

TO: Honorable Lisa Calderon, Chair  
Assembly Insurance Committee  
Members, Assembly Insurance Committee

FROM: Norwood Associates, LLC

DATE: March 27, 2025

RE: AB 69 (Calderon)--SUPPORT

On behalf of our client, Independent Insurance Agents & Brokers of California (IIABCal) we are writing to offer our Support for the above referenced bill.

For property insurance policies that have been placed in the FAIR Plan, AB 69 would require the broker of record, based upon the brokers knowledge of the existing market for insurance, to determine if the policy can be moved to a voluntary market insurance company.

California's property insurance market for both homeowners and commercial property insurance products is in a crisis of availability. Over the last four years many insurance companies have left the California market, paused issuing new property insurance policies, or non-renewed many of their existing policyholders. In addition, a number of these insurers also non-renewed insurance agencies that had been appointed to represent the company and offer insurance coverage to the public.

As a result of the pull back of the voluntary insurance market, insurance agents and brokers were often left with no viable markets to place their customer but the FAIR Plan. Insurance agencies, large and small, who had rarely placed their customers in the FAIR Plan before the current melt-down of the voluntary insurance market, found themselves placing most of their policyholders in the Plan.

Insurance agents and brokers are anxious to transition their clients out of the FAIR Plan and into a private market property insurance company as soon as voluntary market carriers reopen throughout the state. AB 69 simply requires insurance agents and brokers to do what they are already doing, certainly what they should be doing, to better serve their clients. Unfortunately, the current property insurance market may not fully reopen until 2026. In addition, a number of insurers actively discourage agents and broker from submitting more than a few new risks to underwrite per month.

For the above stated reason, IIABCal would urge your "AYE" vote on AB 69. Thank you

Thank you.

cc: Arnell Rusanganwa, Office of Assemblymember Calderon

Kathleen O'Malley, Chief Consultant, Assembly Insurance Committee  
Landon Klein, Principal Consultant, Assembly Insurance Committee  
Bill Lewis, Consultant, Assembly Republican Caucus  
Brady Borcharding, Deputy Legislative Secretary, Office of the Governor