

## **California lawmakers approve bill fueled by homeowner insurance adjuster errors in fires' wake**

The Press Democrat

Consumer advocates and state Insurance Commissioner Ricardo Lara hailed the approval of a bill by state Sen. Bill Dodd aimed at mistakes and delays in handling homeowner insurance claims in the wake of the 2017 wildfires.

The bill, SB 240, came in response to testimony at hearings last year that claims were mishandled and stalled due in part to out-of-state insurance claims adjusters providing bad information to homeowners. Dodd, a Napa Democrat, said he and his staff heard from fire victims that insurers were sending in agents with little or no knowledge or training “who were giving out incorrect information. Some claimants were “bounced from adjuster to adjuster” and obliged to repeat their own stories during an arduous process.

“Insurance adjusters should not be putting people through that kind of an ordeal,” he said in an email. Lara, who supported Dodd’s bill, said he had personally seen in the wildfires’ aftermath that “a well-trained insurance adjuster often makes the difference” in resolving claims.

The bill will help ensure that out-of-state adjusters and insurers “have the training to provide accurate information to survivors of future fires,” he said in a statement.

Dodd’s bill, approved last week by the Legislature without a single no vote, now goes to the governor’s desk for a signature.

An insurance industry representative said it was “a well-reasoned, well thought-out approach” to the issues Dodd identified. The American Property Casualty Insurance Association initially opposed the bill but was neutral on the final version, said Mark Sektnan, vice president, state government relations. The measure requires the California Department of Insurance to publish an annual bulletin describing significant state laws regarding property insurance policies and requires specified unlicensed independent adjusters to read and understand it, a Senate Rules committee report said.

It also requires insurers to provide policyholders with a so-called “single point of contact” if the company assigns a third adjuster to the claim in a six-month period.

Amy Bach, executive director of United Policyholders, a San Francisco-based insurance consumer advocacy group, said both provisions are needed.

California is a “strong consumer protection state,” she said, and the out-of-state adjusters who will invariably arrive to handle the tide of post-disaster claims don’t always know the details.

“It is on them insurance companies) to train their people on the rules here,” Bach said.

Some out-of-state adjusters did not know, for example, that California policyholders may use payments for loss of a home to buy a new one instead of rebuilding, she said.

The single point of contact is important because “rotating adjusters is a fact of life after disasters,” Bach said, noting that some claimants see as many as 11 adjusters.

United Policyholders had a table in the Santa Rosa victim assistance center in 2017 and was advising people of their rights “while the smoke was still clearing,” Bach said.

Ronit Rubinoff, executive director of Legal Aid of Sonoma County, said some claimants were improperly told that if they bought another piece of property, that amount would insurance settlement.

One person who lost a manufactured home was told he had to replace it with a home of the same size and borrowed money to do so when he should have been allowed to purchase a smaller, less-costly unit, she said.

Sektnan said the bill sets rules needed “when lots of adjusters move in from out of state.”

It also establishes that claimants who have questions will have “a way to get them answered,” he said.

“A consistent message is a benefit to both the policyholder and the company.”