



# CALIFORNIA DEPARTMENT OF INSURANCE

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**Outreach Analyst  
Community Relations & Outreach Branch**



## Wildfire Recovery

**27,872**

claims partially paid

**\$12.1 Billion**

in claims paid to date

**\$435,000**

average claim paid

as of March 5, 2025





# Emergency Actions

**Insurance Moratorium** - Declared One-Year Nonrenewal Moratorium for residential policies within or adjacent to wildfire perimeters.

**Additional Living Expenses (ALE)** - Ordered insurers to continue providing ALE coverage until wildfire survivors' homes are deemed habitable as a result of fire debris, ash, and other hazardous materials.





# Emergency Actions

**Contents Coverage** - Ordered insurers to pay more than the required 30% of contents coverage without requiring a detailed inventory.

**Smoke Damage** - Ordered insurers to properly and promptly investigate all consumers' smoke damage claims and ensure fair payments under law.





# The California Safe Homes Act

**AB 888 - Asm. Lisa Calderon**

Establishes a grant program within the Department of Insurance to support qualifying residents in obtaining new or replacement fire-safe roofs, and other fire-safe actions within 5 feet of the structure, covering part or all of the costs.

# PERSONAL PROPERTY INVENTORY

Thank you for insuring your home with AAA Insurance. We encourage you to take a photographic inventory of your personal property to expedite the claims process in the event of a loss. Also, simply complete this form and keep it, along with your photos/videos in a fireproof safe or alternate location. AAA Insurance encourages you to review this information annually to ensure you have proper coverage to protect your assets.

LIVING ROOM	VALUE	KITCHEN	BEDROOM	OTHER BEDROOMS	VALUE
Sofa	\$ _____	Table and Chairs	\$ _____	Bed, Dressers, Nightstands	\$ _____
Loveseat	\$ _____	Small Appliances	\$ _____	Mattresses	\$ _____
Coffee Table	\$ _____	Microwave	\$ _____	Linens	\$ _____
End Table(s)	\$ _____	Refrigerator	\$ _____	Mirrors/Lamps	\$ _____
Lamps	\$ _____	Oven	\$ _____	Jewelry Chest/Armoire	\$ _____
Artwork/Misc.	\$ _____	Dishwasher	\$ _____	Toys/Miscellaneous	\$ _____
Mirrors	\$ _____	Tableware	\$ _____	Office	\$ _____
Curio/China Cabinet	\$ _____	Dishes/Glasses	\$ _____	Desk and Chair	\$ _____
Antique Furniture	\$ _____	Linens	\$ _____	Bookcases	\$ _____
TV/DVD/Satellite	\$ _____	Miscellaneous	\$ _____	Game/Toy Chest	\$ _____
Stereo, etc.	\$ _____				
FAMILY ROOM		WOMAN'S WARDROBE		BATHROOMS	
Sofa	\$ _____	Clothing	\$ _____	Linens/Rugs	\$ _____

## Eliminate "The List" Act

SB 495 - Sen. Ben Allen

Requires insurance companies to pay wildfire survivors 100% of their contents coverage without needing a detailed inventory list.



# The CA FAIR Plan

- The FAIR Plan must follow all the laws and regulations like every other insurance company.
- Ordered to properly investigate smoke damage, provide Fair Rental Value, and pay out claims in a timely manner.
- If you are having trouble getting in touch with the FAIR Plan, contact us.

## Dealing With Adjusters

- Make sure that every adjuster you work with is properly licensed.
- Keep a documentation trail.
- Ask questions. Ask why something may not be covered. Ask for it in writing.
- If company changes adjusters, make sure to keep documentation.
- Document agreements that are made to hold insurance company accountable to those agreements through adjusters.



## Low Claim Payments

- You shouldn't be forced into accepting an amount they provide you.
- In many cases, the first payment is called the "undisputed amount" which is the minimum amount they're required to pay you.
- Can accept minimum payment as long as it isn't FINAL settlement or if you're not comfortable with it.
- Let us know if you're being pressured.
- Make sure any documents signed don't say FINAL settlement.

# Rebuild vs Build/Buy Elsewhere

- After a total loss, the insurance company is required to pay the full replacement cost benefits (which must include any building code upgrade and extended replacement costs associated with rebuilding the insured property) even if you decide to rebuild or buy a property in another location.
- Value of land cannot be deducted from this settlement. Make sure you advise the insurance (and your lender, if any) if you are considering this. Generally, once you identify the property and go into escrow, the insurance company will pay the amount it owes.
- You would only be eligible up to the full replacement costs owed if you actually spend that amount in rebuilding or buying a property in another location.
- If you have a mortgage, talk to your lender about how payment, escrow, etc. works.



# If an ALE/FRV has a fixed dollar limit instead of a time limit, does California's three-year extension apply if the funds run out in under two years?

- The 36 month extension of ALE after a declared disaster **does not** change your ALE policy limits.
- Depending on your ALE policy limits, it is probable that these limits will be exhausted before the 36 months.
- Budget as much as possible during the rebuild process.
- If you are expected to exhaust your ALE limits, make sure you have registered with FEMA and other programs at the Disaster Recovery Centers to be eligible for any financial assistance that may be available.

# Smoke Damage

- The type and extent of remediation insurance companies are expected to cover will depend on the degree of smoke damage the home suffers.
- There is no law in effect as to what specific actions/tests/remediation must be done.
- CDI's **March 7, 2025 Bulletin** advised that all insurance companies are required by law to adopt and implement reasonable standards for processing smoke damage claims.
- Bulletin advises that it is not reasonable to deny a smoke damage claim without conducting an appropriate investigation.
- If your insurance company delays or denies your smoke claims, we encourage you to file a complaint with us.
- Can possibly go to mediation.
- If insurance company is providing limited services or limited payments, you can get an estimate from another contractor or cleaning service and send to insurance company.



# Continuing Insurance Coverage

- Insurance moratorium expires January 6, 2026.
- In a total loss, law guarantees two automatic renewals.
- If you have a lender, you are required to have no gap in coverage.
  - Lender may end up choosing one that is more expensive with less coverage.
- In a total loss, insurance company is required to work with you to determine any adjustments in your coverage.
- Important to keep coverage in current market.
  - Could be harder to get insurance in the future with a one or two year gap in coverage.

## **If a rebuild takes over 2 years, can ALE be paid upfront for a temporary home purchase instead of rent?**

- Current law does not require the insurance company to pay the full two-years of ALE upfront, only an advance of 4 months after a total loss.
- It is a perfectly reasonable request that you should discuss with your insurance company.
- We have seen these types of accommodations made after prior wildfires in Paradise, Santa Rosa, etc.
- Would have to be negotiated between you and your insurance company.





# 2025 Annual Insurance Notice



RICARDO LARA  
CALIFORNIA INSURANCE COMMISSIONER

## NOTICE

TO: All Residential Property Insurance Companies, Licensed Independent Insurance Adjusters, Insurance Agents/Brokers, and Other Interested Parties

FROM: Insurance Commissioner Ricardo Lara

DATE: January 9, 2025

RE: 2025 Annual Notice – Significant California Laws Effective as of the Date of this Notice Pertaining to Residential Property Insurance Policies, including those related to a Declared State of Emergency

The California Department of Insurance (Department) is required to prepare and deliver to admitted insurers and licensed insurance adjusters an annual notice describing the most significant California laws pertaining to property insurance policies, including those related to a declared state of emergency ([California Insurance Code \[Cal. Ins. Code\] section 14046\(a\)\(1\)](#)). The 2025 annual notice is available in the "Education" section of the Department's [Insurance Adjuster Requirements](#) webpage. The Department may also issue interim updates if significant changes to the law occur during the course of this year. These updates will also be available on the Department's website.

Since at least 2007, after major wildfire events, the Department has distributed notices to insurers, agents/brokers, and adjusters regarding significant California laws that pertain to residential property insurance policies. These notices focus on wildfire claims and can be found on the Department's [Wildfire Resources](#) webpage.

For claims under a policy of residential property insurance arising as a result of a declared state of emergency, every residential property insurance company is required to provide the claimant with a copy of this or the most recent notice no later than 15 calendar days from the date on which the insurer received notice of the claim. It is expected that all residential property insurers and insurance adjusters will comply with the following laws for residential property insurance claims related to a state of emergency ([Cal. Ins. Code section 14046\(b\)](#)).

**Important Note:** Consult the notice applicable to the date of the pertinent fire or other declared emergency to determine which laws were applicable at the time of the loss. This notice provides links to each section of the California Insurance Code summarized below. For additional information, please review the text of the applicable section of the California Insurance Code.

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**Required to provide within 15 days of filing claim after declared state of emergency.**

## Insurance Moratorium

- Protects residential policies from cancellation/non-renewal for one-year (expires January 6, 2026).

## Renewal Protection

- Homes that suffered a total loss are guaranteed two annual renewal renewal periods.

**Contents Coverage**

**Additional Living Expenses**

**Rebuilding**

**Adjusters**

**Relocating**

**Policy Adjustments**

**800-927-4357**

**insurance.ca.gov**



# Contact Us

- Phone: 1-800-927-4357  
(Consumer hotline for insurance complaints, questions, and assistance)
- [Website: insurance.ca.gov](https://www.insurance.ca.gov)
- Disaster Recovery Centers
- Facebook: @insurancecagov
- Twitter/X: @CDInews
- Instagram: @cadeptofinsurance
- CDI Consumer Alerts