California Senate Republican Caucus

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August 24, 2023

Ricardo Lara
Insurance Commissioner
300 Capitol Mall, 17th Floor
Sacramento, CA 95814

Dear Commissioner Lara:

The insurance industry is broken and only you have the power to fix it – and the responsibility.

Proposition 103 gave California the unique situation of having an elected Insurance Commissioner responsible for regulating the insurance industry. Our caucus has pushed for legislative fixes for years now – even decades – to try to prevent the homeowners' insurance market from collapsing. Unfortunately, our efforts fell on deaf ears and major insurers have now left the market, and we fear more will be following suit.

While the Legislature has failed to act, YOU have the power to begin solving the problem under your current authority.

Everyone knows the hard truths of what has to happen: there need to be rate adjustments; reinsurance and prospective catastrophic modeling need to be authorized; the rate review process needs to be accelerated; insurance discounts for home-hardening must be authorized; we need to modernize the insurance market. You can begin this process yourself, now. This is a critical time for decisive leadership from California's elected Insurance Commissioner and the department you head.

We urge you to begin the common sense solutions to the insurance market that California homeowners desperately need and we stand ready to help you from the legislative side if statutory changes are necessary. But we need you to be the catalyst for modernizing the market. Our constituents are losing options quickly and we need to stop the bleeding now.

We are eager to participate in any conversations about taking action to fix the market. We invite you to come speak to the California Senate Republican Caucus before the end of session so we can discuss our many ideas that will help reform the market to a stable platform where our constituents can actually purchase an insurance plan. We will accommodate around your schedule.

Please seize this opportunity for the sake of all Californians. It is a difficult lift, but you are uniquely suited for it. Our constituents depend on your immediate action.

Sincerely,

Brian W. Jones
Senate Minority Leader
40th Senate District