

[California's FAIR Plan facing legal action from State Insurance Commissioner for smoke damage claims](#)

ABC 10

SACRAMENTO, Calif — California insurance officials are taking legal action against the state's last-resort wildfire insurance provider, accusing it of illegally denying or limiting smoke damage claims from homeowners.

State Insurance Commissioner Ricardo Lara announced this week the California Department of Insurance filed an enforcement action against the California FAIR Plan Association. The FAIR Plan offers basic fire insurance coverage to homeowners who can't get coverage from traditional insurers.

The action comes after a judge ruled in June the FAIR Plan's method of handling smoke damage coverage violates state law.

"The FAIR Plan's position has been unfortunately wrong from the get-go," said Amy Bach, executive director of United Policyholders, a nonprofit advocacy group for insurance consumers.

Bach said the system used to assess smoke damage is flawed and often leaves homeowners without adequate cleanup or restoration.

"We've heard from people who say, yeah, their insurer's telling them their house is clean, but an expert is saying it's not," Bach said.

Among the homeowners impacted is Randall Caudle of Altadena, who is still dealing with the aftermath of the Eaton Fire. Caudle said his family's belongings remain inside their smoke-damaged home, and

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working with the FAIR Plan has been an ongoing struggle.

“For people that have lost everything, that’s got to be super traumatic, to have to log everything they used to own,” Caudle said. “Up until about four weeks ago, they started responding. I had to get a hold of a supervisor and threaten legal action just to hear back.”

In a statement, the FAIR Plan said it’s worked with the Department of Insurance over the past year “to update and clarify its policy language around smoke damage, so the language reflects the manner in which these claims are being adjusted.”

Advocates like Bach hope the legal action and pressure from private lawsuits will lead to changes in how the FAIR Plan handles claims.

“We hope this brings the remedy homeowners need, getting their homes cleaned properly and safely,” she said.

The FAIR Plan has until August 15 to formally respond to the state’s legal action. A hearing will be scheduled before an administrative law judge.

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