

Transaction and Regulatory Committee Meeting 4/28/20
Regional Report by John Cribb

The meeting had a full agenda. Over 25 bills and topics were addressed by the committee which resulted in 10 Action items and 1 Report Only item coming to the Board of Directors.

The first five Action Items fall within the subject of the WILDFIRE INSURANCE WORKING GROUP, of which I am a member. The Wildfire Group has met several times this year via Zoom, but also met in person in Anaheim with CA Insurance Commissioner Ricardo Lara, at his request. There are seven bills proposed to address Wildfire Insurance issues, proposed by the Commissioner, Consumer policyholder advocacy groups and the Insurance Industry groups. Our Wildfire Working Group has a strong desire for increased transparency in insurance offerings and underwriting procedures so consumers can make informed choices while also advocating for the insurance industry to be an integral part of the reform process. (Many of the proposed bills do not include insurance industry representation on the groups proposed to be established to address the problems)

The Legislative process as we have historically experienced is no longer happening due to interruption by the pandemic shelter at home environment. The Legislature and its committees have not been meeting, so there have been no typical negotiations and amending of language of proposed legislation for us to be involved in or to take positions upon. We are still responding to draft summaries of what the proposed legislation is intended to do without seeing the actual bill language. The TREG Committee took the following action on five items arising out of the Wildfire Group:

1. **That C.A.R. "WATCH" AB 2167 (Daly)**, bill which would create, among other provisions, "Insurance Market Action Plans" (IMAPs), a new regulatory filing that insurers would be able to file with the Department of Insurance.
2. **That C.A.R. "SUPPORT IF AMENDED" AB 2367 (Gonzalez/Limon)**, a bill which would require admitted insurance carriers in California that offer home insurance to offer insurance to homeowners that have met minimum hardening standards established by a task force also created by AB 2367. The amendment would allow for balanced representation from the insurance industry.
3. **That C.A.R. "SUPPORT IF AMENDED" AB 2436 (Bloom)**, a bill that requires a policy of residential property insurance to include building code upgrade coverage
4. **That CAR "SUPPORT" AB 2703 (Gallagher)**, a bill which prohibits an insurer from deducting the value of the land if the insured decides to purchase an already built home in another location with insurance proceeds after a loss.
5. **That C.A.R. "SUPPORT IF AMENDED" SB 1199 (McGuire)**, a bill which creates the state Commission on Home Hardening within the Business, Consumer Services, and Housing Agency. He amendment would include balanced representation from the insurance industry on the commission.

Other Action items taken at this meeting are:

6. **That CAR "SUPPORT" AB 1263 (LOW)**, a bill which constrains a licensee's ability to avoid a consumer complaint to a regulatory body or a consumer participating in an investigation, through a contractual agreement with the consumer.
7. **That CAR "OPPOSE" AB 1971 (Voepel)**, a bill which reduces the waiting period that a lender must wait before accepting a final and complete application for a reverse mortgage from 7 days to 3 days from the date of housing counseling.

8. **That CAR “SUPPORT” AB 2408(Grayson)**, a bill which adds provisions to the reverse mortgage disclosure and checklist. Specifically, AB 2408 will add provisions to the reverse mortgage disclosures notice and checklist that asks the following:1) If there is a spouse that is named on the property title; 2) If the prospective borrower knows what will happen to the property when the die or permanently relocate away from the home; and 3) if there is an understanding of what will happen to the property if there is a reverse mortgage and the prospective borrower later gets involved with a Property Assessed Clean Energy (PACE) program home improvement loan.
9. **That CAR “SUPPORT” AB 2463 (Wicks)**, a bill which prohibits the sale under the execution of a judgment debtor’s principal residence if the underlying judgment is based on an unsecured consumer debt.
10. **That CAR “WATCH” SB 1148 (JONES)**, a bill which eliminates the initial requirement that a notice of sale b published in the city in which thr property or some part of it is situated and instead provides that the initial publication preference is for a newspaper of general circulation in the public notice district in which the property or some part of it is located.
11. **REPORT ONLY:** An Issue Briefing Paper will be prepared on the subject of the **Uniform Partition of Heirs Property Act**, for consideration at the Fall 2020 Business Meeting.

FURTHER DISCUSSION

The committee entertained discussion, without approving any Action Items on a variety of subjects including Other (non Wildfire) Insurance matters, Finance and Lending, Quantitative Easing (QE) pogram, Mortgage Servicing and Originating Crisis, Agency Disclosure, Fannie Mae and Freddie Mac Appraisals (drive by and/or desktop), Effect of pandemic on the Legislature and Legislative process.

John Cribb, Scenic Coast AOR
Region 31 TREG Committee Representative
805.235.6204 John.Cribb@Realtor.com