

[Post wildfire flooding and insurance? Forecast muddy](#)

A wildfire destroys the trees, plants, bushes, and roots that hold soil in place and soak up rainwater, which in turn can lead to the kind of damage that occurred in Montecito in the aftermath of the Thomas Fire. The [“Fire-Flood Sequence”](#) is a well-known phenomenon, yet insurance companies will sometimes reject claims for post-wildfire mudflow damage under home/fire policies by citing the standard exclusion for flood damage. Fortunately, California has good consumer protection laws, including mandatory coverage for fire-related damage. In California, insurers must cover damage when it is “proximately caused” (triggered) by the covered peril of fire.

According to a number of experts, including CA [Insurance Commissioner Dave Jones](#), if the facts show that but for the Thomas fire, mudflow would not have destroyed homes in Montecito, home insurance should cover the damage. In other words, [if the Thomas wildfire was the triggering/proximate cause](#) of the destructive mudflow, the impacted (insured) property owners should file claims and pursue fair settlements. And in fact, State Farm was quoted in [a recent news article](#) as follows:

State Farm representatives have confirmed the insurance company has covered debris flow damage resulting from the Thomas Fire to policyholders in Montecito, the first insurance company to do so publicly. Couching his words carefully, Sevag Sarkissian said State Farm engineers have “determined that the predominant cause of the debris flow was a recent wildfire.” At issue for homeowners has been whether their property insurance, which covers fire, will include mud or flood damage if they did not have flood insurance.

When a catastrophic event damages and destroys homes and businesses, United Policyholders publishes information aimed at helping insured property owners in the area navigate the process of getting fair prompt, and full insurance claim settlements. When water is involved, coverage under a standard home or business policy can be tricky due to exclusions and limits related to flood damage. When the earth moves, coverage can also be tricky due to exclusions related to earth movement and earthquakes. After

past mudslides and flooding following wildfires, some property owners have had to lawyer up and fight back to get coverage to repair/rebuild. Many have prevailed and gotten their claims paid. [But because most lawsuits settle confidentially, we don't know how many have been successful.](#)

[California case law supports coverage for flood damage following a wildfire:](#)

“[f]ire insurance ‘is intended to cover every loss, damage, or injury proximately caused by fire, and every loss necessarily following directly and immediately from such peril or from the surrounding circumstances, the operation and influence of which could not be avoided.” Appleman, *Insurance Law & Practice* § 3082 (1970)).

“By statute, California insurance policies are required to provide coverage whenever a covered peril is the “proximate cause” of the loss. Cal. Ins. Code § 530. Case law interprets “proximate cause” more broadly as “efficient proximate cause,” or the cause that “sets others in motion” and is “the predominating or moving efficient cause.” *Sabella v. Wisler*, 377 P.2d 889, 895 (Cal. 1963) (see also, [Howell v. State Farm, A044405, 1990](#)) (finding that under *Sabella* and Cal. Ins. Code § 530, it is a jury question whether a mudslide following a fire on a hillside above the damaged property is covered under an all-risk policy).

Those with flood insurance will have a stronger base for collecting benefits, but not a sure shot. The specific nature of the damage, the exact wording in their policies, and the degree to which their insurer honors their reasonable expectations of coverage [will be the determining factors in whether or not insurance benefits will be paid for repairs/restoration of their assets.](#) UP supports the impacted property owners seeking coverage.

Each insurer writes (or doesn't write) their own definitions into their policies. Commonly understood definitions factor in when there's a dispute between a policyholder and an insurer. FEMA's flood policy defines “mudflow” as:

- **Mudflow.** A river of liquid and flowing mud on the surfaces of normally dry land areas, as when the earth is carried by a current of water. Other earth movements, such as landslide, slope failure, or a saturated soil mass moving by liquidity down a slope, are not mudflows.

Flood coverage can be purchased through the hybrid government/private National Flood Insurance

Program or a company that sells either “stand-alone” flood coverage or includes it in their home insurance policies. Our publication [“The ‘dirt’ on insurance protection for mudflow damage”](#) lays out the basics.

If you live in a region where there have been wildfires in recent years, get a quote for adding flood protection to your property insurance and buy it if you can afford it.

See also:

[Pluses and minuses of flood insurance](#)

[Flood insurance buying tips](#)

[Insurance tips for storm damage](#)

The information presented in this publication is for general informational purposes and is not a substitute for legal advice. If you have a specific legal issue or problem, United Policyholders recommends that you consult with an attorney. Guidance on hiring professional help can be found in the “Find Help” section of www.uphelp.org. United Policyholders does not sell insurance or certify, endorse or warrant any of the insurance products, vendors, or professionals identified on our website.

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