



CITY OF BEVERLY HILLS

455 NORTH REXFORD DRIVE • BEVERLY HILLS, CALIFORNIA 90210

Lili Bosse, Mayor

April 8, 2022

Insurance Commissioner Ricardo Lara
c/o Daniel Wade, Senior Staff Counsel
Rate Enforcement Bureau
1901 Harrison Street, 6th Floor
Oakland, CA 94612
Email: Daniel.wade@insurance.ca.gov

Re: Support – Mitigation in Rating Plans and Wildfire Risk Models

Dear Commissioner Lara:

On behalf of the City of Beverly Hills, I am pleased to SUPPORT your proposed mitigation in rating plans and wildfire risk models. These regulations, if implemented, will require insurance companies to create risk differential models due to wildfires which reflect and take into account specified mitigation factors in their rating plans.

As proposed, the regulations are intended to promote careful and systematic consideration of wildfire risk by insurers. The proposed regulations will also enhance communications by insurance companies about their rating of properties with respect to wildfire risk, in order to ensure rates attributable to wildfire risk are not excessive, inadequate or unfairly discriminatory.

The proposed insurance regulations are expected to:

- Incentivize individual and community mitigation efforts by requiring consideration of property and community-level mitigation against wildfire risk;
- Reduce the risk of loss posed by wildfire;
- Improve accuracy in the classification of wildfire risk and the resulting rates and premiums;
- Increase transparency in, and consumer awareness of, insurance companies' ratings and/or scoring of wildfire risk;
- Enhance consumer protection by establishing a consumer appeals process;
- Reduce unfair discrimination by enhancing consistency in insurance companies' wildfire rating practices and/or scoring practices; and

- Potentially improve availability and affordability of property-casualty insurance for communities and properties where wildfire mitigation measures have been implemented.

For these reasons, our City is pleased to SUPPORT your proposed mitigation in rating plans and wildfire risk models.

Sincerely,

A handwritten signature in black ink that reads "Lili Bosse". The signature is written in a cursive, flowing style.

Lili Bosse

Mayor

City of Beverly Hills