

1 [Supporting the Passage of Senate Bill 637 and House of Representative Bill 3125 -
2 Earthquake Insurance Affordability Act]

3 **Resolution supporting the passage of Senate Bill 637 and House of Representative Bill**
4 **3125, which would enact the Earthquake Insurance Affordability Act.**

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6 WHEREAS, According to the U.S. Geological Survey, earthquakes pose a
7 significant risk to 75 million Americans in 39 states; and

8 WHEREAS, Having experienced a magnitude 7.1 earthquake on October 17,
9 1989, residents in the City and County of San Francisco know all too well the devastation that
10 earthquakes can cause; and

11 WHEREAS, While 80% of Californians live on or near a fault, currently fewer than
12 10% of California households are covered by earthquake insurance, with many of those
13 who are uninsured citing the high cost as the reason; and

14 WHEREAS, The extraordinary damage caused by earthquakes points clearly to
15 the importance of having affordable earthquake insurance to help rebuild after disaster
16 strikes; and

17 WHEREAS, Senators Dianne Feinstein and Barbara Boxer have introduced
18 Senate Bill 637, and an identical companion bill, House of Representative Bill 3125, has been
19 introduced in the House by Congressman John Campbell; and

20 WHEREAS, Senate Bill 637 and House of Representative Bill 3125 would lower the
21 cost of earthquake insurance for Californians and individuals who purchase coverage from a
22 non-profit, state-run earthquake insurance program; and

23 WHEREAS, Known as the Earthquake Insurance Affordability Act, Senate Bill 637 and
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1 House of Representative Bill 3125 would establish a program to provide guarantees for debt
2 issued by or on behalf of State catastrophe insurance programs to assist in the financial
3 recovery from earthquakes, earthquake-induced landslides, volcanic eruptions, and tsunamis;
4 and

5 WHEREAS, It is critically important for residents and homeowners in California to
6 be able to purchase affordable earthquake insurance in order to increase the number of
7 insured homeowners and hopefully reduce the risk to all taxpayers who may otherwise
8 bear significant costs in the aftermath of a catastrophic earthquake; and

9 WHEREAS, Access to affordable insurance also helps speed the recovery
10 process, which is essential in rebuilding local communities after a disaster; and

11 WHEREAS, The Earthquake Insurance Affordability Act allows non-profit
12 insurance programs, including the California Earthquake Authority (CEA), to access
13 federal loan guarantees and more effectively and efficiently capitalize for catastrophic
14 earthquakes, which in turn will allow them to provide lower rates to homeowners and
15 empower more Californians to purchase protection in anticipation of California's next
16 major earthquake; and

17 WHEREAS, Because the federal government often spends billions of dollars to
18 support response efforts following a major disaster, enacting the Earthquake Insurance
19 Affordability Act could result in lower costs to the federal government, and by extension
20 to local taxpayers; now, therefore, be it

21 RESOLVED that the San Francisco Board of Supervisors hereby supports the passage
22 of Senate Bill 637 and House of Representative Bill 3125.

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