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

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

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

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

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

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

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

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

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

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

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

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

RESOLVED that the San Francisco Board of Supervisors hereby supports the passage of Senate Bill 637 and House of Representative Bill 3125.
Resolution supporting the passage of Senate Bill 637 and House of Representatives Bill 3125, which would enact the Earthquake Insurance Affordability Act.

October 30, 2012 Board of Supervisors - ADOPTED

Ayes: 9 - Avalos, Campos, Chiu, Cohen, Farrell, Kim, Mar, Oclave and Wiener
Excused: 1 - Chu
Absent: 1 - Elsbernd

I hereby certify that the foregoing Resolution was ADOPTED on 10/30/2012 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Date: November 9, 2012

I hereby certify that the foregoing resolution, not being signed by the Mayor within the time limit as set forth in Section 3.103 of the Charter, became effective without his approval in accordance with the provision of said Section 3.103 of the Charter.

Angela Calvillo
Clerk of the Board

File No. 121049