

The background of the slide is an aerial photograph of a coastal town. On the left, the blue ocean meets a sandy beach. To the right of the beach, a town is built on a hillside, with houses and buildings visible. In the distance, more hills and mountains are visible under a clear blue sky. The text "Los Angeles County Virtual Wildfire Insurance Town Hall" is overlaid in large, bold, yellow letters with a black outline.

Los Angeles County Virtual Wildfire Insurance Town Hall

Insurance Commissioner Ricardo Lara
January 30, 2025



Housekeeping

➤ Recording

- Audio, video, and chat will be monitored and recorded
- This event is being streamed live on Facebook at [insurancecagov](https://www.facebook.com/insurancecagov)

➤ Audio and Video

- We respect all participants in this convening today and want to create a safe space for all. By default, all participants will be muted and video is disabled.
- Video will be on for speakers only.
- Previously Submitted Questions will be answered as part of the program.



Agenda

- Insurance Commissioner Ricardo Lara:
 - Department of Insurance Wildfire Response

- Tony Cignarale:
 - Tips for Navigating Insurance Claims

- Amy Madrigal:
 - Tips to Avoid Fraudulent Scams

- Q&A



RICARDO LARA
INSURANCE COMMISSIONER
California Department of Insurance

Commissioner Lara announces more than \$4.2 billion already paid to wildfire survivors

*Creates first-ever public
consumer claims
tracker to monitor
claim amounts,
payments, and
provide transparency*

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Commissioner's Insurance Support Workshops, Disaster Recovery Centers, and Resources

- **Commissioner's Workshops –**
 - January 18-19 at Santa Monica College Performing Arts Center
 - January 25-26 at Pasadena City College
- **FEMA's Disaster Recovery Centers –**
 - Opened January 14th at UCLA Research Park West
 - Opened January 14th at Pasadena City College
 - Opened January 27th at Altadena

Department's Consumer Services

- **Hotline:** 800-927-4357
- **Written Inquiries and Complaints:** www.insurance.ca.gov
- CDI [Wildfire Resources](#) for Consumers
- Outreach Partnerships and Local Liaisons
- Office of the Ombudsman



Commissioner's Emergency Actions to Assist Consumers

- Declare One-Year Nonrenewal Moratorium for residential policies within or adjacent to wildfire perimeters (January 9th and January 14th [Bulletin 2025-1](#))
- Request to all insurers to forego any pending residential policy nonrenewals/cancellations received by homeowners *before* fires started ([January 9th Notice 2025-01](#))
- Request to all insurers to **exceed** Current 60-Day Grace Period Law for affected policyholders to pay their home insurance premiums ([January 9th Notice 2025-01](#))





Commissioner's Emergency Actions to Assist Consumers

- Require Health Insurers to ensure access to medically necessary health services, including prescription drugs ([January 8th Notice](#))
- Dispatch Department's Enforcement Team to safeguard consumers from fraudsters and help with evacuation efforts
- Allow out-of-state adjusters to help handle claims under strict oversight by Department ([January 13th Emergency Declaration and January 10th Notice](#))





Sustainable Insurance Strategy

- **Improve Department's rate application approval process** with faster rate filing approval times to create more certainty in insurance market
- **Introduce new climate risk management tools in ratemaking** – Catastrophe Modeling and Reinsurance Costs
- **Modernize FAIR Plan** to ensure it remains financially solvent and sustainable while providing more – yet temporary – comprehensive commercial coverage for HOAs, affordable housing developers, and larger businesses
- **Enact intervenor reform** to ensure transparency and accountability for groups that intervene in insurer rate filings at Department. Additional public rulemaking to be pursued in 2025.
- **Create first-in-the-Nation insurer commitments to write more policies** in wildfire distressed areas and reduce FAIR Plan policies in order to achieve greater insurance availability for consumers





I lost everything in the fires, what do I need to do?

- Obtain a complete copy of your homeowner's insurance policy and contact your insurance company.
- Find out what your Additional Living Expenses limits are and track your expenses while you are having to live away from your home.
- Document all conversations you have with your insurance company and/or adjuster.
- Get at least one licensed contractor estimate or bid on the cost to rebuild your home
- Do not rush into any decisions or sign anything you do not understand
- Call the Department of Insurance at **800-927-4357** for help and visit our website **insurance.ca.gov**.

What do I need to know about the debris removal program?

**The Los Angeles County Debris Removal Program
will Coordinate with your insurance policy.**

- **If you agree to participate in the Program, in most circumstances, you should not have any out-of-pocket costs over and above any insurance proceeds provided by your insurance company for debris removal.**
- **The Department has posted a Consumer Alert on our Wildfire Resources page for details of how the debris removal program will work with your insurance policy.**



I'm worried I might be underinsured and won't have enough to rebuild. What do I do?

While the Department is not aware of widespread **uninsured** properties, homeowners who are uninsured should make sure they register with FEMA to determine what individual assistance and other relief may be available. There is no insurance solution for those without insurance.

It is too soon to know the frequency and severity of **underinsurance**, but anyone that finds themselves underinsured should file a complaint with the Department so we can make sure the insurance company paid what they owe. However, registering with FEMA will also keep them eligible for any assistance that can mitigate their underinsurance.



What is your Department doing to ensure our claims are paid?

- **Requesting and tracking claims filed/claims paid data directly from insurers.**
- **Meeting with trade groups and insurers as issues arise to resolve them before they become a major problem.**
- **Expediting all consumer complaints that the Department gets in order to resolve delays, etc.**
- **Conducting Department Market Conduct Exams, if necessary, to resolve systemic issues.**



I rent my home. Is the claims process different than for homeowners?

- No, the claims process should be the same, except there won't be coverage for the building for renters as the building is covered under the landlord's insurance policy.
- But Renters Insurance should cover things like Additional Living Expenses and personal property claims.



I am covered by the FAIR Plan. How do these fires impact how they pay my claim?

- We expect the FAIR Plan to handle and pay claims as expeditiously as possible. We've advised them of our expectations that they have sufficient capacity, adjusters, and resources to pay claims.
- At this time – based upon information provided by the FAIR Plan to the Department – we believe the FAIR Plan has the capital and capacity to pay all covered claims.
- Of course, this is also a **very** fluid situation. The Department's financial solvency experts are in regular communication with the FAIR Plan, and actively monitoring other admitted carriers in the affected region as well.
- Lastly, the Commissioner's FAIR Plan Modernization efforts in effect today ensures the FAIR Plan remains solvent and sustainable, namely through assessment reform.



What documents do I need as I am working on my insurance claim?

- There are several resources on the Department's website that will assist residents to get their claims going and help them recover as quickly as possible, given the circumstances.
- These include "[Top 10 Tips for Wildfire Claimants](#)" and the various statutory protections that are in place for them.
- The Department's consumer services team is also available to walk consumers through this process on the hotline, on-line (*via* chat), and at FEMA's Disaster Recovery Centers that the Department is staffing.



What is Contents Insurance?

And do I need a home inventory?

- “Contents coverage” covers the cost to replace damaged or destroyed personal property. In general, the insurer first pays the depreciated value of personal property based on the age and condition of each item. Once the items are replaced, the depreciation that was withheld will be reimbursed.
- In order to pay contents claims, the insurer needs to know what items you had, such as all the clothing, furniture, electronics, kitchenware, etc. This process is cumbersome for the insured, but insurance companies may assist them with this process.
- Recently enacted laws require the insurance company to allow the insured to list items in bulk vs. each item. The law also allows an insured who sustained total loss to request and get paid for a certain percentage of their contents coverage up to \$250,000 without having to do the inventory.



Do I need to continue to pay my insurance policy as my home is being rebuilt?

- Our advice is for everyone to keep the insurance that they have.
- Homeowners will still need liability coverage. And, if they have a lender, insurance may still be required as a condition of the loan.
- Also, if the homeowner suffered a **total loss**, the insurance company is required under existing law to renew their policy for the next two renewals for no less than 24 months, so consumers should take advantage of that protection.



My home is not livable due to the wildfire. Am I still eligible for ALE coverage? Specifically, I suffered smoke damage and there are possible toxic contamination surrounding the area.

If your policy provides coverage for ALE and the home is unsafe or unlivable due to a **covered peril**, you would be eligible for ALE coverage. For example, if you don't have access to water, sewer, or electricity services due to damaged water/sewer systems or downed power lines, ALE is still covered. However, an insurer can, in lieu of making additional living expense payments, provide a reasonable alternative remedy that addresses the property condition that makes the property unlivable. For example, if you have no electricity, the insurance company may install a generator to resolve that issue to make the home livable.

With regards to habitability concerns relating to toxic contamination, the consumer would need to show that the smoke damage and the toxins in surrounding area make the home uninhabitable. It may take county health department or some other source to provide a finding that the area is unsafe to live.



In these unprecedented times, what is normal turnaround time for insurance adjuster to come to a decision?

An insurance company or its adjuster is required by law to:

- **Acknowledge your claim within 15 days from when you report it.**
- **Respond to your communications within 15 days, or sooner**
- **There are other timeframes for accepting, denying, and paying your claims, but that will depend on all the different aspects of the claim. For example, when the property is inspected, when an estimate of damage or rebuild is completed, when ALE receipts are turned in, etc.**



Do I need to make an inventory (list) of every item I owned and lost in the fire as it is an undue burden on me? Can I decide to replace vs. remediate?

After a **total loss** relating to a declared disaster, the insurance company must offer to pay a certain percentage of coverage (up to \$250,000) for your destroyed personal property without requiring the insured to file an itemized inventory. However, even if you accept this payment, you may subsequently still choose to conduct an inventory if you wish to receive any remaining personal property coverage that may be still available.

For a partial loss as to whether to replace or remediate, it is important to make all damaged items available for inspection by the adjuster. The decision to repair/replace or remediate any personal property damaged would be based on an agreement between you and the adjuster. It is determined on a case-by-case basis.



If I don't have enough coverage limits for my Primary Structure to rebuild, but still have not exhausted my limits for my Other Structures coverage, can I use that untapped coverage to rebuild my primary structure?

Yes. After a state of emergency, a residential property insured is allowed to combine payments for claims for losses up to the policy limits for the **primary dwelling and **other structures**, for any of the covered expenses reasonably necessary to rebuild or replace the damaged or destroyed dwelling, if the policy limits for coverage to rebuild or replace the primary dwelling are insufficient.**



If, for my situation, I am unable or choose not to rebuild at my same location, am I still eligible to receive the full benefits owed under the policy?

Yes, after a total loss, the insurer is required to pay the full replacement cost benefits, (which must include any building code upgrade and extended replacement costs associated with rebuilding the insured property) even if the insured decides to rebuild or buy a property in another location. Also, the value of land cannot be deducted from this settlement.

Important Note: However, you would only be eligible up to the full replacement costs owed if you actually incur that amount in rebuilding or buying a property in another location. For example, if you were eligible for the replacement cost benefits of the property you lost at \$500,000, but only actually spent \$400,000 to rebuild or buy at another location, then you would only be eligible for the \$400,000 you actually spent.



How can consumers verify if a public adjuster is properly licensed and how do they report fraud to the Department?

- **Public Adjusters in California must be licensed by the Department of Insurance.**
- **Always verify public adjuster licenses, which you can do on our website: www.insurance.ca.gov Click on the tab Agents & Brokers, and click the link 'Check a License'. From there you can search by person name, business name, and license number.**
- **If you think you have been a victim of a scam, or suspect fraudulent activity by a public adjuster, you can also report that on the website by clicking the 'File a Complaint' tab. There are directions on how to file a complaint with our online system or request assistance by phone.**



What are some rules public adjusters must follow?

- **Public Adjusters cannot operate without a license.**
- **They cannot solicit your business: while the loss is underway, for 7 days following the reopening of a declared disaster area, between the hours of 6PM and 8AM.**
- **They cannot charge upfront fees. Their fees are typically a percentage on the claim settlement, and should be clearly stated in their contract.**
- **They cannot offer money upfront to policyholders. This is unethical and potentially fraudulent. If anyone offers you money, report it to the California Department of Insurance.**
- **They cannot promise specific outcomes or guarantee a specific amount of compensation. They do not work for the insurance carrier, and claims depend on your policy coverage and documented damages.**



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