May 4, 2020

The Honorable Tom Daly
Chair, Assembly Insurance Committee
1020 N Street, Room 369
Sacramento, CA 95814

RE: Assembly Bill 2167 (Daly) – OPPOSE
As Amended – May 4, 2020

Dear Assemblymember Daly,

The Consumer Federation of California (CFC) strongly opposes your AB 2167, set to be heard on May 7.

AB 2167 is profoundly anti-consumer legislation that would directly lead to billions of dollars in fast-tracked rate hikes to California consumers and policyholders at the hands of the insurance industry. The bill would do so without adequate scrutiny and in a manner wholly inconsistent with Proposition 103. AB 2167 would completely undermine Proposition 103, despite the bill falsely claiming the contrary.

AB 2167 creates an avenue by which massive rate hikes can be adopted outside of the procedures established in Prop 103. Many homeowners in high risk areas are already spending heavily to harden their homes and protect their communities. They do not need the further burden of massively increased insurance costs beyond the already considerable rise in those premiums.

The bill was developed in a manner completely ignoring stakeholders representing consumers and policyholders. There is a better way, as seen in public policy approaches whereby homeowners who harden their homes, along with the local communities they live in, work together to strengthen and insure those homes and communities. Such an approach has been tried elsewhere with some success.

Consumers in all parts of California deserve fair insurance rates and transparency. AB 2167 delivers neither and therefore CFC urges a NO vote on this bill.

Sincerely,

Robert Herrell
Robert Herrell
Executive Director

CC: Members and Staff of the Assembly Insurance Committee