

- Good afternoon members of the Assembly Insurance Committee
- It is a pleasure to speak before you all today
- My name is Brad West, Policy Specialist for the Supportive Housing Alliance, a coalition of supportive housing developers united in our mission to streamline the production and improve the operation of supportive housing
- Over the past several decades, our members have built over 7,500 units of supportive housing across Southern California
- Rising insurance rates are putting our supportive housing projects in jeopardy and causing a crisis
- Over half of our members are experiencing insurance rate increases of at least 25%, with some as high as literally 550%
- One member has seen their total insurance cost of their owned assets rise from \$240,000 to \$1.82 million, a sevenfold increase across their 14 properties

- Further exacerbating the problem is insurance carriers outright exiting the supportive housing market, with some of our members struggling to find any carrier to offer insurance coverage
- We serve people formerly experiencing chronic homelessness, we cannot simply raise our rents to offset these rising insurance costs
- That is why we support the Insurance Commissioner's plan to streamline the FAIR plan and the State's insurance rate review process, which will help restore a competitive and resilient marketplace for admitted insurance companies in California
- However, this will take years to impact the insurance market
- In order for supportive housing development to continue in the meantime, we need a state insurance subsidy to cover the drastic rise in insurance costs that we are facing
- Supportive housing is an evidence-based best practice for solving chronic homelessness

- If we cannot insure our properties, there will be a drastic reduction in the number of supportive housing units that we can build, and California will make no progress in reducing homelessness
- Thank you