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AGENT & BROKER ALERT

California Insurance Commissioner Ricardo Lara

Commissioner Lara gives progress report on Sustainable Insurance Strategy at Assembly hearing

December 20, 2023 — Last week Insurance Commissioner Ricardo Lara told California Assembly members at a legislative oversight hearing that “California is at an insurance crossroads and for many Californians this is an insurance emergency.” He underscored the need for marketplace reforms, with the FAIR Plan reporting 20 percent growth of policies in 2023 and restrictions by major insurance companies pushing more consumers into California’s insurer of last resort. He also outlined progress toward major regulatory and administrative reforms under his California Sustainable Insurance Strategy that he first announced in September.

The following is an excerpt of his prepared remarks to members of the Assembly Insurance Committee at an oversight hearing held at Pasadena City Hall:

“As the state’s insurance regulator, my focus is safeguarding the integrity of the insurance market, which includes protecting consumers and businesses. In September, I announced my Sustainable Insurance Strategy, which is the largest insurance reform since voters passed Proposition 103 nearly 35 years ago. There is no question that the risks that existed when voters passed Proposition 103 are not the same risks we are facing today. The insurance market we are dealing with today necessitates urgent measures that even the Governor recognizes, as set forth in his Executive Order issued on September 21st.”

“My strategy is based on a thorough assessment of today’s insurance landscape with input from wildfire survivors, ranchers and farmers, supportive housing groups, REALTORS, homeowners and condo associations, new home builders, and other insurance consumers most affected.”

“We are moving with urgency and deliberately, based on the facts, and we won’t be pressured by entrenched groups seeking to defend a broken status quo that puts their interests ahead of the public’s benefit.”

“It is clear that insurance reforms are long overdue and the current system does not address the insurance challenges of today. I am taking action to implement lasting changes that will make Californians safer through a stronger, sustainable insurance market.”



“California is at an insurance crossroads and for many Californians, this is an insurance emergency. Consumers are experiencing the impact of growing climate threats, historic inflation, and outdated regulations.”

- Insurance Commissioner Ricardo Lara

Additional resources:

- [View the full transcript](#) of his remarks.
- [View Assembly Insurance Committee archive video.](#)
- View more information at the [Sustainable Insurance Strategy](#) web page.