



## OFFICE OF THE GOVERNOR

SEP 22 2024

To the Members of the California State Assembly:

I am returning Assembly Bill 2677 without my signature.

This bill would cap the aggregate liability of an insurer that issues a surety bond to the amount of the bond.

While I appreciate the author's attempt to reduce the cost of bonds for licensees, California law offers numerous avenues for insurers to limit their liability for attorney fees when faced with meritorious claims. I am concerned that this bill's limitation of attorney fees could have the unintended consequence of preventing all but the most affluent consumers from being able to seek redress if they are harmed.

For this reason, I cannot sign this bill.

Sincerely,

A handwritten signature in black ink, appearing to be "Gavin Newsom", written over a horizontal line. The signature is stylized and extends to the right.

Gavin Newsom