



Loss of Use (Temporary Additional Living Expense) benefits and Insurance Claim Q & A (Total Losses)

January 22, 2026

L.A. Wildfires R2R Webinar #13

uphelp.org

About United Policyholders (UP)

- A not-for-profit organization with expertise in insurance and disaster recovery that does not accept funding from insurance companies
- A respected voice and trusted information resource for consumers across the United States
- Three plus decades of experience in disaster recovery
- Funded by donations and grants with a professional staff that's supported by volunteers (attorneys, insurance and personal finance experts, recovered disaster victims)
- Partnering with government agencies and other non-profits and organizations to improve recovery in disaster-impacted communities.

www.uphelp.org

<http://www.uphelp.org/2025cawildfires>

- Step-by-Step guidance for the typical recovery timeline
- Links to sign up for events and updates
- Sample letters & claim documents

www.uphelp.org/samples

- Survivors Speak Tips
- www.uphelp.org/survivorsspeak

- Upcoming Workshops and Resources


www.uphelp.org/events

- Links to specialized professionals

www.uphelp.org/findhelp



To download and follow the slide deck: uphelp.org/Jan22





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Home » Events » Loss of Use/“ALE” and Insurance Claim Q & A

Loss of Use/“ALE” and Insurance Claim Q & A

 Thursday, January 22, 2026
5:00pm PT

 Zoom


 California Wildfire Total Losses


 scroll down to pre-submit questions


REGISTER HERE


UP staff and expert panel will cover insurance claim topics including: Loss of Use/*Additional Living Expense policy benefits; Resolving depreciation, dwelling and contents loss valuation disputes; Strategies, resources and best practices for avoiding delays; Your legal rights and options for holding insurers' accountable.


RESOURCES


 [ALE Q&A Slide Deck](#)


 [Sample Letter Requesting Claim Payment History](#)

 [A Guide to Your Homeowners Policy](#)

 [2025 California Wildfires - Insurance Claim and Recovery Help](#)

 [2024 California Wildfires - Insurance Claim and Recovery Help](#)

 [Insurance Resources for California Residents](#)

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Team UP

- Professional staff
- Government and nonprofit partners
- Volunteers
 - Fired UP Survivors - previous catastrophic loss survivors paying it forward
 - Consumer-oriented professionals
 - Damage and repair/rebuild cost estimators
 - Lawyers
 - Public Adjusters
 - Tax and Financial Planning experts
 - Construction and Real Estate professionals

Have a standing home and looking for answers?

Wildfire Smoke Damage & Your Insurance Rights

📅 Thursday, December 18, 2025
5:00pm PT


📍 Zoom

👤 Q&A for Wildfire-Impacted Households

WATCH RECORDING

This 90 minute webinar featured a panel of leading professionals with expertise in assessing, testing, remediating, and restoring wildfire smoke damaged homes to safe and habitable pre-loss condition, plus California Insurance Laws and Regulations, Industrial Hygiene protocols and standards, and related topics. The panel will answer pre-submitted questions (see link to form below) and questions curated by our event partners. This webinar is hosted by United Policyholders in collaboration with Eaton Fire Residents United, Team Palisades and Palisades Standing Homes.

WATCH RECORDING



RESOURCES

- 🔗 [Sample Letter Requesting ALE Extension](#)
- 🔗 [Smoke Damage and Remediation Resources](#)
- 📄 [FINAL Smoke Damage & Your Insurance Rights Slide Deck](#)

See also: Smoke Damage Resources: <https://uphelp.org/smokedamage-2/>
Ask an Expert Forum: <https://uphelp.org/ask-an-expert/>

Please take a few minutes to complete a UP Insurance and Recovery 12 Month Survey www.uphelp.org/survey

Your answers help us help you. We use the data to fine tune our Roadmap to Recovery programming to meet your needs and be a strong advocate for insurer accountability and fair outcomes for policyholders.

UP will be working hard for you and future disaster survivors this California legislative session, so please help by completing our survey.

Past UP survey results have helped bring about new laws including the 4 month ALE cash advance and 36 month rules, your right to replace by buying instead of rebuilding, and rules that lessen your burden related to itemizing damaged or destroyed personal property.

We are grateful to everyone who has already participated. Please only take one time per household.

The Fine Print

- This workshop is intended to be general guidance only, not legal advice.
- If you have a specific legal question, we recommend you consult an experienced attorney.
- We do not endorse or warrant any of the sponsors listed at www.uphelp.org, or speakers at our workshops.
- Our speakers are volunteering their time as educators

Answering your questions:

Amy Bach, Esq. UP Co-Founder and Executive Director

Masood Kahn, Esq. Executive V.P., Sunpoint Public Adjusters

Denise Sze, Esq., Onyx Law Group, Blue Oaks Public Adjusters

With online support from Alexis Ricci, Program Specialist, United Policyholders

Temporary living expense benefits: Loss of Use/Additional Living Expense (“ALE”)

- Reimbursement for expenses you incur due to losing the use of your home
- Upon request, you’re entitled to a four-month advance of benefits
- Your mortgage payments are NOT covered
- CA law: Your policy must cover 24 months plus two, 6 month extensions but there may be a dollar limit.

UP Resources:

Survivors Speak on ALE: <https://uphelp.org/claim-guidance-publications/survivors-speak-additional-living-expense-ale-loss-of-use/>

Sample letters:

- [For requesting info from your insurer on what expenses qualify](#)
- [For requesting an extension of your ALE benefits](#)
- [For requesting a retroactive adjustment of your Dwelling limits \(underinsured\)](#)

[The recording and slide deck from UP's webinar on Underinsurance for LA Wildfire survivors](#)

Pre-submitted question:

In addition to rent or hotel bills, what other expenses can be considered as ALE?

DS

What expenses qualify?

- Rent for temporary housing
- Renters insurance policy
- Extra miles – to/from work, school
- Security deposits, set up fees for temp housing
- Photo copies and mailing expenses related to claim
- Moving costs
- Pet boarding costs

You can request a list from your insurer and they must provide it

Cal. Ins. Code section 2060[a]).

If requested by the insured, this section requires insurance companies to provide the insured with a list of items that an insurer believes would be covered under the policy

Pre-submitted question:

ALE entitlement for a dwelling of comparable size and amenities

I was told by my parent's insurance company Farmer's Insurance that Additional Living Expense coverage only applies when they were in a motel because the motel did not have a full size kitchen; but that once they moved into a house for rent which has a full size kitchen, that ALE does not apply. Is this accurate about how ALE works?

What are you entitled to?

- Should be comparable in size, amenities
- Rents are high, despite anti-gouging rules
- Benefits may be calculated via Fair Rental Value (CFP) or “as incurred”
- Consider a tiny home/manufactured home/RV for a temporary residence

**Pre-submitted question:
Policy doesn't have a dollar limit on ALE**

What if my policy does not specify a time limit or a dollar limit for "loss of use? The wording for coverage D is: ". . . Payment under Additional Living Expense shall be for the shortest, most reasonable time required to repair or replace the damage, or if you permanently relocate, the shortest, most reasonable time required for your household to settle elsewhere."

But the Safeco adjuster has continued to send letters declaring that "we have estimated that the rebuild of your damaged property will take approximately 21.5 months, making your period of repair extend to 10/19/26." Then "We want to remind you that any delay related to moving forward timely [sic] with the rebuild process does not extend your ALE benefits. . ." Extension requests need to be signed by me and my contractor "indicated what caused the delay." My contractor is happy to provide that as needed, since LA County has had the plans since mid-September, but no permit has been issued as of Jan. 13, 2026.

MK

ALE vs. Fair Rental Value



ALE – Actual additional costs incurred to maintain your standard of living



FRV – A negotiated amount, based upon the fair rental value of the home you lost



Check your policy to see which applies



If you don't have FRV, you can always ASK for it – the worst they can say is “no”

CA FAIR Plan

COVERAGE D – FAIR RENTAL VALUE

If a loss covered under this policy makes that part of the Described Location rented to others, held for rental or occupied by you unfit for its normal use, we cover its “Fair Rental Value” meaning the fair rental value of that part of the Described Location rented to others, held for rental or occupied by you less any expenses that do not continue while that part of the Described Location is not fit to live in.

Payment will be for the shortest time to repair or replace that part of the Described Location rented, held for rental or occupied by you.

COVERAGE D – FAIR RENTAL VALUE

If the Coverage D box is NOT checked, the following applies:

You may use up to 10% of the Coverage A limit of liability for loss of Fair Rental Value. Payment under this coverage reduces the Coverage A limit of liability by the amount paid for the same loss.

We will pay no more than 1/12 of this coverage for each month the Described Location is unfit for its normal use and the amount due under this coverage shall be calculated based on a 30 day month. Payment under this coverage shall not be more than the monthly fair rental value of that part of the Described Location rented to others, held for rental or occupied by you.

If you have personal property coverage, Fair Rental Value will be determined based on an equivalent furnished property. If you do not have personal property coverage, Fair Rental Value will be determined based on an equivalent unfurnished property.

If a civil authority prohibits you from use of the Described Location as a result of direct damage to a neighboring location by a Peril Insured Against in this policy, we cover the Fair Rental Value loss for no more than two weeks.

If you're mid-claim, can you switch your ALE benefits to being paid from "as incurred" to fair market rental value?

DS, MK

Pre-submitted question: Additional Living Expenses Incurred by Family Members

Our home was a five bed/6 bath home. Our 87 year old mom was living alone in the home before the fire. The extra bedrooms in the home were used regularly and relied upon by our family to support our Mom and provide companionship. Immediately after the fires, Farmers advanced her \$37,000 and we worked to find mom a new living situation. She stayed at a temporary location that accommodated her and those of us who regularly care for her.

Ultimately she was offered an apartment at a senior residential living community and moved there in April, paying \$8,000/month in addition to the move in fee of \$1.5 m.

We have requested reimbursement under the ALE for Mom's expenses *as well as* the additional cost of rooms for me and my brother at the location she stayed for several months - space that would have been in place if the home hadn't burned. We submitted receipts. This request has been denied. Is this a reasonable request that we should pursue?

Given her policy coverage of \$750,000, we were told she could lease a large home. Because she deemed that unsuitable for her needs, she has not been able to collect against the policy for the considerable expenses we incurred to keep her supported and to help her in her search for a new home.

Deep Breath



CA law:

Time Limit to Collect Additional Living Expenses (ALE)

In the event of a covered loss relating to a state of emergency, as defined in [California Government Code section 8558](#), on and after July 1, 2021, coverage for additional living expenses (or loss of use) shall be for at least 24 months from the inception of the loss, but shall be subject to other policy provisions. An insurer shall grant an extension of up to 12 additional months, for a total of 36 months, if an insured acting in good faith and with reasonable diligence encounters a delay or delays in the reconstruction process that are the result of circumstances beyond the control of the insured. Circumstances beyond the control of the insured include, but are not limited to, unavoidable construction permit delays, lack of necessary construction materials, and lack of available contractors to perform the necessary work. Additional extensions of six months shall be provided to policyholders for good cause. ([Cal. Ins. Code section 2060\[b\]\[1\]](#)).

How much longer can you stretch your ALE / Loss of Use policy benefits?

What you need:

- Dec Page
- Rent amount of current temp housing
- Amount your insurance company has distributed from Loss of Use Bucket
- Can you downsize?
- Can you get creative (Tiny home, 5th wheel, RV)?
- Are you pursuing a lawsuit?
- SCE settlement funds

Doing the Math

$$\$100,000 \div \$5000 = 20$$

Coverage D
Loss of Use
(Fair Rental
Value)

Current
Rent

How many
months
total you
can stretch
Coverage D

Use our [Sample Letter requesting Claim Payment History](#)

Pre-submitted question:

Landlord's entitlement to ALE funds

I am a landlord whose property was a total loss in the Eaton fire. I had tenants in the house at the time of the fire. My State Farm policy Coverage C (Loss of Rents) Limits of Liability was for Actual Loss incurred. After a battle, and help from the CA DOI, the insurer agreed to pay 12 months of lost rent. But I've not even started to rebuild. What recourse do I have?

DS

Pre-submitted question: Extending ALE where insurer delays contributed to inability to complete timely rebuilding

I am renting a small place while trying to rebuild. My policy limit will not be exhausted in three years based on the rent I am paying. I was told it will take 2 years when signed an agreement with an architect to start the process almost three months ago. But from the get go, there have been delays and not even the first step is done. I do not believe rebuilding can be finished by 1/7/29 (three years from the fire) based on this. Would insurance companies extend the period of ALE payment if the construction delay is not within my control?

DS

Pre-submitted question:

Eligibility for continued ALE coverage after selling a lot

My home was a condo and it was a total loss. State Farm is saying they will end my ALE one month after our land sells (we are not rebuilding). There is nothing in my policy that says that states my benefits will end after the land sells. It says-"Our payment is limited to incurred costs for the shortest of: a. the time required to repair or replace the premises; b. the time required for your household to settle elsewhere; or c. 24 months". Please let me know if you have any insight into this. thanks!

All

Pre-submitted question:

ALE benefits if you don't rebuild

Every time I request Loss of Use funds, a representative from my insurer, Farmers, asks me if I'm going to rebuild. I am fearful of stating I am not going to rebuild. My policy includes \$88K in Coverage D Loss of Use. I have been paying 3K a month since Feb 2025. which equals 29 months, so I have at least another year. Is it legal for them to deny me those dollars if I state I am not going to rebuild?? Thanks

DS

Pre-submitted question:

ALE benefits if you don't rebuild – Must a ph pay back an advance or lump sum payment?

What happens to the ALE funds that I do not use because I decide not to rebuild or buy somewhere else?

Both

Pre-submitted question:

Stretching ALE funds to cover you until you're re-housed

We expect to run out of our ALE funds in February of 2027. We are planning to rebuild with an estimated move in date of May, 2027. What can we do when the funds are exhausted?

All

Pre-submitted question:

Lease term for temporary rental

My lease is up for renewal and I contacted State Farm to tell them I received a lease extension document to continue my lease on a month-to-month basis. It states the rent increase but says that all the other terms of the lease are the same.

My adjuster responded that a month-to-month is not acceptable because my original lease has expired and that I need another one-year lease. Until last year I had not been a renter for 35 years, so I inquired with 3 real estate agents who all told me that a month-to-month lease is the most common way to extend a lease in Los Angeles.

They assured me that it is perfectly standard and should not be a problem. Another State Farm customer on my State Farm What's App group said their lease was already extended by State Farm on a month-to-month basis. What is the standard with insurance companies for renewing a lease? Is it reasonable to expect them to honor a month-to-month lease extension?

Pre-submitted question:

Should storage unit cost be payable under Loss of Use or Contents?

We suffered a total loss in the 2024 Mountain Fire and are living in temporary furnished housing that is significantly smaller than the home we lost and does not provide comparable residential storage capacity. As a result, we've incurred a monthly storage unit rental cost during displacement.

We submitted the storage unit rental expense under Coverage C (Loss of Use / Additional Living Expense), as the cost didn't exist prior to the loss and arose because the residence became uninhabitable. The insurer is asserting that storage rental costs relate to personal property and should instead be evaluated under Coverage B. They've also repeatedly requested information about the specific items stored, despite the claim being for the cost of substitute space rather than for the value or replacement of any personal property.

Are storage unit rental costs incurred due to displacement generally considered a Loss of Use / ALE expense when they replace residential storage capacity lost due to a total loss?

Are there best practices or policy arguments insureds should rely on when an insurer attempts to reclassify displacement-related storage costs as a personal property claim?

Is an insurer entitled to require item-level identification or description of stored property in order to evaluate a storage rental expense under ALE?

Potential arguments for increasing the *dollar amount* of available ALE policy benefits:

- I'm underinsured through no fault of my own, I have evidence that company representatives assured me my dwelling was adequately covered. Because it was not, I've experienced delays beyond my control...
- Your company's actions caused delays, I've cooperated fully

Potential charitable aid for temporary rent after insurance funds run out:

Email **Denise Bowman** at denahome@godayone.org for a recommendation or:

Organizations that are doing intake include:

1. Day One
2. Greenline Housing Foundation
3. Neighborhood Housing Services
4. Beacon Housing
5. Salvation Army
6. Shepperd's Door
7. Door of Hope
8. My Tribe Rise
9. 211

Pre-submitted question re: Income Taxes

Q: We settled with our insurance company in 2025 for a lump sum including: ALE, Personal Property, and Dwelling, but have not replaced our dwelling yet. How do we indicate this on 2025 tax year since we'll have a large payout from insurance with only ALE and PP used thus far. FYI: We do plan to buy a house in next year or so after we sell our lot.

A: The income tax law related to disasters is very specific. All of the proceeds and costs related to the property destroyed in the disaster are reported on a Report of Involuntary Conversion. The reporting also includes any costs that you have incurred since the date of the loss, through the end of the year being reported. There may be credits and exclusions that you may be qualified to take advantage of. If prepared correctly, there is no current income tax due on the proceeds received to-date.

The IRS does not have a form to use to complete the reporting. A tax professional who has experience in preparing these reports can assist in the preparation. (Source; UP volunteer, CPA John Trapani)

Debris removal coverage

Mercury Insurance is telling us that we cannot use our additional debris removal allowance (5% of coverage A, plus ARC) to remove anything not within the footprint of the main dwelling. The policy states items such as driveways should be allowed to remove within this allowance but they are denying it. Other Mercury neighbors have received responses that additional debris removal coverage can only be used after all other coverages have been exhausted, which is ludicrous because debris removal has to occur first. Any advice appreciated thank you.

MK

Pre-submitted question re: Depreciation on contents items

We are still working on our contents inventory. It's taking countless hours and creating huge amounts of stress in our family. Everything we read suggests our insurer (SF) does not act in good faith and will mass depreciate everything. For example, we had a lot of fine furniture (solid wood, or solid plywood with fine veneer in excellent/very good condition) 50 years old. We had tools that were 50 years old, but really solid, not like the junk today that will fall apart after a couple of uses. We had art objects that do not depreciate. We're doing everything possible to document, but if they come back at us with AI generated lowest prices— IKEA/particle board furniture and cheapest available tools— how do we counter that? I'm led to believe that you have to buy the replacement and present receipts. Given that we don't have a house, that is not an option.

DS

Pre-submitted question

Lowball dwelling replacement cost estimate

This question relates to coverage A for dwelling, total loss. We have a limit plus 50% extended replacement and 25% code. Mercury provided a low Xactimate estimate. We got a very detailed reconstruction bid at 2x the Xactimate. Mercury reviewed it and then did not change its offer or estimate.

What do I do next? What code or regs do I cite?

DS

Being Proactive with ALE

- Ask for an extension due to delays beyond your control
 - See [Sample Letter Requesting Extension \(Total Loss\)](#)
- Apply for Cal Assist Mortgage Grant (3 months of payments, \$211,050 household income cap)
- Re-Open FEMA Housing Assistance Claim once ALE funds are exhausted
- Call Mortgage Company re: Mortgage Forbearance Act AB 238
- If you are a landlord, you can request Rental Assistance if renter is not able to make payments

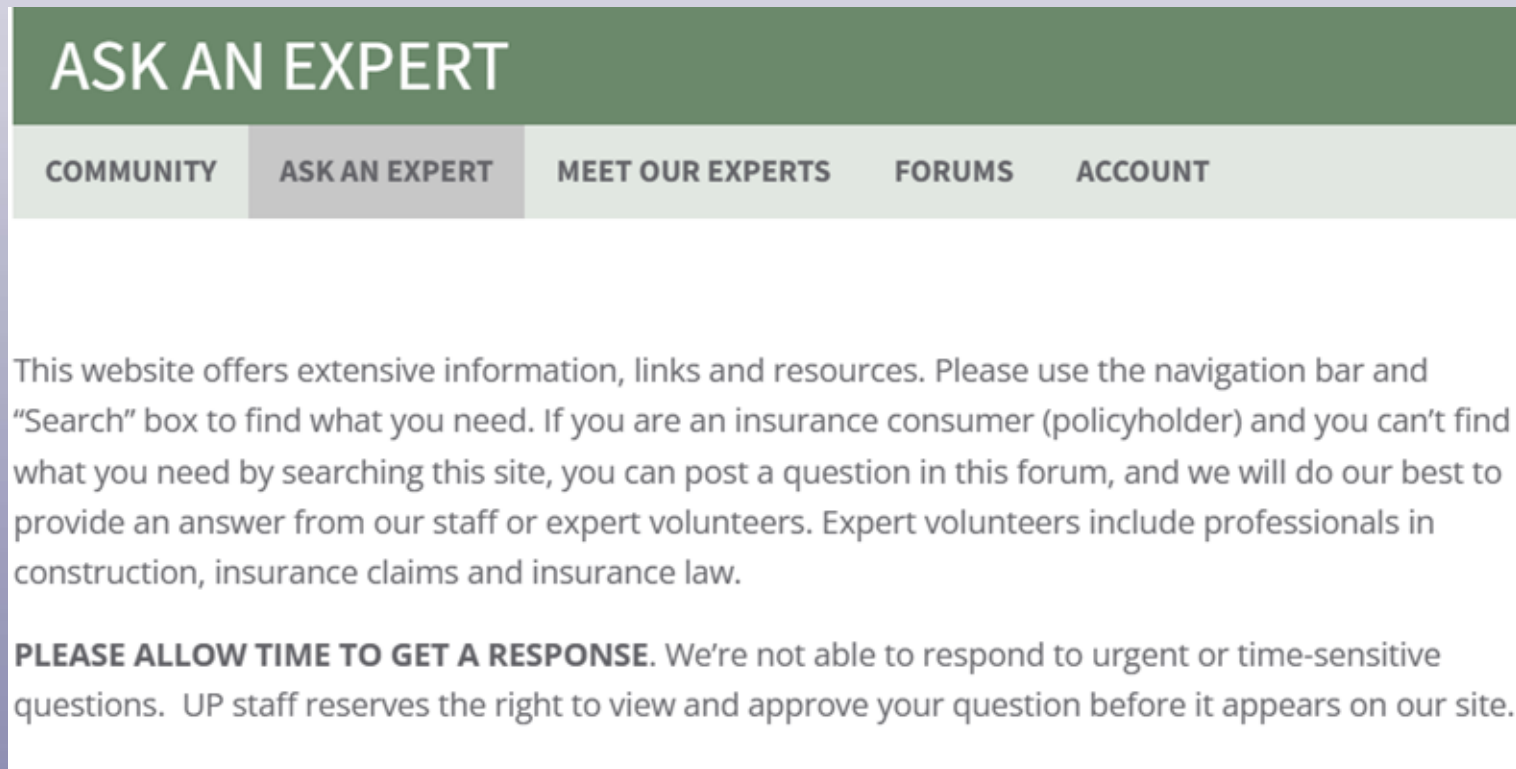
For More Information

If you still have questions, visit UP's website
and search for more
claim tips, articles and helpful info at:

www.uphelp.org

If you can't find what you need via our website, R2R recordings and slide decks...

uphelp.org/ask-an-expert



The screenshot shows the 'ASK AN EXPERT' section of the uphelp.org website. At the top is a dark green header with the text 'ASK AN EXPERT' in white. Below this is a navigation bar with five tabs: 'COMMUNITY', 'ASK AN EXPERT' (which is highlighted with a grey background), 'MEET OUR EXPERTS', 'FORUMS', and 'ACCOUNT'. The main content area has a white background and contains the following text:

This website offers extensive information, links and resources. Please use the navigation bar and "Search" box to find what you need. If you are an insurance consumer (policyholder) and you can't find what you need by searching this site, you can post a question in this forum, and we will do our best to provide an answer from our staff or expert volunteers. Expert volunteers include professionals in construction, insurance claims and insurance law.

PLEASE ALLOW TIME TO GET A RESPONSE. We're not able to respond to urgent or time-sensitive questions. UP staff reserves the right to view and approve your question before it appears on our site.

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