



RICARDO LARA
CALIFORNIA INSURANCE COMMISSIONER

NOTICE

TO: All Admitted and Non-Admitted Insurance Companies Handling Policyholder Claims Resulting from Recent Southern California Wildfires

FROM: Insurance Commissioner Ricardo Lara

DATE: January 30, 2025

RE: 2025 Los Angeles Wildfires Consolidated Debris Removal Program Interaction with Insurance Policies

As Insurance Commissioner, my top priority is ensuring that wildfire survivors affected by the devastating Palisades, Eaton, and other fires in the Southern California region have sufficient insurance coverage to recover and rebuild.

As recovery moves to the removal of hazardous debris, Los Angeles County (County), in partnership with state and federal agencies, has initiated its [2025 Los Angeles Wildfires Debris Removal Program](#) (Program) for residential properties.

This action was taken due to the health and safety concerns associated with hazardous substances, ash, and other materials as a result of the wildfires. This consolidated debris removal program will operate similar to how it has been conducted for previous major wildfires. Under most circumstances, the Program will result in no out-of-pocket costs to the property owner over and above any insurance proceeds provided to the property owner for debris removal. The Program is also expected to reduce the amount an insurance company would otherwise be obligated to pay for this service as compared to the significant costs associated with a private debris removal contractor who follows all of the required testing and permitting requirements outlined by Los Angeles County in regards to debris removal requirements in a disaster situation.

This Notice is to advise all insurance companies of my expectation that insurance companies cooperate with this Program and the County in order to ensure that policyholders are able to participate in this program and are provided with this important benefit.

In order to participate in this Program, property owners are being asked to sign Los Angeles County's [Right of Entry](#) form. Again, if the property owner agrees to participate in the Program,

they should not, under most circumstances, have any out-of-pocket costs, over and above any insurance proceeds provided by their insurance company for debris removal.

Under the Program, if the property owner has insurance in effect at the time of the wildfire that provides "Specified Debris Removal Insurance Coverage" (i.e. a specific dollar amount or percentage of other coverages), the policyholder will authorize that these specified debris removal benefits be remitted to the County up to the specified amount of coverage, after which the policyholder will not be liable for any further costs. In the event that coverage for debris removal is not provided on the basis of a specified amount, but is included within another coverage category, remittance to the County shall be limited to the unused benefit amount (if any) in that coverage category after the residence is completely rebuilt, after which the policyholder will not be liable for further costs to the County. The benefits of this program would apply even if the policyholder decides not to rebuild in the same location but rebuilds or purchases a replacement home in another location. Under either type of insurance policy described above, an insurance company would not be expected to pay more than the reasonable amount for these same services had they been provided by a private debris removal and/or tree removal contractor.

Property insurance policies cover costs for debris removal in a few different ways. This Notice describes how the most common types of property insurance policies are expected to interact with this program, namely:

Specified Debris Removal Insurance Coverage: The most common type of policy will have (up to) three separate major coverages applicable to debris removal, which may include Primary Structures, Other Structures, and Personal Property (Contents). This specified coverage may be in the form of a dollar amount (i.e. \$75,000) or a certain percentage of other coverages (i.e. 5%). Under either form, the insurer would be expected to pay the lesser of (1) these specified amounts or (2) the reasonable cost for these same services had they been provided by a private debris removal contractor who follows all of the required testing and permitting requirements in regards to debris removal requirements in a disaster situation.

- **Percentage-Based Specified Debris Removal Coverage:**

- **Primary Structure:** Cost to rebuild or replace the primary structure
- **Other Structures:** Cost to rebuild or replace other structures
- **Personal Property (Contents):** Cost to replace personal property

Many property policies will add additional debris removal coverage of 5% of the policy limits for the Primary Structure, if those limits are exhausted by the actual rebuild costs. Some policies also have additional coverage for debris removal of 5% of the policy limits for Other Structures and 5% for Contents. Under these types of policies, the Program (in order to avoid a duplication of benefits) would only require the County to collect up to the additional specified coverage amounts for debris removal (i.e. 5% of Primary Structure, plus 5% of Other Structures, plus 5% of Contents coverage), subject to the reasonableness standard mentioned above.

Example One: Percentage-Based Specified Additional Debris Removal Coverage:

Coverage	Coverage Limit	Specified Debris Removal Coverage
Primary Structure	\$500,000	(5%): \$25,000
Other Structures	\$50,000	(5%): \$2,500
Personal Property (Contents)	\$200,000	(5%): \$10,000
Total Specified Coverage Available for Debris Removal (Amount to be remitted to County)	N/A	\$37,000
Sample Debris Removal Cost (Invoice from County)		\$100,000
Deficiency (Insurer and Property Owner not liable for this deficiency under the Program)		\$63,000

- Dollar-Based Specified Debris Removal Coverage:** Some property insurance policies have a specific additional dollar amount for debris removal should the primary coverages be exhausted. Under these types of policies, the Program (in order to avoid a duplication of benefits) would only require the County to collect up to this specific additional dollar amount, subject to the reasonableness standard mentioned above.

Example Two: Dollar-Based Specified Additional Debris Removal Coverage:

Specific Additional Dollar Limit for Debris Removal	\$75,000
Sample Debris Removal Cost (Invoice from County)	\$100,000
Deficiency (Insurer and Property Owner not liable for this deficiency under the Program)	\$25,000

- No Specified Debris Removal Insurance Coverage:** If the policy in effect at the time of the wildfire does not provide additional, specific, and separate coverage for debris removal, but such coverage is included within another larger coverage category (i.e. Primary Structure, Other Structures, Contents), then payment to the County shall be limited to the unused benefit amount (if any) after the residence is rebuilt, subject to the reasonableness standard mentioned above.

There may be other types of property insurance policies that differ in how they cover debris removal costs. If an insurance company has a type of coverage that is not described above, then please contact my Department to determine how the Program may interact with such policy.

Note: State and federal law prohibits a duplication of benefits, (42 USC § 5155). If an insurance company remits any specified additional debris removal insurance proceeds directly to the policyholder, the policyholder will be required to reimburse the County. However, if the policyholder spends some or all of these debris removal insurance proceeds on debris removal expenses, for services not provided by the Program, these expenses may offset what the policyholder will be required to reimburse the County.

Any insurance company with questions about this Notice, please contact:

Janet An, Attorney
 Consumer Law Unit
Janet.An@insurance.ca.gov

If a policyholder has questions on how the debris removal program will work with their insurance policy, please contact your insurance company or adjuster directly. If there are still questions after contacting the insurance company, then please contact my Department directly by calling our toll-free Hotline at (800) 927-4357 or visit us online at www.insurance.ca.gov.