

RESOLUTION

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations or policies proposed to or pending before a local, state or federal governmental body or agency must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, communities across the State of California have suffered through some of the most disastrous wildfires in state history over recent years; and

WHEREAS, as a result, a number of insurance companies doing business in the State have cancelled a significant number of homeowner's insurance policies and drastically increased rates in areas that are at higher risk of suffering a wildfire; and

WHEREAS, without homeowner's insurance, individuals cannot afford to rebuild or repair homes that are damaged in fires, which creates negative impacts across the State economy and housing market; and

WHEREAS, without the ability to buy insurance on the private market, homeowners may be forced to rely on the California Fair Access to Insurance Requirements (FAIR) plan, which provides insurance of last resort to individuals who, beyond their control, have been unable to obtain insurance through the private market; and

WHEREAS, the FAIR plan insurance is not as comprehensive as private insurance and more expensive; and

WHEREAS, the State Insurance Commissioner is responsible for the regulation of the private insurance industry, and may be able to set rules or policies that ensure that homeowners in areas threatened by wildfire can still obtain adequate insurance; and

WHEREAS, the State Legislature created the California Earthquake Authority in 1996, a non-profit, publically managed, privately funded entity which provides earthquake insurance to residents of California, in response to similar issues in the insurance market after the Northridge Earthquake;

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2019 - 2020 State Legislative Program SUPPORT for legislation and/or administrative action which would ensure that homeowners in areas of the State threatened by wildfires can obtain adequate homeowner's insurance without relying on the California FAIR plan, including potential legislation to create an entity to provide fire insurance for California residents modeled after the California Earthquake Authority.

PRESENTED BY: 
MONICA RODRIGUEZ
Councilmember, 7th District

SECONDED BY: 

SEP 10 2019

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