



RICARDO LARA
CALIFORNIA INSURANCE COMMISSIONER

NOTICE

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

FROM: Insurance Commissioner Ricardo Lara

DATE: August 26, 2020

RE: Expedited Claims Handling & Billing Grace Period Procedures for California Policyholders due to Wildfires

In an effort to assist survivors, displaced residents, and businesses affected by the current and recent wildfires throughout the state, and in recognition of Governor Gavin Newsom's declared [state of emergency](#) on August 18, 2020, related to the July-August 2020 wildfires, I am 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.

Billing Grace Period: All insurers should grant billing leniency for at least 60 days for policyholders in designated wildfire disaster areas. Whenever there is widespread wildfire loss, some survivors lose their insurance renewal notices or may not have the ability to have mail forwarded. This can result in survivors losing their insurance coverage for nonpayment of premium. Many insurers already voluntarily grant payment leniency for wildfire survivors. 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.

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 of the policyholder. An advance payment of ALE recognizes the reality that following a total loss in a wildfire disaster, consumers need immediate financial support to cover emergency lodging, food, clothing, and other necessities.

Personal Property (Contents): Insurers should provide an initial 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 provided by and upon request of the policyholder.

Inventory Forms: Insurers should not require that the policyholder use a company-specific inventory form if the policyholder 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 a policyholder.

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, insurers should expedite payment of automobile property damage claims under comprehensive loss coverage.

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. Policyholders and insurers would not be obligated for more than the reasonable expenses for debris removal. Insurers should assist their policyholders 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 policyholder's personal information without express permission of their policyholders.