



RICARDO LARA
CALIFORNIA INSURANCE COMMISSIONER

September 24, 2019

To the Residents of Sonoma County and other 2017 Wildfire Survivors:

On May 28, I issued a request to residential property insurance companies to consider the unique situation and the emotional and financial distress of their policyholders who suffered a total loss in the devastating 2017 wildfires by voluntarily agreeing to extend their additional living expenses coverage period to no less than 36 months for those policyholders.

So far, I am aware of only two major insurance companies representing many survivors — CSAA and Farmers — who responded affirmatively. No other companies have informed the Department that they intend to honor this request.

With benefits due to expire for many survivors, I renew my call to insurance companies to agree to my request and ask them to respond to the Department by October 8, the two-year anniversary of the deadly fires.

In the aftermath of the 2017 wildfires, the Department of Insurance and the California State Legislature recognized that, in these large scale natural disasters, 24 months does not provide sufficient time to remove debris, obtain all necessary building permits, locate and hire a contractor and multiple subcontractors, and completely rebuild these destroyed homes.

As a result, the passage of Senate Bill 894 (Dodd and McGuire, Chapter 618, Statutes of 2018), Assembly Bill 1772 (Aguiar-Curry and Wood, Chapter 627, Statutes of 2018), and Assembly Bill 1800 (Levine, Chapter 628, Statutes of 2018) increased the 24 month mandatory ALE coverage period to a minimum of 36 months if a policyholder acting in good faith and with reasonable diligence encounters delays in the reconstruction process of their home.

However, the amendments to existing law became effective on September 21, 2018, applying only to claims that arose on and after that date. Accordingly, these changes to the law do not apply to the 2017 wildfires.

This month my department affirmed the legality of those laws for survivors of the terrible 2018 wildfires, which some insurance companies had questioned.

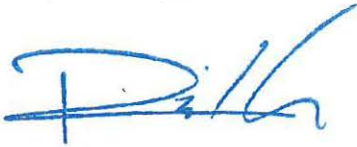
I have also instructed my Department to investigate whether ALE contractors sent misleading notices to Sonoma County survivors informing them that “move-out” letters would be sent to their landlords within days. Insurance companies employ ALE contractors to assist survivors with obtaining temporary housing. I am concerned these notices may have caused survivors more

distress and confusion and request that all insurers review their current claims practices on this issue. I urge people who received these notices to contact my Department at 800-927-4357.

Today, many survivors are on the path to rebuilding their homes and lives. Local leaders and community groups have rallied around survivors to clear away obstacles. To date, my Department has assisted 1,000 survivors of the 2017 wildfires with their insurance issues and was able to recover more than \$100 million for them. But the extraordinary circumstances of the 2017 fires still persist.

In light of these facts I renew my call to insurance companies to extend ALE coverage and work with their policyholders who remain in limbo due to circumstances beyond their control. I also urge survivors to continue to contact the Department of Insurance at 800-927-4357 so we can assist you with claims and other questions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Ricardo Lara', with a stylized flourish extending from the end.

Ricardo Lara
Insurance Commissioner