in Berkeley's VHFHZ have experienced non-renewal of insurance policies on a scale never seen before; and

WHEREAS, AB-1775 resolves the often-arbitrary practice of insurance policy non-renewal or cancellation of a homeowner who may live in an area considered at risk to wildfire; and

WHEREAS, Continued drought conditions, rising global temperatures and other impacts of the climate crisis are quickly turning most of California into a high-risk wildfire zone; and

WHEREAS, Without legislation, Californians could find their homes uninsurable.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that it unanimously supports AB-1755.

CALIFORNIA LEGISLATURE— 2021–2022 REGULAR SESSION

ASSEMBLY BILL

NO. 1755

Introduced by Assembly Member Levine

February 01, 2022

An act to add Sections 675.2 and 2033 to the Insurance Code, relating to property insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1755, as introduced, Levine. Homeowners' insurance: home hardening.

Existing law creates the Department of Insurance to regulate the business of insurance. Existing law generally regulates classes of insurance, including homeowners' insurance. Existing law prohibits an insurer, for one year after the declaration of a state of emergency, from canceling or refusing to renew a residential property insurance policy solely because the property is in an area in which a wildfire occurred.

This bill would require an admitted insurer licensed to issue homeowners' insurance policies to issue a policy to a homeowner who has hardened their home against fire, regardless of the home's location, on and after January 1, 2025, and would require an insurer to make conforming changes to its internet website and print materials on or before July 1, 2025. The bill would create the Wildfire Protection Grant Program, under which the department would be required to award grants of up to \$10,000 each to help homeowners pay for costs associated with wildfire mitigation improvements. The bill would require the department to promulgate regulations to define home hardening for required issuance of homeowners' insurance policies and to administer the Wildfire Protection Grant Program.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

BILL TEXT

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1.

Section 675.2 is added to the Insurance Code, to read:

675.2.

(a) On and after January 1, 2025, an admitted insurer licensed to issue homeowners' insurance policies shall issue a policy to a homeowner who has hardened their home against fire, regardless of the home's location. The insurer shall make conforming changes to its internet website and print materials on or before July 1, 2025.

(b) On or before January 1, 2024, the department shall promulgate regulations to define home hardening for purposes of subdivision (a).

SEC. 2.

Section 2033 is added to the Insurance Code, to read:

2033.

(a) The Wildfire Protection Grant Program is hereby created to help homeowners pay for costs associated with wildfire mitigation improvements.

(b) The department shall award grants of up to ten thousand dollars (\$10,000) each to homeowners under the Wildfire Protection Grant Program.

(c) The department shall promulgate regulations to administer the Wildfire Protection Grant Program.

