

Insurance claim tips for homeowners affected by Southern California wildfires

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Multiple wildfires have been sweeping across Los Angeles County since Tuesday, killing at least five and pushing thousands out of their homes.

The total damage is not yet known; the fires were 0% contained as of Wednesday. For the owners of the 1,000-plus structures destroyed by the fires, consumer advocates say there are ways to help get their insurance claims treated fairly and paid in full.

“Understand the reality of a large-dollar insurance claim, that it really does require you to advocate for yourself,” said Amy Bach, executive director of United Policyholders, a consumer advocacy group. “The bottom line is that people need to think of an insurance claim as a business transaction and approach it with that kind of mindset.”

Insurance tips for affected homeowners

The first step for affected homeowners is to focus on personal safety, as well as the safety of family and any pets, according to Michael DeLong, a research and advocacy associate at the Consumer Federation of America, a consumer advocacy group.

After that, homeowners should contact their insurer as soon as possible. When it’s safe to return home, take photos and videos and start a journal to document the damage.

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

If a homeowner does decide to take on immediate repairs, they should vet any adjustors or contractors

before hiring and make sure they are licensed.

“Unfortunately, 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.

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

“That may cost money in the short run, but it will save you money in the long run. In fact, it could actually save your home and even your life,” DeLong said. “The problem is that doing all these measures takes time and money and effort. And for people living paycheck to paycheck, that’s really hard to do.”

How many homes are covered by insurance?

Homeowners insurance policies tend to cover damage caused by wildfires, according to the Insurance Information Institute.

Bach said a typical insurance policy covers temporary housing, repairs and rebuilding, damage from smoke, personal property repairs and replacement, and any damage to surrounding landscaping. Damaged vehicles should be covered by car insurance.

Mortgage lenders typically require homeowners insurance, and most American homeowners are insured. But as insurance rates skyrocket and more insurance companies pull out of states like California, a growing number of homeowners who own their home outright are dropping their coverage.

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

“California’s home insurance market was already struggling, it was already getting much harder for

people to keep and afford insurance on their homes. And this is going to make that situation worse,” Bach said.

Bach warned that other homeowners affected by the fires may find themselves underinsured, or paying for a policy that doesn’t cover the full cost to rebuild or repair.

“It’s so common that people who lose their home in a wildfire find out that they didn’t have enough coverage,” Bach said. “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.”