



RICARDO LARA
CALIFORNIA INSURANCE COMMISSIONER

NOTICE

TO: All Admitted and Non-Admitted Property & Casualty Insurance Companies and Other Interested Parties

DATE: November 20, 2019

RE: Expedited Claim Handling & Billing Grace Period Procedures for California Wildfires

In an effort to assist victims of the current and recent wildfires throughout the state, and in recognition of Governor Newsom's declared states of emergency related to the October-November 2019 wildfires, Insurance Commissioner Ricardo Lara is calling on all property and casualty insurance companies to implement emergency expedited claims handling procedures and billing grace periods to assist residents and businesses to recover more quickly.

Loss of Use, Fair Rental Value or Additional Living Expenses (ALE): Insurers should adopt a standard ALE advance payment of at least 4 months for a total loss. Additional ALE beyond the 4 months, should be available upon proper proof following the advance period, upon request. While current law imposes no requirement for advance payment of ALE, this practice would recognize the reality that consumers need support immediately following a total loss in a wildfire disaster.

Personal Property (Contents): Insurers should provide an initial standard contents advance payment of at least 25% of policy limits for a total loss of the primary residence in a wildfire disaster without the completion of an inventory. Additional contents payments should be available upon proper proof and upon request.

Inventory Forms: Insurers should not require that the insured use a company-specific inventory form if the insured can provide an inventory using a form that contains substantially the same information. Insurers would not be required to waive their rights to seek additional information upon receipt of an inventory form from an insured.

Inventory Itemization: Insurers should agree to accept an inventory that includes groupings of categories of personal property, including, but not limited to, clothing, shoes, books, food items, CDs, DVDs, or other categories of items for which it would be impractical to separately list each individual item claimed.

Vehicle Claims: Upon satisfaction of proof of claim, insurance companies should expedite payment of automobile property damage claims under comprehensive loss coverage.

Billing Grace Period: All insurers should grant billing leniency for at least 60 days for customers in designated wildfire disaster areas. Whenever there is widespread wildfire loss, some victims lose their insurance renewal notices or may not have the ability to have mail forwarded. This can result in victims losing their insurance coverage for nonpayment of premium. Many insurers already voluntarily grant payment leniency for wildfire victims. This is not limited to homeowners insurance. A renewal bill for auto insurance, health insurance, or life insurance is as likely to be destroyed as is a bill for homeowners insurance.

Debris Removal: Insurers should cooperate with a consolidated debris removal process that may be coordinated through city, county and state agencies, unless the insurer can provide more rapid debris removal outside of the state and local government coordinated effort. Insureds and insurers would not be obligated for more than the reasonable expenses for debris removal. Insurers would assist their insureds in providing policy and payment information to the responsible county in order for the county to fulfil its due diligence requirements. Insurers would not be required to provide any information to the county that would be in conflict with its obligation to protect their insured's personal information without express permission of their insureds.