

Got insurance? Tips for homeowners affected by Southern California wildfires

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At least six wildfires (Palisades, Eaton, Hurst, Lidia, Sunset, and Woodley) have forced California residents to flee from their homes, resulting in death, injuries, and property destruction.

Officials and consumer advocates offer advice for residents with insurance questions and related issues in the aftermath of the fires.

How does a state of emergency affect policyholders?

The California Department of Insurance issues a mandatory one-year moratorium on insurance companies canceling or non-renewing home insurance policies in areas within or adjacent to a fire perimeter after the governor declares a state of emergency.

Gov. Gavin Newsom declared a state of emergency on Wednesday while President Joe Biden approved a major disaster declaration.

After the declaration, the Department of Insurance partners with CalFire and the Governor's Office of Emergency Services to determine wildfire perimeters and adjacent ZIP codes within the mandatory moratorium areas, said Michael Soller, a deputy commissioner for communications with the California Department of Insurance in an email.

Once the perimeter is established, the one-year protection applies to all residential policyholders within the affected areas who suffer less than a total loss, including those who suffer no loss, according to the state website. Those who suffer a total loss have additional protections under the law.

On Thursday, the website had not been updated with the six recent fires.

The website would be updated when the fires are brought into greater containment and the perimeters can be identified, Soller said.

“We made this announcement now to calm fears and misinformation that always follows wildfires, so people fleeing for their lives do not have to worry about insurance,” he said.

People under mandatory evacuation can get a minimum of two weeks’ payment to help cover additional rent, food, and other necessities, with extensions as needed, he said.

For insurance questions, call the California Department of Insurance at 800-927-4357. For more wildfire resource information, visit the website at www.insurance.ca.gov.

Insurance tips for homeowners in fire aftermath

Residents should prioritize their safety and the safety of their family and pets, said Michael DeLong, a research and advocacy associate at the Consumer Federation of America, a consumer advocacy group.

Homeowners should contact their insurer as soon as possible afterward. When safe, they should return home, take photos and videos of the damage, and start a journal to document everything.

Policyholders should also document every insurance company interaction and track expenses. DeLong recommended keeping receipts for temporary housing, food costs, and any initial repairs.

If a homeowner decides to take on immediate repairs, they should vet any contractors or adjustors before hiring and ensure they are licensed, DeLong said.

Post-disaster scams are “pretty common,” DeLong said.

If a homeowner believes their insurance company is mishandling their claim, DeLong said they should contact the California Department of Insurance. The agency’s website has a form where homeowners can file complaints.

DeLong suggests homeowners take measures to mitigate future wildfire risks like installing a roof with noncombustible coverings or clearing away flammable vegetation near a home to limit damage.

What does insurance cover?

A typical insurance policy covers temporary housing, repairs and rebuilding, damage from smoke, personal property repairs and replacement, and any damage to surrounding landscaping, said Amy Bach, executive director of United Policyholders, a consumer advocacy group. Damaged vehicles should be covered by car insurance.

As insurance rates skyrocket and more insurance companies exit states like California, many homeowners are dropping their coverage.

How many people are on the California FAIR Plan?

Others who struggle to find insurance in the private market have had to buy basic insurance coverage through the state's insurer of last resort, the California FAIR Plan, which has higher premiums and limited coverage.

In late 2024, there were more than 450,000 FAIR Plan policies in the state, more than double the count from 2020.

Bach said homeowners affected by the fires could find themselves underinsured, or paying for a policy that doesn't cover the full cost to rebuild or repair.

"Any time there's a fire, it's a good reminder to look at how much per square foot you would have to pay a contractor to rebuild your house if it were to burn to the ground," she said.