



UNITED STATES CONGRESS

November 6, 2023

The Honorable Ricardo Lara
Insurance Commissioner of California
300 Capitol Mall, Suite 1700
Sacramento, CA 95814

Dear Commissioner Lara:

We write regarding your recently announced Sustainable Insurance Strategy. In short, California's present insurance market is in chaos. Across the state, major insurance companies are canceling policies, denying coverage, and dramatically raising insurance rates for homeowners and other consumers. Many of these consumers include those with federally-backed home loans from the Federal Housing Administration (FHA), the United States Department of Agriculture (USDA), or Veterans Affairs (VA).

We believe that, under Proposition 103 (1988), as California Insurance Commissioner, you have the power to stabilize the statewide insurance market. It would greatly benefit our constituents across California for you to use that power to immediately and quickly review the proposed rate increases under any new risk modeling to determine if they are necessary, adequate, and not excessive for consumers. We also believe it would be beneficial to use that power to require that the insurance industry provides adequate, affordable coverage in every part of the state.

Your recent announcements, including the proposed Sustainable Insurance Strategy, seem to suggest dramatic changes to the Commissioner's regulatory power that may result in a diminution of the authority granted by California voters and your ability to create a stable insurance market in our state. Proposals such as using proprietary forward-predicting models, expediting rate reviews that limit public comment, allowing insurance companies to abandon certain regions of the state, and incorporating reinsurance costs into Californian rates could threaten the important consumer protections established in Proposition 103 and in place since 1988. We believe it is important to keep California consumer interests at the forefront of your decision-making process.

We bring our concerns to your attention in anticipation of a comprehensive and transparent process of rulemaking, public hearings, and public comment on any proposed changes to the regulatory powers of the Commissioner and process for approving any rate increases for policyholders. Such a public process is necessary for the protection of consumers against

unchecked corporate interests, and we strongly believe that any precipitous action should be subject to public scrutiny.

We appreciate your attention to this critical matter.

Sincerely,



John Garamendi
Member of Congress



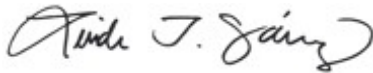
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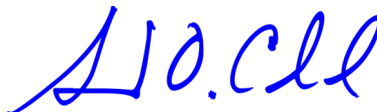
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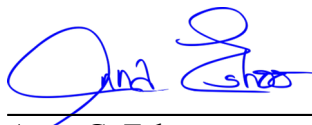
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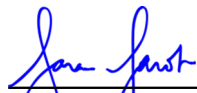
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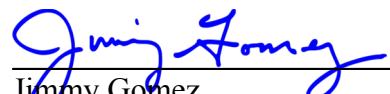
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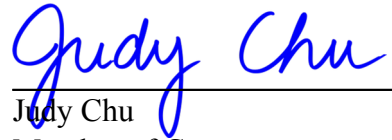
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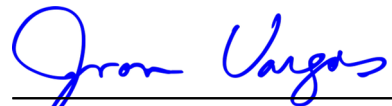
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