

Majority of Calif. Insurers Agree to More-Responsive Claims Handling Practices

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California Insurance Commissioner Steve Poizner said a group of insurers, that represent 72.1 percent of the homeowners' multi-peril insurance market, have agreed to comply with voluntary reforms to the claims handling process — the effect of which means consumers will have more-responsive claims handling practices.

After gathering feedback firsthand from fire survivors at a series of Insurance Recovery Forums three years ago, the Commissioner personally called upon insurance companies to comply with his proposed reforms to the claims handling process. American International Group Inc., Allied Insurance/Nationwide, Allstate Insurance Co., Automobile Club of Southern California, Balboa Insurance Group, Chubb Group, Farmers Insurance Group, Fireman's Fund Insurance Co., Liberty Mutual Group/Safeco, State Farm Insurance Co., and Travelers all complied with the Commissioner's suggestions, and recently announced they would continue to do so.

Included in the Commissioner's recommended claims-handling practices are:

Expediting the processing of additional living expense payments,
automobile and debris removal claims in the event of a total loss;
billing leniency for fire victims in disaster areas; and
inventory process simplification.

Meanwhile, Poizner advised Santa Barbara and San Diego homeowners to proactively prepare for fires and other potential disasters by conducting a home inventory and updating their insurance policies. "We've watched it happen too many times right here in Southern California - wildfires strike, destroying homes and lives in the blink of an eye," Poizner said. "I want to urge all Santa Barbara homeowners to prepare themselves today for potential wildfires. Waiting for a fire to erupt before conducting a home inventory and reviewing your insurance policy means you could get burned twice — first by the fire then by trying to recover your losses. These are concrete steps all Californians can take today to protect their homes and belongings."

Amy Bach, executive director of United Policyholders, suggested homeowners, “Ask the insurer point blank: If my home is destroyed, will I have enough insurance to replace it?” Poizner, Bach and Candysse Miller of the Insurance Information Network of California (IINC), Santa Barbara City Fire Chief Andrew DiMizio, Santa Barbara City Firefighter/Wildlands Specialist Ann Marx and Ted Adams of the Santa Barbara County Firesafe Council suggest the following tips for conducting a home inventory, as well as noted the availability of the Department of Insurance’s Home Inventory Guide.