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CALIFORNIA CONSUMER ALERT

Insurance Commissioner Ricardo Lara

Unstoppable for Survivors: Department of Insurance Staff Delivering Results, Enforcing the Law, Protecting California

February 24, 2026 - As scrutiny of the insurance industry's response to the 2025 Los Angeles wildfires continues, the California Department of Insurance reaffirms its unwavering commitment to survivors. Our staff have been relentless in protecting consumers, enforcing the law, and securing unprecedented financial recoveries for wildfire survivors.

Department Staff: Relentless Advocates for Wildfire Survivors

"Before, during, and after the 2025 Los Angeles wildfires, CDI staff stood as an unstoppable force for survivors. The \$22 billion insurers paid out – the fastest and largest disaster relief in California history – was no accident. It was the result of our experts holding companies accountable every single day.

"From the first hours of the fires, our staff worked relentlessly into the night, overtime, weekends, and beyond to ensure survivors were supported and misinformation was challenged. We welcome scrutiny grounded in facts and results, not hearsay. And we will not stop until every survivor receives the support they deserve." – Commissioner Lara

Results That Cannot Be Ignored

The Department's Consumer Services Division has delivered measurable, life-changing outcomes for wildfire survivors often in the most complex and contested circumstances:

- **2,000+ wildfire complaints investigated:** Each complaint represents a survivor facing enormous stress. Staff fought through insurer resistance to secure over \$210 million in recoveries since January 2025. These were not easy wins — they required persistence, technical expertise, and relentless advocacy.
- **1,400 cases closed with recoveries:** Behind every closed case is a family or business finally able to move forward. Many of these cases involved disputes that insurers initially refused to acknowledge, but CDI staff pressed until survivors received what they were owed.
- **30,077 consumer cases opened in 2025:** A 14% increase over 2024, driven largely by wildfire survivors. This surge stretched resources, yet staff rose to the challenge without compromising quality or compassion.
- **\$52 million recovered for smoke damage claims:** Nearly half of all wildfire complaints are related to smoke damage, one of the most scientifically and legally complex areas of insurance. With no public health standards to guide remediation, staff had to navigate uncharted territory and still delivered tens of millions in recoveries for survivors.
- **Consumer protection laws strengthened:** Since 2019, Commissioner Lara has sponsored reforms based on staff experience in the field. These laws cut red tape, speed payments, and ensure survivors are not trapped in bureaucratic limbo.

“Critics can say what they want, but I will put the resolve, work ethic, and results of our Department staff against anyone. These professionals have delivered record recoveries under the toughest conditions. Survivors know who has been in the fight with them, and it is the California Department of Insurance.” – Commissioner Lara

Tackling the Hardest Cases Head-On

Most open wildfire complaints involve smoke damage disputes, among the most difficult claims in insurance. These cases demand not only technical skill but also compassion and determination:

1. **Scientific uncertainty:** With no established public health standards for smoke damage, survivors and insurers alike face ambiguity. CDI staff have stepped into this gap, using every available tool to secure as much testing, remediation, and fair compensation as possible.
2. **Legal complexity:** Smoke claims often involve complex and conflicting issues of case law, health risk, and insurance coverage. Staff must navigate these complexities while ensuring survivors are not left behind.
3. **Task Force leadership:** Commissioner Lara established the Smoke Claims and Remediation Task Force last summer to bring clarity and consistency. Its recommendations, due next month, will help set the foundation for stronger enforcement and survivor protections.

Driving Legislative Action

The fact that there are no existing public health standards for assessing or remediating smoke damage in place today means that the Department will continue to push ahead in strengthening consumer protection laws, including seeking statutory clarity needed to protect smoke damage survivors, by sponsoring three main wildfire bills namely:

1. **AB 1795 (Smoke Damage Recovery Act):** Establishes clear standards for smoke remediation, giving survivors certainty and Department staff the tools to enforce the law.
2. **SB 876 (Disaster Recovery Reform Act):** Sweeping changes to cut red tape and speed up recovery, including doubling living expense coverage after disasters, ensuring families can afford rent while rebuilding or restoring homes from fire and smoke damage.
3. **AB 1680 (Make It Fair Act):** Modernizes the FAIR Plan, expanding coverage and transparency while broader reforms take hold.

Together, these reforms work in tandem with the Sustainable Insurance Strategy, the largest insurance marketplace modernization in 35 years. Instead of retreating after disaster, insurers are committing to stay and grow in California proof that CDI staff are not only protecting survivors today but stabilizing the market for tomorrow.

Long-Term Commitment to Consumer Protection

To meet rising demand, CDI uses a collaborative, department-wide strategy to manage positions and vacancies, enabling us to quickly meet workload demands by reallocating unfilled positions across branches. This is not a temporary fix. It is a long-term strategy to ensure survivors are heard, claims are enforced, and insurers remain accountable.

Our focus remains clear:

1. Survivors still fighting for their homes
2. Smoke damage claims requiring urgent resolution
3. Stronger laws to prevent future delays and denials
4. Accountability for insurers across California

Bottom Line: Unprecedented financial recoveries, landmark reforms

The California Department of Insurance has delivered unprecedented recoveries, landmark reforms, and the fastest payouts in state history. Our staff are not only meeting the challenge; they are setting the national standard for consumer protection in the wake of climate disaster.