SEP 29 2020 OFFICE OF THE GOVERNOR

To the Members of the California State Assembly:

I am signing Assembly Bill 3012 and Senate Bill 872.

AB 3012 and SB 872 expand several consumer protections related to additional living expenses, time to collect replacement value, contents coverage, and relocation after a loss.

The devastation caused by recent catastrophic wildfires in California has been exacerbated by the fact that entire neighborhoods and towns have been rendered inhabitable for months if not years. These conditions have intensified the strain on residents trying to rebuild their lives and communities. The new protections provided by this bill will alleviate some of that strain. However, we must do more.

I am directing the Governor's Offices of Planning and Research and Emergency Services and CAL FIRE to work with the Insurance Commissioner to evaluate and recommend ways that residents, communities and the insurance industry can work together to better mitigate wildfire risks. This work should inform the development of solutions for residents in wildfire prone areas who continue to face the threat of policy non-renewal and rising premium costs for those policies that are available.

Additionally, I ask the Insurance Commissioner to start a dialogue with the Legislature, insurers, and consumer groups to address the pressure that wildfire losses place on the ability to offer insurance products and the question of how to pay for risks. I look forward to working together to develop solutions to protect all Californians.

Sincerely,

Gavin Newsom

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