



SOUTHERN CALIFORNIA
ASSOCIATION OF GOVERNMENTS
900 Wilshire Blvd., Ste. 1700
Los Angeles, CA 90017
T: (213) 236-1800
www.scag.ca.gov

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September 18, 2025

The Honorable Gavin Newsom
Governor, State of California
1021 O Street, Suite 900
Sacramento, CA 95814

RE: SCAG REQUEST FOR SIGNATURE – AB 226 (Calderon & Alvarez) – California FAIR Plan Stabilization Act

Dear Governor Newsom:

On behalf of the Southern California Association of Governments, I am pleased to support Assembly Bill (AB) 226, authored by Assemblymembers Lisa Calderon and David Alvarez, which aims to enhance the California Fair Access to Insurance Requirements Plan's (FAIR Plan's) financial liquidity and capacity to handle claims by authorizing the California Infrastructure and Economic Development Bank (IBank) to issue bonds to finance the cost of claims.

Since its establishment in 1968, the FAIR Plan has served as a crucial state safety-net program to provide basic property insurance to California residents who would otherwise have no access. Although created to function as a last resort, more Californians have turned to the Plan for basic property coverage as insurers have increasingly declined to provide new coverage or renew existing policies, putting a strain on its ability to remain solvent.

AB 226 is a positive first step to addressing the ongoing insurance crisis in the state by providing the FAIR Plan with additional tools needed to improve its claim-paying capacity, making it more resilient to the major catastrophic events that have occurred in Southern California, including the most recent wildfires that affected our greater Los Angeles area.

SCAG is committed to the success of the California FAIR Plan. For these reasons, SCAG respectfully requests that you sign AB 226 into law. If SCAG can be of any assistance, please contact Mr. Kevin Gilhooley, Legislation Manager, at (213) 236-1878 or via e-mail at gilhooley@scag.ca.gov.

Sincerely,

Kome Ajise
Executive Director