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CALIFORNIA CONSUMER ALERT

Insurance Commissioner Ricardo Lara

Commissioner Lara urges insurers to maintain additional living expense coverage for wildfire survivors with uninhabitable homes

LOS ANGELES — Last Friday, Insurance Commissioner Ricardo Lara issued a formal [Notice](#) to all residential property insurance companies, urging them to continue providing Additional Living Expense (ALE) coverage for wildfire survivors whose homes are uninhabitable due to the devastating Palisades, Eaton, and other wildfires in Southern California. ALE benefits are crucial for supporting these individuals while their homes remain unsafe or unlivable.

“Accessibility alone does not guarantee a home is safe to live in,” stated Commissioner Lara.

“Insurance companies must support wildfire survivors during their recovery by maintaining Additional Living Expense coverage for homes that remain uninhabitable. Survivors should not be forced to return to unsafe conditions, whether due to toxic ash,

contaminated water, or the lack of essential utilities. Insurers must thoroughly assess habitability and ensure that families receive the financial assistance they need to rebuild their lives. My message to insurance companies is clear: honor your commitments, comply with the law, and provide the coverage that policyholders deserve.”

Last week, the Los Angeles County Department of Public Health issued a stronger [Public Health Advisory](#) to residents near the burn areas, highlighting the dangers of fire debris for individuals living within 250 yards of a burned structure. This advisory follows an [Order](#) issued by the Los Angeles Public Health Officer on January 15th, which prohibits the cleanup and removal of fire debris until hazardous materials inspections are completed. The order emphasizes the risk of widespread toxic exposure and threats to public health, noting that contact with these hazardous substances can lead to both acute and chronic health effects, potentially resulting in long-term public health impacts based on significant scientific findings.

ALE, also known as Loss of Use or Fair Rental Value coverage, helps cover additional costs when a home is unlivable due to a wildfire or other covered peril. Depending on the type of coverage, this may include temporary housing, food, relocation expenses, extra transportation costs, and utility installation fees.

After a declared state of emergency, most residential property insurance policies are required by law to provide at least 24 months of ALE coverage, with extensions available if rebuilding is delayed due to circumstances beyond the homeowner’s control. Some policies may have a dollar cap that could be reached before the time limit expires, so it’s critical for policyholders to understand their coverage limits.



Commissioner Lara sponsored SB 872 (Dodd, Chapter 261, Statutes of 2020) following past wildfires, ensuring that ALE coverage applies when a home is uninhabitable due to a wildfire—not just when it is physically damaged.

What wildfire survivors should know before returning home:

- Wait for clearance: Do not return until local authorities declare it safe.
- Watch for hazards: Be cautious of downed power lines, weakened structures, and hazardous debris.
- Check utilities: Gas, electricity, and water must be fully restored before a home is truly habitable.
- Beware of toxic contamination: Smoke, ash, and hazardous materials can make a home unsafe even if it appears undamaged.

Even if a home did not sustain direct fire damage, policyholders may still qualify for ALE coverage if:

- Basic utilities (water, sewer, electricity, or gas) are not functional due to wildfire damage in the area.
- Health and safety hazards exist, such as contaminated water, toxic ash, or structural instability.
- Local health officials or agencies have determined the area is unsafe to live in.
- Insurance companies are required to investigate habitability claims thoroughly. If necessary, they must extend ALE benefits until the home is deemed safe for occupancy.

In some cases, insurers may choose to address habitability concerns directly rather than continuing ALE payments. For example:

- If a home has no electricity, an insurer may provide a generator instead of paying for temporary housing.
- If the water supply is compromised, an insurer may offer water filtration or delivery services.

However, these alternatives must fully resolve the issue—if they do not make the home truly livable, the policyholder remains eligible for ALE coverage.

Wildfire survivors should review their insurance policy, keep records of all relocation expenses, and communicate directly with their insurer. For help understanding your coverage, resolving a claim dispute, or reporting an issue with your insurance company, contact the California Department of Insurance at 1-800-927-4357 or visit www.insurance.ca.gov.

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Media Note:

- Link to [Notice](#)



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