



## **Important Renewal Information**

We would like to thank you for your continued support of the Northern California Fire District Association (NCFDA). Our group of Districts is over 100 members strong, and it continues to provide sustainability, protection, and competitiveness.

The California insurance marketplace has become quite difficult across multiple lines of coverage. Most, if not all, of these issues have had an adverse claims impact on our members. The most problematic issues are the following:

- Wildfire risk and insurance carriers experiencing catastrophic losses over the last several years
- Continual and worsening employment practices claims
- Increased severity of claims, which go into the excess layers of coverage (above \$1mil)
- Increasing losses of high value vehicles
- Increased Risk Meter scores and lack of any carrier appetite to write in high-risk areas
- Increased construction costs

**Our current carrier will soon be mailing you a non-renewal notice.**

**The likely replacement solution is an AM Best Rated AXV (Excellent) re/insurer that represents over 1,000 water and fire districts in California.**

This solution will not involve any changes to existing underwriting, claims, and risk control personnel. However, there will invariably be changes to coverages, deductibles, and limits. We will share more details once we receive your renewal information.

**As part of our annual due diligence, we approached the two largest insurance providers for emergency services organizations in the United States. Both providers previously insured the NCFDA program, and they declined to quote our members this year.**

The reason for their declination goes back to the bullet points referenced above and gives us confidence that our likely solution will be the best insurance option available to you. This solution is the same re/insurer that supports the FAIRA program.

The best way we can partner moving forward is to get the renewal information turned around as quickly as possible. Please make it an immediate priority for your department. We understand this is a difficult request during your busy season. Thank you in advance for your efforts.

Sincerely,

*Hillary R. Erickson*

Hillary Erickson, Vice President