



# New rules for disaster claims in CA, CO, and OR

NAIC/Consumer Liaison Committee  
Summer Meeting, Portland, OR  
Friday, 8/12/2022, 8:00 AM - 10:00 AM PT

# About United Policyholders (UP)

- A 501(c)3 national not-for-profit organization with a Platinum Guidestar rating
- 31 year track-record of expertise in helping solve insurance problems that impact consumers in coordination with insurance regulatory agencies, local officials and other non-profits
- A trusted information resource and respected voice for insurance consumers in all 50 states
- Not for profit...not for sale, funded by donations and grants

# Our Three Programs

- Roadmap to Recovery<sup>®</sup>
  - *Helping individuals and businesses solve insurance coverage and claim problems.*
- Roadmap to Preparedness<sup>®</sup>
  - *Increasing disaster preparedness by promoting savvy shopping, inventorying and insuring property to value, and mitigation*
- Advocacy and Action
  - *Standing up for consumers in courts of law, legislative and other public policy forums, and in the media.*

# Highlights of legislative reforms adopted in CA, OR, CO

- Additional/temporary living expense) *and* replacement cost benefits must be available for at least 24 months, 36 months if reasonably necessary.
- An underinsured homeowner can use “Other Structures” benefits toward the cost of rebuilding their dwelling. Other Structures benefits are normally available for garages and outbuildings, retaining walls, etc.
- A homeowner can opt to skip the challenges (and trauma) of rebuilding their home at its original location and instead access their dwelling, extended dwelling and building code and ordinance benefits toward the purchase of a replacement home
- Homeowners can avoid being underinsured by accessing their insurer’s construction cost expertise and obtaining an estimate for insuring their home to its current replacement cost every other year or at inception

# Additional Living Expenses (Loss of Use)

- 12 mos was standard but is unrealistic after a total loss in today's conditions
- 24 mos is inadequate for many households after large events, two 6 mos extensions where warranted (36 total)
- Supply chain, COVID, not enough construction resources are hindrances
- Insurers are being more flexible with alternatives (purchasing an RV, 5<sup>th</sup> wheel, tiny home, condo)

# Right to Replace By Buying

- Formerly insureds had to leave \$ on the table if they bought
- Allowing people to replace by buying reduces WUI rebuilding
- Hot spots continue to be:
  - Land value
  - Code upgrades
  - Availability of extended coverages

# Other items

- Mandated advances toward ALE and contents (CA)
- Contents benefits pd w/out an inventory (CA 30%, CO 65%)
- Mandated minimum extended replacement and building code upgrade coverage (CA, CO)
- Extended time to collect full Replacement Cost Value (Contents and Dwelling)

# References

CA: Ins. Code 2051.5(b)(2), 2051.5(c), 10103.7, 10  
CCR § 2695.183

OR:

<https://olis.oregonlegislature.gov/liz/2021R1/Measures/Overview/HB3272>

CO: <https://leg.colorado.gov/bills/hb22-1111>



# Questions?

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