

California Department of Insurance

# Disaster Insurance Guidebook



Essential Resources and Tools  
To Aid In The Rebuilding Journey

**RICARDO LARA**  
INSURANCE COMMISSIONER

California Department of Insurance

[insurance.ca.gov](http://insurance.ca.gov) 800-927-4357



# **RICARDO LARA**

## **INSURANCE COMMISSIONER**

**California Department of Insurance**

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Dear California Consumer:

The California Department of Insurance (CDI) is the nation's leading state consumer protection agency and your best resource for honest and impartial answers to insurance questions.

Knowledgeable insurance professionals are available through our consumer hotline. My staff will be able to help you get answers to all your insurance related questions, file a request for assistance or report suspected insurance fraud.

Call 1-800-927-HELP (4357) or visit [www.insurance.ca.gov](http://www.insurance.ca.gov) to view all of our consumer information guides and insurance resources. These tools are available to consumers free of charge.

Thank you for giving us the opportunity to serve you.

Sincerely,

A handwritten signature in black ink that reads "Ricardo Lara". The signature is fluid and cursive, with a long horizontal stroke at the end.

**RICARDO LARA**  
Insurance Commissioner

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**800-927-4357**  
**[www.insurance.ca.gov](http://www.insurance.ca.gov)**

# EVACUATION CHECKLIST FOR POLICYHOLDERS

## TIPS FOR CONSUMERS FACING EVACUATION



If you are ordered to evacuate due to wildfires, you may have homeowner or renter insurance coverage to help with evacuation and relocation costs, even if your home is not damaged or destroyed, and in many cases no deductible is required.

Here are some tips to help you prepare:

### BEFORE YOU EVACUATE

- Sign up for Evacuation Alerts at [calalerts.org/signup.html](https://calalerts.org/signup.html).
- Locate your insurance policy documents
  - Upload them to the cloud using your mobile device.
- If time allows, make a photo or video inventory of your possessions.
  - An inventory can be completed quickly and easily on your smart phone and safely stored in the Cloud.
  - Download a **free home inventory guide** from [insurance.ca.gov](https://insurance.ca.gov).

### IF YOU ARE EVACUATING

- Follow all evacuation orders from local authorities. Know the difference between a warning and an order.
  - **Evacuation Warning** - Potential threat to your life and/or property: prepare.
  - **Evacuation Order** - Immediate threat to your life and/or property: a lawful order to leave the area right away, and the public isn't allowed back in until the order is lifted.

### AFTER YOU EVACUATE

- Homeowner and renter policies can help with evacuation and recovery expenses under **additional living expense** coverage, known as **ALE**.
- What can ALE Cover:
  - Extra food and housing costs
  - Furniture rental
  - Relocation and storage
  - Transportation expenses
- Contact your insurance company to verify your ALE coverage provision and limits.
  - Learn about the requirements and impact of using the coverage.
  - If financial losses due to a mandatory evacuation are significant, filing an ALE claim may be a good option.

(continued on next page)

# EVACUATION CHECKLIST FOR POLICYHOLDERS

## TIPS FOR CONSUMERS FACING EVACUATION



### AFTER YOU EVACUATE

- Policy provisions, including deductibles, vary by company.
  - Check with your insurance or agent as soon as possible to confirm coverage, limits, and any other limitations and documentation requirements.
- Save all receipts.
- Create an email address to document all your communication with your insurance company.
  - Document the date, time and names of any insurance company employees you speak to regarding your coverage and details of the conversation.
- Make sure any insurance agent or public adjuster offering their services has a valid license.
  - Check with the Department of Insurance at **(800) 927-4357** or online at **insurance.ca.gov**.

### TYPES OF PUBLIC ADJUSTERS AND HOW YOU SHOULD WORK WITH THEM

**Company Adjusters** - Employees of your insurance company, they do not charge a fee to the consumer.

**Independent Adjusters** - Under a contract with the insurance company, do not charge a fee to the consumer.

**Public Adjusters** - Represent claimants, charge a fee which is often a percentage of your insurance settlement.

- Public adjusters cannot solicit business
  - While the loss is under way
  - For seven calendar days after a disaster
  - Between the hours of 6PM and 8AM

### ADDITIONAL RESOURCES

Contractors State  
License Board  
CSLB.ca.gov  
800-321-CSLB (2752)

Federal Emergency  
Management Agency  
FEMA.gov  
800-621-FEMA (3362)

National Insurance  
Crime Bureau  
NICB.org  
800-447-6282

**IF YOU HAVE ANY QUESTIONS OR NEED ASSISTANCE  
THE CALIFORNIA DEPARTMENT OF INSURANCE IS HERE TO HELP**



# AFTER THE FIRES

## TIPS TO AVOID BEING VICTIMIZED BY AN INSURANCE SCAM



- Immediately contact your insurance company and/or insurance agent to open your claim. If you do not have the contact information for your insurance company or agent, the Department of Insurance can help: **800-927-4357** or **insurance.ca.gov**.
- Many insurance policies provide for additional living expenses in cases of mandatory evacuation and emergency. Maintain records of all your expenses.
- **DO NOT** sign any contracts for repairs or other needs until you have spoken directly to your insurance company representative.
- Demand to see identification from anyone contacting you regarding your claim.
- There are three types of insurance adjusters:
  - Public adjusters who represent insurance claimants. They do charge a fee. Generally, the fee is a percentage of your entire insurance settlement amount.
  - Company adjusters who are employees of your insurance company. They do not charge a fee to the consumer.
  - Independent adjusters hired under a contract with the insurance company. They do not charge a fee to the consumer.
- Public adjusters cannot solicit your business:
  - While the loss is underway;
  - For seven days following the reopening of a declared disaster area;
  - Between the hours of 6 p.m. and 8 a.m.
- Ask to see the public adjuster's license and note the license number and full name. **DO NOT** rely upon a business card. If you are unsure about the license status of the public adjuster, call the Department of Insurance Help Line: **800-927-4357** or **check the status online at insurance.ca.gov**.
- It is illegal for a public adjuster to advance money as an inducement to sign a contract.
- Public adjusters may not offer referral fees in excess of \$100.
- Public adjusters may not have an interest in any contractor, demolition company, or any entity making repairs to your property.
- Public adjusters may not use a badge as identification.
- Beware of anyone attempting to rush you into signing a contract.
- Beware of any contractor attempting to have you sign a contract or begin demolition.
- Create a new email to catalog all your conversations for easy accessibility.
- Take pictures of the debris before any clean-up.

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**INSURANCE.CA.GOV**

## Top Ten Tips for Wildfire Claimants

- 1 Obtain a complete copy of your residential homeowner’s insurance policy**, including your declarations page. The law requires your insurance company to provide this to you free of charge within 30 days of your request. Ask your agent or insurer representative to explain how much coverage you have (1) to rebuild or repair your home, (2) for your personal belongings, and (3) for living expenses. This should include an explanation of Extended Replacement Cost and Building Code Upgrade coverages if applicable. Ask how to most effectively claim your coverage benefits.
- 2 Take note of your Additional Living Expense (ALE) limits** and manage your ALE expenses in recognition of a long rebuilding process. Your time to collect ALE after a declared catastrophe is no less than 24 months even if your policy says otherwise; however your amount of coverage is not increased. An extension of up to 12 additional months, for a total of 36 months, should be granted if you encounter delays beyond your reasonable control.
- 3 Track all of your additional expenses that arise** from having to live in another location away from your home. Note: your ALE reimbursement may be offset by your normal cost of living before the fire (i.e., ALE does not pay for your mortgage or expenses you would normally incur) but you are entitled to the same standard of living you had before the fire. ALE will pay for temporary rent, additional mileage, etc.
- 4 Document all of your conversations with your insurer/adjuster about your claim** and policy limitations in a dedicated “claim diary.” If your adjuster says something is excluded, limited, or subject to certain conditions, ask the adjuster to point out the specific provision in your policy being cited.
- 5 Get at least one licensed contractor’s estimate or bid on the cost to rebuild your home** just to get a reasonable sense of the actual cost as compared to your coverage limits (for more considerations on contractors, view the CDI’s electronic brochure [Don’t Get Scammed After a Disaster](#) and check the website for [California’s Contractors State License Board](#).) While your insurance company may provide its own estimate, it may contain errors or fail to reflect local conditions or demand surge. Demand surge reflects price increases following a major disaster when contractors and materials are in short supply.
- 6 Call the Department of Insurance Hotline for help at (800) 927-4357.** You can also file a complaint at: <http://www.insurance.ca.gov/01-consumers/101-help/>. Consider insights from consumer advocates.
- 7 Understand you can purchase or rebuild at another location**, and still receive full replacement cost benefits including Building Code Upgrade and Extended Replacement Cost benefits if those were included on your policy and necessary to rebuild the insured dwelling. You also have the right to rebuild using the contractor of your choosing. In order to reduce the cost of rebuilding, you might also consider a community-wide development approach utilizing a common builder.

## Top Ten Tips for Wildfire Claimants

- 8 **Assess your situation and do not rush into any decision** about contractors, lawyers or public adjusters and consider your mortgage/employment/financial situation, your age, children's schools, your willingness to deal with construction issues (no matter who your contractor is). The insurance process is a series of important decisions over a long period of time, but few, if any, need to be made today. Of course, move forward if you have obtained multiple bids from reputable licensed contractors, are certain you want to rebuild, are sure of the rebuilding costs and your insurance limits and want to be sure you are a priority for your selected contractor to start the rebuild. The [Contractors State License Board](#) (CSLB) has publications that can help you identify and avoid problems before they occur. Contact CSLB at 1-800-321-2752 to obtain a free copy of their publications and/or verify the [licensing status](#) of a contractor.
- 9 **Do not assume you have inadequate coverage based on general information you hear** about building costs or other general comments. The adequacy of your limits needs to be addressed on a case specific basis to determine how much it will cost to rebuild your home and whether your limits, including extended replacement cost coverage if applicable, are adequate. But if you determine you are underinsured, gather relevant documentation and contact the Department of Insurance for help.
- 10 **Evaluate whether you will need a public adjuster or attorney to help you with your claim.** If rebuilding will take a long time you are likely to use your entire ALE limits. If you are also reimbursed by your insurer for your entire personal property loss or your full personal property limits, you may not need a public adjuster or attorney to help you obtain full settlements for either of these coverages. Public adjusters typically require a percentage of the claim settlement for their services. Make sure you understand what they charge and the services you are paying for before you sign a public adjuster contract. Some public adjusters may insist on a contract that includes payment to the public adjuster based upon the entire amount paid to the policyholder by the insurer, including amounts paid to the policyholder before the public adjuster contract was signed. A public adjuster should not charge a fee on payments you received from your insurer before the public adjuster contract was signed. A fee should only be charged on additional monies the public adjuster gets for you. Contact the Department if this issue arises in your contract.

In a declared-disaster, you may cancel the contract within five calendar days. Public adjusters are required to be licensed by the California Department of Insurance. To verify a public adjuster's license, call us at 1-800-927-4357 or check the status online by [name](#) or by [license number](#). Practicing without a license is against the law. Public adjusters may not solicit business in a declared-disaster area until 7 calendar days have passed from the end of a loss-producing event such as a fire.

**Please note: These tips are for general guidance only and are not a substitute for legal advice.**

## Top Ten Tips for Finding Residential Insurance

We are aware there has been an increase in nonrenewals and understand that residential insurance is getting harder to find in any area that insurers identify as having a higher than average risk of wildfire. While the Department of Insurance doesn't have the legal authority to tell insurers what level of risk they must write or where they must write insurance, we can monitor that they are consistent in their decisions and that their decisions are based on considerations of risk, not other biases. We are here to help you and have a number of tips to help you through this process.

- 1 If you get a nonrenewal notice, contact your insurer and ask if there are any specific actions you could take to mitigate your risk and retain your coverage.
- 2 If you think your nonrenewal was unfair, you may [file a complaint with us](#).
- 3 Don't let these actions delay starting your search for a new insurer. Make sure you have done everything you can do at your property to mitigate fire risk then start shopping for coverage.
- 4 In addition to contacting local agents or brokers in the vicinity of your home, you may wish to use our [Residential Insurance Company Contact List](#) that provides toll free numbers for over 50 insurers that are licensed to sell homeowners insurance. You can contact each of them to find the closest agent or broker or, in some cases, get a quote from them directly.
- 5 If you need help from an agent that speaks a specific language, you can use our [Find an Agent or Broker](#) tool to find one near you.
- 6 You can also utilize our [Homeowner Premium Comparison Tool](#) and [Homeowner Coverage Comparison Tool](#) to compare premiums and coverages.
- 7 If your agent cannot help you find coverage with an insurer other than the FAIR Plan, you or your agent should contact other agents and brokers who represent other insurers. Our [Home Insurance Finder](#) tool can help you find other agents in your region or beyond and tells you which insurers they represent.
- 8 Understand that the [California FAIR Plan](#) is available to every homeowner as a last option for coverage. The maximum limit written by the FAIR Plan on a residential property **for all coverages combined** is \$3,000,000. Because the coverage provided by a FAIR Plan policy is limited to losses caused by Fire or Lightning, Internal Explosion and Smoke, it is recommended that you supplement the FAIR Plan policy with a [Difference in Conditions](#) policy to obtain protection from other perils not covered under the FAIR Plan policy.
- 9 If none of these options work for you, you may try obtaining coverage in the non-admitted/surplus lines market. Ask your retail agent or broker if they are able to obtain coverage with a surplus lines insurer. If you need help finding a licensed insurance agent or broker, you can use our [Find an Agent or Broker](#) tool to find one near you.
- 10 If you prefer to speak live with our staff, you are always welcome to call the Department of Insurance toll free at 1-800-927-4357.



## FACT SHEET: COVERAGE FOR FLOOD, MUDSLIDE, DEBRIS FLOW, LANDSLIDE, OR OTHER SIMILAR EVENTS AFTER A WILDFIRE



### Homeowner Policies

In general, homeowner's insurance policies (HO) issued in California, while worded slightly differently by various insurers, provide coverage for accidental physical loss to property as described in the policy subject to exclusions and limitations. Standard exclusions include: flood, earth movement, earthquake, landslide or mudflow, settling, cracking, shrinking, subsidence or sinkhole, erosion, sinking, rising, shifting, expanding or contracting of earth. However, most homeowner's policies will cover an ensuing fire or explosion resulting from earth movement.

### Frequently Asked Questions

#### **Does my HO policy cover damages from flood, mudflow, mudslide, debris flow, landslide, or other similar events?**

HO policies generally exclude damages caused by mudflow, mudslide, debris flow, landslide, or other similar events. However, it is important to read your particular policy to understand what is covered and what is excluded. (Note: See below, regarding "efficient proximate cause". There may be possible coverage depending on the facts and cause of the loss.)

#### **My home suffered a mudflow/mudslide/landslide/sinkhole loss in the areas near the recent wildfires. Is this covered under my HO policy?**

There exists the concept of "efficient proximate cause". It is possible that if the facts show that the wildfire (a covered peril) was the efficient proximate cause of the subsequent mudflow, mudslide, debris flow, landslide, or other similar events, then there may be coverage under the HO policy. You should first file a claim with your HO carrier. Should the claim be denied, the insurer must explain the reason for the denial and provide specific language on which the decision was based. If you wish to have the claim decision reviewed, you should file a Request for Assistance with this Department.

#### **I don't have a copy of my HO policy. What should I do?**

Ask your insurance company or agent for a copy of the policy and all endorsements. The law requires your insurance company to provide this to you free of charge within 30 days of your request.

#### **I have my HO policy but I don't understand it. What should I do?**

CDI can help you to understand your policy and coverages, if you have those documents available (in an in-person meeting). Otherwise, you should first contact your insurance company, agent or broker to get assistance understanding your coverages. If you are still unsure about your coverages or disagree with how the insurer is describing your coverages, you should file a Request for Assistance with CDI and one of our officers will assist you in understanding your coverages.

#### **If I suffered damages from a mudflow/mudslide/landslide/sinkhole and my HO policy does not cover these damages, what should I do?**

If the Local Assistance Center (LAC) is open in the area for your event, you should speak with local and state government officials to find out if there are any special financial assistance programs you may be eligible for. If the President declares a state of emergency, there may be financial help available from the Federal Emergency Management Agency (FEMA) or low interest loans from the Small Business Administration (SBA). Also, you may check with your lender or other financial lending institutions to explore the possibility of special programs that may be available.

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#### **I don't think the mudflow, mudslide, debris flow, landslide, or other similar event was a result of natural causes. I believe my house should not have been built at this location as the earth is not stable. What can I do?**

If you believe that the mudflow, mudslide, debris flow, landslide, or other similar event was caused as result of actions or negligence on the part of others, you should contact an attorney and discuss the possibility of legal recourse.

### National Flood Insurance Program

The California Department of Insurance does not have jurisdiction over claim disputes under the National Flood Insurance Program. Flood insurance is a Federal program administered by the Federal Emergency Management Agency (FEMA). Consumers who have purchased an NFIP policy and have a loss, should report the loss immediately to the insurance agent or the insurance company administering the NFIP flood insurance to report the claim. Consumers requiring assistance can reach **NFIP at 1-800-621-3362 or at [floodsmart.gov](http://floodsmart.gov)**.

Under the National Flood Insurance Program (NFIP), coverage is provided for direct physical loss by or from a flood which is defined as "A general and temporary condition of **partial or complete inundation of two or more acres (one of which is your property)** of normally dry land area or of two or more properties from overflow of inland or tidal waters; unusual and rapid accumulation of runoff of surface waters from any source; mudflow, collapse or subsidence of land along the shore of a lake or similar body of water as a result of erosion or undermining caused by waves or currents of waters that result in a flood."

Pertinent NFIP policy exclusions are:

- Earth movement - even if the earth movement is caused by flood.
- Earthquakes
- Landslide
- Land subsidence
- Sinkholes
- Destabilization or movement of land that results from accumulation of water in subsurface area, or gradual erosion. However, the policy will cover losses from mudflow and subsidence resulting from erosion caused by flood unless the cause of loss is caused by a flood, as defined in the policy, damages resulting from landslides and sinkholes are not covered under the NFIP.

Consumers whose claims have been denied by NFIP can contact FEMA to explore the appeal process.

# INTERACTIONS LOG

Date	Time	Interaction (Call, Email, Meeting, etc.)	Company Name	Nature of Discussion	Action To Be Taken	Notes

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# California Department of Insurance

## Included In This Guidebook

Evacuation Checklist For Policyholders  
After The Fires: Avoid Being Victimized By An Insurance Scam  
Top Ten Tips For Wildfire Claimants  
Top Ten Tips for Finding Residential Insurance  
Fact Sheet For Floods, Landslides, and Other Similar Events

## Additional Resources

**National Insurance  
Crime Bureau**  
NICB.org  
800-447-6282

**Federal Emergency  
Management Agency**  
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**Contractors State  
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