



RICARDO LARA
CALIFORNIA INSURANCE COMMISSIONER

NOTICE

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

FROM: Insurance Commissioner Ricardo Lara

DATE: February 14, 2025

RE: Additional Living Expense Coverage When Homes are Uninhabitable as a Result of 2025 Los Angeles Wildfires

As Insurance Commissioner, my top priority is ensuring that wildfire survivors affected by the devastating Palisades, Eaton, and other windstorm-created fires in the Southern California region receive the insurance benefits they are entitled to – and that they receive them as soon as possible. This also includes consumers having on-going insurance coverage when they need it the most, including Additional Living Expenses coverage (also known as Loss of Use and Fair Rental Value), especially when it impacts their health and safety.

According to the Los Angeles County Department of Public Health (County Public Health), the fire debris and ash that resulted from these fires may contain asbestos, heavy metals, chemicals, and other hazardous substances. The fire debris and ash also pose significant threats to public health through inhalation of dust particles and contamination of drinking water. The improper handling of fire debris and ash can expose residents to toxic materials and can spread hazardous substances throughout the community.

On January 10, 2025, the Los Angeles County Health Officer declared a [local health emergency](#) for Los Angeles County, citing hazardous conditions including, but not limited to, burned or heat-damaged hazardous materials, fire debris, and ash within the Palisades and Eaton Fires burn areas.

On January 15, 2025, the Los Angeles County Health Officer issued an [Order](#) that prohibits the clean up and removal of fire debris until hazardous materials inspections

are conducted, citing the potential for widespread toxic exposures and threats to public health. The Order also noted that exposure to these hazardous substances may lead to acute and chronic health effects and may cause long-term public health impacts.

County Public Health also advised that, if Phase 1 and 2 of the fire debris removal and cleanup have not been completed, the area remains hazardous due to unstable structures, sharp metal, and ash with potentially toxic substances. County Public Health further explained that fire debris, soot, and ash contain harmful substances like dioxins, polycyclic aromatic hydrocarbons, and heavy metals that can lead to a range of short-term and long-term medical conditions.

In addition, “Do Not Drink Notices” are still in effect in some areas impacted by these fires. I also understand that power is not completely restored in some locations.

Most recently, on February 11, 2025, County Public Health further refined its prior advisories with a stronger [Public Health Advisory](#) to residents near the Palisades Fire and Eaton Fire burn areas. This new advisory reminds residents about the dangers associated with fire debris for individuals residing within 250 yards of a burned structure or parcel within or near the Palisades and Eaton burn areas. This advisory stated that residents in these areas may face an increased risk of exposure to hazardous substances from ash, soot, and fire debris before the completion of Phase 1 (hazardous materials removal) and Phase 2 (fire debris removal). Exposure to these materials may lead to physical health symptoms and may pose long-term health impacts.

County Public Health also noted that fire debris from burned structures can contain a variety of harmful substances, including:

- Asbestos from older building materials
- Heavy metals like lead
- Hazardous chemicals from household products
- Fine particulate matter created by the fire

Strong winds and weather fluctuations may increase both the exposure risk and the affected distance.

In response to the Camp Fire in Paradise in 2018, where power, water, and sewer services were down which rendered many homes uninhabitable, I was proud to sponsor [SB 872](#) (Dodd, Chapter 261, Statutes of 2020) in 2020 that expanded “Additional Living Expenses” to situations where a home is uninhabitable due to a covered peril, such as a wildfire.

California Insurance Code section 2060[b][2] states in pertinent part:

“A policy that provides coverage for additional living expenses subject to this subdivision shall not limit the policyholder’s right to recovery if the insured home is rendered uninhabitable by a covered peril. However, an insurer may, in lieu of making living expense payments required by this subdivision, provide a reasonable alternative remedy that addresses the property condition that precludes reasonable habitation of the insured premises...”

Whether a residence is uninhabitable is not limited to situations where power, water, or sewer systems are disrupted. A residence may be deemed uninhabitable due to health and safety reasons, such as those described above by County Public Health.

My Department is directly hearing from policyholders and local elected leaders, among other sources, that some insurance companies are advising certain claimants that their Additional Living Expenses coverage (also known as “Loss of Use” and “Fair Rental Value”) is being terminated. As a result of the conditions described above, including the ongoing risks associated with the hazardous waste and upcoming Los Angeles County [General Wildfire Debris Removal Program](#), this Notice is advising all admitted and non-admitted insurance companies of their requirement to exercise due diligence in determining whether a home is habitable or uninhabitable. The fact that an area is now accessible does not automatically mean the residences in those areas are habitable, especially given the on-going health and safety reasons as those described above by County Public Health.

If a neighborhood or specific home is deemed uninhabitable, I expect all insurance companies to continue providing Additional Living Expenses coverage until the home is deemed habitable, subject to applicable statutory timeframes and any policy limits that may exist. Further, as long as the County’s Public Health Advisory remains in effect, policyholders in the impacted areas should continue to receive Additional Living Expenses benefits unless the policyholder chooses to inhabit their residence.

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

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If a policyholder has questions on their wildfire claim, please contact your insurance company or adjuster directly. If there are still questions or concerns 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.