

Deadlines and Decisions: Two-Year Anniversary Bulletin for 2017 North Bay Fire impacted households

Home insurance policies typically limit the amount of time you have to collect all available **replacement cost** and **loss of use/ALE** benefits and to **file a lawsuit**.

Your insurance company is legally required to provide you with written notice 60 days before any deadline or benefit expiration they want to enforce. CA Code of Regulations 2695.7(f). That includes deadlines for submitting proof of the value of your losses and “statutes of limitations” (lawsuit filing deadlines). The notice must clearly state the time limit and how it will impact your rights. Chances are you’ve gotten one or more of these notices already.

Many of the deadlines you’ll find in your policy have already been extended by California law or by your insurance company. Some have not. Don’t rely on what you’ve heard from adjusters or neighbors or seen in the media. [Communicate with your insurance company](#) in writing to request and confirm deadline extensions and resolve open issues. Your insurer has an ongoing legal duty to act in good faith in handling your claim.

Before the two-year anniversary, we strongly recommend getting written confirmation *from your insurance company* that they will not enforce deadlines that cut off your right to:

- **Collect additional benefits**, or:
- **Initiate a lawsuit related to your insurance claim.**

Given the magnitude of the destruction in your community, it has not been possible for many people to

replace their possessions or homes by the 2nd anniversary. With prodding from our organization, the 2017 fire survivor community, your local and state elected officials, and the California Department of Insurance, **many but not all** insurers agreed there was a good cause and voluntarily agreed to extend deadlines. This effort is ongoing.

We suggest customizing and sending a version of our sample letter below to your adjuster and their superior(s) in advance of October 8, 2019.

If you don't reach a clear agreement with your insurer, request help from the Dept. of Insurance. If that doesn't fix the problem, consult with a reputable attorney who has insurance litigation experience. A starting place to find one is the [UP Find Help Directory](#).

Expiring ALE benefits

Insurance policies vary in the amount of loss of use/ALE benefits provided. Some have a time and dollar limit, some a time OR dollar limit, some cover ALE expenses "as incurred". California law requires your insurer to provide a minimum of 24 months to use your /"ALE" benefits. (CA Ins. Code 2051.5(b)(1) and (2)).[1]

For detailed suggestions on getting your insurer to agree to extend ALE benefits, see [our tips and sample letter on this topic](#).

Deadlines to collect benefits for Replacement Costs above Actual Cash Value

If you can show good cause that you need than 24 months (from the first ACV payment) to replace property and collect RCV, California law requires your insurer to give you extensions. To collect RCV, you generally must give your insurer proof that you've replaced items and that you're owed the difference between what they paid you already for the Actual Cash Value and what you paid to replace the item. Cal. Ins. Code 2051.5 A simple letter that explains your situation should suffice. For more info see our tips on this topic: [Depreciation Basics](#).

Deadlines for suing an agent, broker or insurance company

These deadlines depend on whom you're suing and what you're suing them for, but your policy most likely contains a 12-month "Suit Against Us" paragraph. The CA legislature extended that to 2 years. Lawyers tend to err on the side of caution when advising clients about lawsuit deadlines because courts tend to enforce them. That is why it's important to get written clarification from your insurer.

If you're severely underinsured, you may be suing an agent, an insurer, a software vendor, or all three, and each may have a separate lawsuit deadline. If your insurer treated you unreasonably and you're suing for "bad faith", there's a legal principle called "tolling" that stops the clock on a lawsuit deadline while an insurance claim is being adjusted. But that may not apply to a suit against an agent or broker for underinsuring your property.

Deadlines for suing or filing a claim for compensation from PG&E

There are two ways you can seek compensation from PG&E for losses insurance is not covering, and you can pursue both of them, *provided you file a Proof of Claim form by October 21, 2019.*

1. Hire one of the law firms representing plaintiffs in lawsuits against the utility. Several of them are [long time supporters of our non-profit organization](#).
2. File a claim in the PG&E bankruptcy proceeding.

We strongly recommend you contact at least one of the California-based law firms that are representing your fellow fire survivors before you submit the required Proof of Claim paperwork. Check out: <https://www.facebook.com/ExtinguishUncertainty> and <https://www.holdpgeaccountable.com> for more information.

"To do" before the 2 year anniversary:

- Re-read your policy and Declarations page and double-check the math: *Were limits adjusted for extended coverage endorsements and inflation protection?*
- Request a complete claim summary of all amounts paid to date, correct any errors. See: [Sample Letter Requesting Claim Payment History](#).
- Organize and turn in receipts for reimbursement of [ALE benefits](#).

- Customize and send one or more of our [sample](#) letters. Most insurers will grant deadline extensions for good cause.

NOTE: The sample letter below must be customized to the facts of your individual situation and claim. All portions that are in parentheses and/or underlined must be completed or revised and anything in italics should be removed before you send it.

(Date)

(Name of adjuster, adjuster's supervisor, or highest-ranking ins. co. employee)

(Name of Insurance Co.)

(Address)

Re: Claim Number: _____

Date of Loss: _____

Name of Insured: _____

Address of Insured Property: _____

Dear _____,

As the two-year anniversary of the wildfire that destroyed our home approaches, we are continuing to do our best to document our loss and cooperate with your company to reach a fair and full settlement. We

are writing to request the following extension(s):

- 1) The “Suit Against Us” clause: Unless you reply that you disagree, we are relying on the understanding that the “Suit Against Us” clause in our policy is tolled because our claim is still being processed and open, and that you will not enforce that deadline until one year after you have informed us in writing that you have closed our claim;
- 2) A 6-month extension of our right to collect full Replacement Cost benefits applicable toward our dwelling, contents, and/or other structures.
- 3) A _____ extension of payments for our Additional Living Expenses.

Unless we hear otherwise within one week, we will rely on our understanding of the above points.

Sincerely,

YOUR NAME

MAILING ADDRESS

[1] A new law that extends the minimum ALE duration to 36 months was not retroactive to your fire. However, at least one attorney believes arguments can be made that it does. You can read his arguments [here](#) or at [2017 North Bay Fires Insurance Claim Help](#).

[2017 North Bay CA Fires Two-Year Anniversary Bulletin](#)