

Insurers should be on the hook for Montecito mudslide damage, commissioner says

KPCC

Montecito residents who are hoping that insurance will cover damage to their homes from recent mudslides received a word of support from an important ally on Monday.

California insurance commissioner Dave Jones issued a notice to insurers outlining his office's position that they should be on the hook for that damage.

Most homeowners' insurance policies exclude coverage for mudslides. But they do cover fire-related damage. And Jones said under California law, when the facts on the ground show that a fire is the "efficient proximate cause" of a mudslide, that damage should be covered.

"Preliminary indications that we have at the Department of Insurance are that the fires burned vegetation that was holding soils in place and absorbing water," said Jones. "And with the vegetation burned, when the rain came down the hills came down as well."

Hundreds of Montecito homes were damaged or destroyed by mudslides in the wake of the Thomas Fire. Jones said that at this point, it looks like insurers should be treating the fire as a cause of the mudslides. "If this bears out, I expect them to pay claims," Jones said.

Amy Bach is the executive director of consumer advocacy organization United Policyholders. She said this move could help residents put pressure on insurers who may be reluctant to pay out.

"The insurance commissioner's action is definitely going to empower these devastated homeowners to give their best shot at trying to get some insurance coverage to pay for the replacement of their homes," said Bach.

Commissioner Jones said the Department of Insurance has already received some calls from consumers who've been told, on a preliminary basis, that their policies do not cover mudslide damage.