



RICARDO LARA
CALIFORNIA INSURANCE COMMISSIONER

April 13, 2021

Dear California Business Owners:

California's businesses are playing a critical role in rebuilding from devastating wildfires by providing jobs and sustaining the tax base for public services. Yet in recent months, I have heard in particular from business owners in the agriculture, forestry, and land management sectors that insurance companies are non-renewing or refusing to write them commercial insurance. This "hardening" of the commercial insurance market for our farmers, growers, and vintners, among others, affects local communities' ability to bounce back from wildfires and demands swift action from policymakers driven by data and science.

Today, I directed commercial insurance companies doing business in the state to provide detailed information to my Department within 60 days about the availability of commercial insurance. My [Notice](#) focuses on commercial insurance for, among others, our agribusiness and land management sectors, including farmers, ranchers, foresters, those conducting prescribed burns, summer camps, and wineries. Similar to on-going data we collect for the residential homeowners insurance market in the state, this new data will include the number of commercial policies written and non-renewed since January 1, 2017, in order to gauge the impact of four successive fire seasons on commercial insurance coverage in our state. I am also directing commercial insurance companies to provide any new or recently revised wildfire underwriting restrictions that they intend to implement that would affect this critical sector of California's economy.

The California Department of Insurance has collected extensive data regarding the impact of wildfires on the residential insurance market that is informing administrative actions that I announced earlier this year, including my wildfire resiliency partnership with the Governor's Administration to identify proactive risk-reduction and mitigation measures for residents, business owners, and communities. This new commercial insurance data will help inform my actions as well as actions that the Governor and California State Legislature can take to further protect our businesses.

A competitive insurance market in the years ahead will depend on the steps we take now to reduce the risk of climate-related losses. I look forward to continuing to work with our businesses, including those in the agricultural community, the commercial insurance industry, and state and federal policymakers on lasting solutions that will set California on a sustainable path for the future.

In partnership,

A handwritten signature in black ink, appearing to read "Ricardo Lara".

RICARDO LARA
Insurance Commissioner