



April 8, 2025

The Honorable Lisa Calderon
Chair, Assembly Committee on Insurance
1020 N Street, Room 369
Sacramento, CA 95814

RE: AB 1236 (Celeste Rodriguez): Local Climate Insurance Pilot Projects - SUPPORT

Dear Chair Calderon,

The Alliance of Regional Collaboratives for Climate Adaptation (ARCCA) urges your **support of AB 1236 (Celeste Rodriguez)**, which will bolster community resilience by establishing and administering the “Climate and Sustainability Insurance and Risk Reduction Program” at the Department of Insurance. Climate insurance pilot projects will explore innovative approaches to insurance that build economic resilience, with particular focus on communities that experience extreme heat, wildfire risk, flooding, or biodiversity loss, and where insurance uptake is low.

As climate impacts accelerate, vulnerable communities that historically have been uninsured or underinsured will face devastating challenges, not only from climate-driven disasters, but from a lack of resources to rebound. In recent years, California has experienced record-setting heat waves, wildfires, atmospheric rivers, and flooding events brought upon by climate change. Insurance plays a critical role in recovery from climate disasters, but many households and small businesses do not have sufficient coverage to fund repair and rebuilding. Uptake of flood insurance is low, even in areas where the risk of flooding is high, and the impacts of heat waves and sea-level rise largely lack any insurance coverage. Without greater focus on risk reduction and improved tools for resilience, communities are likely to face escalating risks, leading to increased losses, lingering financial impacts, and less resilience to future climate-intensified events.

AB 1236 would implement key recommendations of the [Climate Insurance Report](#), a first-of-its-kind report put together by the California Climate Insurance Working Group over two years’ time. The Report prioritizes closing protection gaps by focusing on the protection of areas with low insurance uptake and high risk, thereby increasing both local and statewide resilience. Woven throughout the report are recommendations to establish pilot projects that use innovative insurance mechanisms including community-based insurance, parametric insurance, and nature-based solutions to reduce risk and increase protection from climate change. **AB 1236** pilot projects would focus on the development of proof-of-concepts that expand insurance options and integrate nature-based solutions, especially in vulnerable and disadvantaged communities.

[ARCCA](#) is a California-based network of regional climate collaboratives – each encompassing a diverse, multisector network of agencies and organizations working together to accelerate climate adaptation throughout their region. ARCCA’s guiding principles assert that adaptation is fundamentally about protecting people, especially those who are and will be disproportionately impacted by climate change. Actions to reduce risk and build resilience must prioritize the health, safety, and wellbeing of California’s most vulnerable communities. These include historically marginalized communities that experience the first and worst consequences of climate change and other injustices, particularly Black, Indigenous and People of Color (BIPOC) communities and other marginalized communities that have shouldered the largest health burdens and face the greatest

economic barriers. ARCCA seeks to support local, regional and statewide efforts to build resilience by understanding the perspectives and needs of our diverse member communities throughout the state and co-creating solutions that simultaneously promote environmental justice, economic stability, and long-term resilience. Our member collaboratives represent the following regions: North Coast, Sierra Nevada, Greater Sacramento Area, San Francisco Bay Area, Central Coast, Los Angeles County, Inland Southern California, and San Diego County.

Over the past year, the Department of Insurance (CDI) has successfully initiated several pilot projects with public and private support that address insurance gaps in communities facing flooding, sea-level rise, and wildfire. **AB 1236** will build on CDI's ongoing efforts to implement creative and sustainable strategies that combat climate change while bolstering economic resilience of our most vulnerable communities.

For these reasons, ARCCA respectfully requests your **"Aye"** vote when this measure is heard before your committee. Thank you for your time and consideration.

Sincerely,



Erin Coutts, ARCCA Chair
Los Angeles Regional Collaborative for Climate Action & Sustainability (LARC)



Em Johnson, ARCCA Vice Chair
Central Coast Climate Collaborative (4C)



Darbi Berry
San Diego Regional Climate Collaborative (SDRCC)



Michael McCormick
Bay Area Climate Adaptation Network (BayCAN)



Kaeleigh Reynolds
Sierra Climate Adaptation and Mitigation Partnership (Sierra CAMP)



Grace Kaufman
Capital Region Climate Readiness Collaborative (CRCRC)

CC: The Honorable Celeste Rodriguez
The Honorable Greg Wallis, Vice Chair, Assembly Committee on Insurance
Members, Assembly Committee on Insurance
Kathleen O'Malley, Chief Consultant, Assembly Committee on Insurance
Bill Lewis, Consultant, Assembly Republican Caucus
Brady Borcherding, Deputy Legislative Secretary, Office of the Governor

