

[State presses insurers to waive inventory requirement for North Bay fire victims](#)

The Press Democrat

State Insurance Commissioner Dave Jones on Thursday urged insurance companies to provide North Bay fire victims up to 100 percent of their personal property coverage limits without requiring them to fill out a detailed inventory.

Jones' notice came as an increasing number of local fire victims have appealed to their carriers to ease the inventory requirement, arguing they have been overwhelmed with the time-consuming task — which can take more than 40 hours to complete — while also juggling to rebuild their lives after the costliest wildfire in American history.

Insurers in October adhered to a voluntary agreement with the state Insurance Department by advancing at least 25 percent of their personal property coverage without itemization for fire victims. But Jones is urging them to go beyond that and quickly settle and fully pay claims for items ranging from computers to clothes to furniture.

“Due to the large scale of these wildfires, many insureds are overwhelmed with the tasks of dealing with housing issues and family issues and construction issues and other major adverse changes in their daily lives,” Jones wrote to insurers.

“The Department has received numerous complaints from insureds about the monumental task of attempting to identify every item of personal property they may have amassed over years or decades in order to collect replacement cost,” the letter added.

Jones has asked insurers to reply by Jan. 8 whether they will comply with his request.

Policyholders have filed 14,686 residential property claims in Sonoma County, resulting in almost \$7 billion in damages, according to data the department released earlier this month. Of that total, there were 4,785 residences completely destroyed in the fires. Insurance companies have paid out almost \$2.4 billion so far.

Jones' notice comes as word spread among fire victims within the last week that one carrier — CSAA

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Insurance Group — was paying up to 100 percent of policy claims up to each policyholder’s limit for personal property without a fully itemized list.

Matt Quan, a leader for a group of fire victims covered by CSAA, said in an interview he heard from at least 30 fellow policyholders that they were fully paid out in an expedited manner without filling out a detailed inventory.

Those policyholders told him they were paid without CSAA taking any depreciation off the value of the items lost.

Carriers typically pay out only the depreciated value of the items first, and later pay the remaining difference for the replacement cost once they receive paid receipts for the new products.

One CSAA policyholder, who asked not be identified, said he got a 100 percent payout last week for his personal property destroyed in the fire without having to file any itemization. The man said he only had to file a sworn statement that he did not falsify his claim.

In a statement, CSAA said there has been no policy change on how it handles personal property claims. It did acknowledge, however, “there was some miscommunication” that might have led some of its policyholders to think there had been a policy change, and it was working “directly with our customers to clear up any confusion.”

The company added that it is handling each claim on a case-by-case basis.

“These wildfires have created unique circumstances, and accordingly, and for the benefit of our insureds, we are using appropriate discretion on how detailed the itemization has to be, on a case-by-case basis. Just as every home is unique, so is every claim,” CSAA said in the statement.

But Jones said he has heard of carriers paying out up to 100 percent for personal property without an inventory, while others are offering up to 75 to 80 percent of coverage.

He declined in an interview Thursday to publicly identify those carriers.

The department also contends that any policyholder who has received a payout so far of less than 100 percent for personal property without itemization should still be eligible to get the remaining amount if they later decide to do an inventory, Jones said.

According to one consumer group, carriers have had an uneven practice in the past on paying out personal property claims after a natural disaster without itemization.

A survey by United Policyholders, a San Francisco-based nonprofit, found that 39 percent of policyholders who lost their homes in 2007 wildfires that struck southern California got their carrier to waive the itemization requirement to receive full reimbursement on personal property.

Amy Bach, executive director of the group, said most carriers’ reticence to announce a full-scale policy of

waving itemization is part of a corporate philosophy to limit their losses.

“We suggest strategies for applying leverage so they carriers) make a change,” said Bach, who noted the CSAA policyholder group has shown positive results while pressing its case.

She said many people in the aftermath of a disaster find it hard to remember inventory. Carriers do suggest that policyholders make a content list before a disaster strikes, including recording video of their house contents on their smartphones.

“The heart is there to protect the pain, block out the memory,” Bach said.

Lisa Frazee found that out firsthand as she lost her Wikiup house in the fires.

The more burdensome task has been trying to help her 85-year-old mother, Gloria Sanchez, come up with a inventory list after her house near Mark West Springs Road burned down as well.

Sanchez has had a difficult time trying to remember contents in the house where she lived since 1984 and raised three children, Frazee said, and at times has found herself physically, as well as emotionally, unable to write down a list of items.

It took Frazee 30 minutes to help her mother find the replacement cost of four Amish style kitchen chairs that had been discontinued.

“There’s got to be a better way, especially for elderly people,” Frazee said.

Both Sanchez and Frazee have State Farm insurance and they have found the carrier not helpful in resolving the issue.

“It’s so daunting and I feel like this has been done on purpose,” Frazee said.

State Farm couldn’t comment on Frazee’s and Sanchez’s experiences because of customer privacy rules, said spokesman Sevag A. Sarkissian in a statement.

“I can assure you that State Farm works to resolve all claims in a courteous, prompt and efficient manner.”

Sarkissian added, “In this case, we are in regular communication with our customer as we work to help them recover from this devastating event.”