

July 26, 2011

The Honorable John Campbell
U.S. House of Representatives
Washington, DC 20515

RE: Support for the Earthquake Insurance Affordability Act

Dear Congressman Campbell:

On behalf of the membership of the Building Industry Association of Southern California, Orange County Chapter, I am pleased to inform you of our support of the Earthquake Insurance Affordability Act (EIAA).

Recent catastrophic earthquakes in Japan, New Zealand, and Haiti have served as painful reminders of California's vulnerability to similar devastation. In fact, no part of California is immune from earthquakes and although eighty percent of its residents currently live on or near a fault, fewer than 10 percent of California households are covered by earthquake insurance.

Californians need greater access to affordable earthquake insurance. The EIAA is a fiscally sound solution that empowers homeowners and protects taxpayers. It provides a limited guarantee that would significantly reduce insurance premiums by as much as 20 percent and allow more homeowners to afford earthquake insurance in California.

Increasing the number of insured homeowners could reduce the risk to all taxpayers who may otherwise bear substantial costs in the aftermath of a catastrophic natural disaster. We also know that having insurance is key to a faster recovery, which will be important to the rebuilding of our communities. In addition, preliminary estimates by the nonpartisan Congressional Budget Office (CBO) shows the EIAA cost to the federal government and taxpayers is zero.

California is home to two-thirds of America's earthquake risk and experts agree that a major earthquake within the next 30 years is a virtual certainty. And while we cannot prevent an earthquake, we can certainly prepare for one and the EIAA is a significant step in that direction.



**Orange County
Chapter**

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of Southern California

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BRYAN STARR
CHIEF EXECUTIVE OFFICER

Please let me know if you have any questions or need any additional information. We look forward to continuing to work with you on this critical issue.

Sincerely,

A handwritten signature in blue ink, appearing to be "B. Starr", with a large, stylized loop at the end.

Bryan M. Starr
Chief Executive Officer

Cc: Glenn Pomeroy, Chief Executive Officer, California Earthquake Authority