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# California State Senate

SENATOR  
**SCOTT WILK**

TWENTY-FIRST SENATE DISTRICT



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LABOR, PUBLIC EMPLOYMENT  
& RETIREMENT

March 2, 2023

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

Dear Commissioner Lara,

As you are certainly aware, California property owners in areas plagued by wildfire have long struggled to find affordable or even available property insurance. This disruption in the insurance market is a problem the legislature has tried to address, as has your own department with moratoriums on cancellations or rate increases. Unfortunately, we find ourselves at a critical crossroads where insurance has now become out of reach for far too many communities – either the cost is prohibitively expensive or it is just plain unavailable.

As the state's natural disaster risk continues to increase, the issue of rising premiums and deductibles, declines in coverage, and sometimes even policy non-renewals, is spreading to areas that had previously been spared. Homeowners Association (HOA) communities and residents of condominium complexes in wildland-urban interface areas of the state are particularly challenged because of the high concentration of risk.

I have heard from constituents in my area and in other areas of California where the HOA's premium has increased by almost 1000%, leaving residents with special assessments of tens of thousands of dollars just to maintain the master policy. This is on top of the increasing price for insurance for the individual's personal dwelling. When a master policy is not renewed for whatever reason, residents of that community find themselves at risk of losing their homes, or being unable to sell them. Something must be done immediately to protect millions of California homeowners and prevent a complete failure of the insurance market.

On March 1, the Senate Committee on Insurance held an informational hearing on this matter and heard from your staff, the insurance industry, HOAs and others. What became abundantly clear is that there is no magic bullet. While some actions advocated for in the hearing are temporary fixes to address the short-term, I was encouraged by testimony that suggested that there may be more we can do to encourage insurers to stay in these markets and provide a product that is affordable.

With wildfire season quickly approaching, I respectfully request that you engage all stakeholders and identify solutions that can be implemented in a timely fashion to stabilize and sustain the California insurance market.

Thank you in advance for your consideration. If you have any questions regarding this request, please contact my Capitol office at 916-651-4021.

Sincerely,

A handwritten signature in black ink that reads "Scott Wilk".

Scott Wilk  
Senator, 21st District