

**TOWN OF SAN ANSELMO
RESOLUTION NO. 3318**

A RESOLUTION CALLING UPON THE STATE LEGISLATURE AND THE DEPARTMENT OF INSURANCE TO RESOLVE THE HOMEOWNERS INSURANCE CRISIS IN CALIFORNIA.

WHEREAS, having suffered substantial losses in California due to catastrophic natural disasters, seventy-five percent of insurance carriers have either ceased or severely limited writing new homeowners policies in California, and some carriers have banned new policies in specific geographic areas of the state; and

WHEREAS, California homeowners are facing a crisis due to the lack of affordable, readily available homeowners insurance; and that crisis is having far-reaching effects on the state's homebuilding and real estate industries; and

WHEREAS, the insurance companies have failed to recognize the extraordinary measures of local communities who have taxed and assessed themselves to fund needed improvements to fire prevention and emergency preparedness and response; and

WHEREAS, efforts to negotiate a new mechanism for catastrophic insurance coverage have failed to achieve a resolution that is economically viable and fair to all parties throughout the state; and

NOW, THEREFORE, BE IT RESOLVED that the Town of San Anselmo joins other cities in California in declaring the following principles:

- That the delinkage of earthquake and homeowners insurance should only occur after state and/or federal natural disaster insurance pools are established to provide affordable and adequate earthquake coverage;
- That basic catastrophic coverage should be provided to restore a home's habitability, and that such basic coverage should be available with minimal deductible and without any cap on insured value;
- That all insurance companies offering any type of insurance in California should be required to pay an assessment to the statewide catastrophic insurance pool to ensure its continued viability.
- That when setting rates and determining risk, insurance companies should be required to take into account the existence of local programs to upgrade emergency infrastructure and/or to reduce fire fuels such as wildland brush in public open space and overgrown vegetation within household perimeters in compliance with local and state fire codes;
- That nonrenewals of insurance should be subject to the same restrictions as cancellations, and that these principles should be clearly outlined in the legislation; and that insurance companies should be required to maintain existing homeowners' policies

as long as policyholders meet the underwriting guidelines specified in the legislation; and be it further resolved

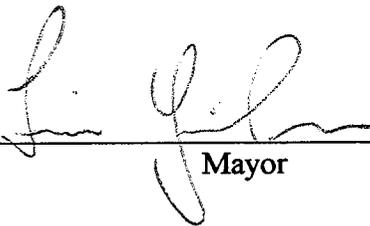
- That the Town of San Anselmo calls upon the State Legislature and the Insurance Commissioner to resolve the crisis in the availability and affordability of homeowners insurance during the current session in order to protect the state economy and the safety and well-being of all California property owners.

PASSED AND ADOPTED THIS 22nd day of August, 1995, by the following vote, to wit:

AYES: Breen, Chignell, Hodgens, Kroot, Yarish

NOES: (None)

ABSENT: (None)



Mayor

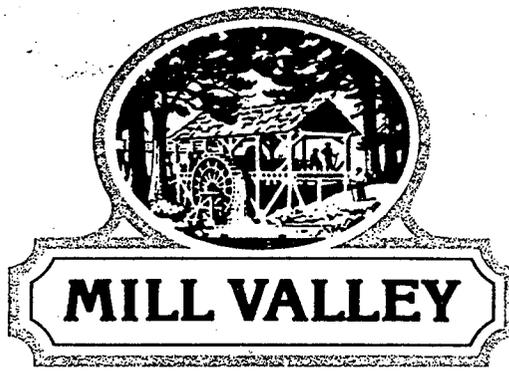
ATTEST:



Town Clerk

RECEIVED
AUG 14 1995

Town of San Anselmo



David W. Raub
Mayor

John Leonard
Vice Mayor

Warren Levinson
Councilmember

Betsy Cutler
Councilmember

Catharine Barnes
Councilmember

Doug Dawson
City Manager

388-4033

August 9, 1995

Dick Spees, Vice Mayor
City of Oakland
One City Hall Plaza
Oakland, CA 94612

Dear Dick:

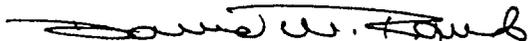
This will acknowledge your July 18, 1995 letter regarding the homeowner and earthquake insurance crisis. In response, Marin County and, in particular, the City of Mill Valley are being impacted in much the same manner as property owners in the City of Oakland and elsewhere. Hundreds of our properties have been selected for "nonrenewal notices" which means they are being thrown into a very restricted marketplace in terms of trying to find replacement coverage.

In response, the City of Mill Valley along with the other Marin cities and the County recently hosted a public meeting to discuss this matter. In attendance were representatives from the State Legislature, the State Insurance Commissioner's Office, other appointed State of California officials and representatives of the industry. Unfortunately, that meeting did not end with any satisfactory resolution, but it did serve to focus media attention on this issue that is repeating itself throughout the State of California. In time, this is going to become a very important issue and definitely a crisis. If satisfactory solutions are not forthcoming, it is conceivable that, in time, there could be dramatic reductions in property values which could result in a serious threat to one of the important funding sources that has historically supported the costs associated with local government.

The City of Mill Valley applauds your efforts and the time that is being expended by the City of Oakland to try to direct attention to this very serious problem. Our city and, I suspect, others in Marin would be very happy to join with you in any meaningful ways to draw attention to this crisis. Please add the City of Mill Valley to your growing list of

cities that are interested in working toward a satisfactory solution. We will, by the way, call Ken Emanuels and make him aware of our willingness to do some lobbying in Sacramento.

Sincerely,

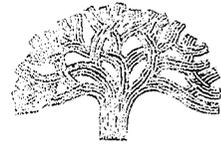
A handwritten signature in black ink, appearing to read "David Raub". The signature is fluid and cursive, with a long horizontal stroke at the beginning.

David Raub
Mayor

CITY OF MILL VALLEY

cc: City Council
Marin County cities and towns
Annette Rose, President, Marin County Board of Supervisors
Director of Police and Fire Services

CITY OF OAKLAND



CITY HALL

ONE CITY HALL PLAZA

OAKLAND, CALIFORNIA 94612

Dick Spees
Vice Mayor

510/238-3266
FAX/238-6129

July 18, 1995

Re: Homeowner and Earthquake Insurance Crisis

Dear Mayor/City Manager:

I am writing you to inquire about your interest in joining the Oakland City Council in pressing the State Legislature to resolve the homeowner and earthquake insurance crisis. Since the Northridge earthquake, seventy-five percent of homeowners' insurance carriers have suspended or severely limited writing new homeowners' policies. Thousands of homeowners are having their existing policies non-renewed. And California's real estate industry confirms that new home sales are held up by the inability of buyers to find adequate insurance at an affordable cost.

In Oakland we are particularly concerned because, following the Oakland-Berkeley Hills fire of 1991, the city's residents agreed to costly new assessments and a general obligation bond to fund fire mitigation and emergency preparedness upgrades. In spite of these extraordinary measures, our homeowners are experiencing great difficulty obtaining and keeping insurance.

The Oakland City Council has approved the enclosed resolution, calling upon the Legislature and the Department of Insurance to resolve this statewide crisis. We invite you to consider adopting a similar resolution, and to fax a copy to us in care of our city's Sacramento representative, Ken Emanuels (FAX: 916-444-0303)

done DS 8-29-95

Last week, Mayor Elihu Harris and I met in Sacramento with each of the primary "players" in this debate. We learned that the State Insurance Commissioner shortly will propose the formation of a new state natural disaster insurance pool. We also confirmed that all parties expect the major legislative issues to be resolved by a conference committee in August.

Would you be interested in joining us in mid-August in Sacramento to lobby directly the conference committee? We will plan a day of background briefings, meetings with legislators and testimony before the committee, all intended to light a fire for an acceptable resolution for our residents. If you can join us, please contact Mr. Emanuels at (916) 444-6789. When arrangements are in place, he will contact you with the date, time, location and all the details.

Sincerely,

Dick Spees
Vice Mayor

Enclosure: Sample Resolution

Post-it® Fax Note	7671	Date	8-29-95	# of pages	2
To	Ken Emanuels	From	Beth Pollard		
Co./Dept.		Co.	Town of San Anselmo		
Phone #		Phone #	(415) 258-4600		
Fax #	916-444-0303	Fax #	(415) 454-4683		

5c.