

The background of the slide is a photograph of the Los Angeles skyline at sunset. The sky is a mix of orange, yellow, and light blue. In the foreground, there are several tall palm trees silhouetted against the sky. The city buildings are visible in the mid-ground, with some lights starting to glow.

THE LOS ANGELES WILDFIRES: WHAT YOU SHOULD KNOW TO ENSURE THAT YOUR INSURANCE COMPANY PAYS WHAT IT OWES

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THIS EVENING'S TOPICS

- THE FOUR PROPERTY COVERAGES IN YOUR HOMEOWNER'S POLICY
- SPECIAL CALIFORNIA INSURANCE LAWS FOR OFFICIAL "EMERGENCIES"
- INSURANCE ISSUES FOR RENTERS, BUSINESSES
- CLAIMS FOR DAMAGE CAUSED BY SMOKE CONTAMINATION
- TIPS FOR MOVING FORWARD

THE FOUR PROPERTY COVERAGES IN YOUR HOMEOWNER'S POLICY

- **COVERAGE A:** DWELLING
- **COVERAGE B:** OTHER STRUCTURES
- **COVERAGE C:** PERSONAL PROPERTY
- **COVERAGE D:** LOSS OF USE (a.k.a. ADDITIONAL LIVING EXPENSE)

**CALIFORNIA
INSURANCE
LAWS THAT
PROVIDE
IMMEDIATE
RELIEF DURING
OFFICIAL
“EMERGENCIES”**

- IF YOUR HOUSE IS A TOTAL LOSS, THE INSURANCE COMPANY MUST GIVE YOU A CASH ADVANCE OF AT LEAST FOUR MONTHS OF YOUR ALE BENEFITS WHILE WORKING WITH YOU ON CALCULATING YOUR FULL LOSSES AND BENEFITS OWED (COVERAGE D) (Cal. Ins. Code § 2061(a)(1))
- IF YOUR HOUSE IS A TOTAL LOSS AND IF YOUR HOUSE WAS FURNISHED AT THE TIME OF LOSS, YOUR INSURANCE COMPANY MUST OFFER YOU PAYMENT OF AT LEAST 30 PERCENT OF YOUR POLICY’S LIMIT FOR YOUR CONTENTS (COVERAGE C) (Cal. Ins. Code § 10103.7(b)(1))
- IF YOUR ACCESS TO YOUR HOME IS RESTRICTED BY “CIVIL AUTHORITY,” YOUR INSURANCE COMPANY MUST GIVE YOU AT LEAST TWO WEEKS OF ADDITIONAL LIVING EXPENSES (COVERAGE D). AND YOUR INSURANCE COMPANY MUST PROVIDE EXTENSIONS FOR “GOOD CAUSE.” (Cal. Ins. Code § 2060(c))

REBUILDING YOUR HOME OR BUYING AN EXISTING HOME

If your house is a total loss, Cal Ins. Code § 2051.5(c) allows you to use your full replacement benefits—including any building code upgrade costs and extended replacement cost coverage included in your policy—

- to rebuild your home in the current location,
- to build a new home in a new location, **OR**
- to buy an existing built home at a new location

In addition, if you buy an existing home in another location, your insurance company may not deduct the value of the land under the home you buy in determining the amount the company owes.

**ANOTHER
IMPORTANT
CALIFORNIA
INSURANCE LAW FOR
OFFICIAL
“EMERGENCIES”—
COMBINING
COVERAGES A & B**

If your home is destroyed due to an officially declared “emergency,” and the amount of your dwelling limits (Coverage A) is too little to cover the cost of replacing the home, you can combine your insurance benefits for the “Dwelling” (Coverage A) and for “Other Structures” (Coverage B) and apply the combined total toward the cost of replacing your home (Cal. Ins. Code § 10103.7(a))

**AMOUNT FOR COVERAGE A
(DWELLING)**

+

**AMOUNT FOR COVERAGE B
(OTHER STRUCTURES)**

=

**AMOUNT AVAILABLE TO REBUILD OR
REPLACE YOUR HOME**

**ANOTHER
IMPORTANT
CALIFORNIA
INSURANCE LAW FOR
OFFICIAL
“EMERGENCIES”—
COMBINING
COVERAGES A & B**

**AMOUNT FOR COVERAGE A
(DWELLING)**

+

**AMOUNT FOR COVERAGE B
(OTHER STRUCTURES)**

=

**AMOUNT AVAILABLE TO REBUILD OR
REPLACE YOUR HOME**

...AND...

**IF YOU DON'T USE UP THE ENTIRE AMOUNT
FOR COVERAGE C (CONTENTS) AND
COVERAGE D (ADDITIONAL LIVING
EXPENSE), YOU SHOULD NEGOTIATE WITH
YOUR INSURANCE COMPANY TO PAY THE
REMAINING AMOUNTS TO RESTORE OR
REPLACE YOUR HOME.**

**ANOTHER
CALIFORNIA
INSURANCE LAW
FOR OFFICIAL
“EMERGENCIES”—
“BULKING” &
“GROUPING” OF
PERSONAL
PROPERTY
INVENTORY**

- If you are making a claim for contents related to a total loss of your primary residence, your insurance company may not require you to use a company-specific inventory form
- Your insurance company must accept any home inventory that you provide, if that form contains substantially the same information.
- Your insurance company must agree to accept reduced itemization, or “bulking” of items (e.g., “15 books” instead of listing all titles, “six pairs of shoes”)

Cal. Ins. Code CA Ins. Code § 2061(a)(2)
& (a)(3))

**SPECIAL TIME
LIMITS FOR
LOSSES
RELATING TO
AN OFFICIAL
“EMERGENCY”**

**Time to Collect Full Replacement
Cost (from ACV to RCV)**

For claims relating to a state declared emergency, **you have no less than 36 months** from the date that the first payment toward actual cash value is made to collect your full replacement cost. Additional extensions of six months *shall* be provided to policyholders for good cause

Cal Ins. Code § 2051.5(b)

SPECIAL TIME LIMITS FOR LOSSES RELATING TO AN OFFICIAL “EMERGENCY”

Time to Collect Additional Living Expense Coverage

- For claims relating to a declared state of emergency, you have no less than 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 you are acting in good faith and with reasonable diligence encounter delays in the reconstruction process beyond your control
- Additional extensions of six months *shall* be provided to policyholders for good cause

Cal Ins. Code § 2060(b)(1)

SPECIAL TIME LIMITS FOR LOSSES RELATING TO AN OFFICIAL “EMERGENCY”

Time Limit to File a Lawsuit

For claims relating to a state declared emergency, the time limit to file a lawsuit is 24 months from the date your insurance company pays (or denies) your claim

Cal Ins. Code § 2071



SPECIAL CALIFORNIA LAWS REGARDING NON-RENEWAL & CANCELLATION

- For total loss claims caused by a disaster, the insurer must offer to renew coverage for the next two annual renewal periods.
- The insurer may not cancel coverage while a structure that suffered a total loss from a disaster is being rebuilt.
- For claims relating to a state-declared emergency, insurers may not cancel or refuse to renew a policy of residential property insurance for a property located in a ZIP code within or adjacent to the fire perimeter for one year. The ZIP codes impacted are published in a bulletin by the Insurance Commissioner.

Cal Ins. Code § § 675.1(a) & (b)



OTHER WILDFIRE-RELATED CLAIMS

- Claims under a renter's policy
- Claims under a commercial property policy, e.g., the structure itself, business personal property (inventory, equipment), business interruption
- **SMOKE CONTAMINATION CLAIMS**

SOME OF YOUR INSURANCE COMPANY'S OTHER OBLIGATIONS TO YOU

- Your insurance company must give at least as much consideration to your interests as the company gives to its own interests (“implied covenant of good faith & fair dealing”)
- Your insurance company must pay you what you are owed timely and in full
- Your insurance company must conduct a “full, fair, prompt, and thorough investigation of all of the bases” of your claim
- Your insurance company has an obligation to inform you of your rights and obligations under your insurance policy.

TIPS FOR MOVING FORWARD

1

Use a single notebook to keep track of everything related to your loss. Keep detailed notes.

2

Bookmark United Policyholders' website on your computer: <https://uphelp.org> (United Policyholders, especially the "Recovery Help" tab). Take time to read and understand the "Insurance Claim Rules in California" and with UP's resources.

3

Keep receipts for everything. Keep your receipts organized.

TIPS FOR MOVING FORWARD

4

If you do not have a complete copy of your policy, ask your insurance company (or agent, or broker) for a complete copy of your policy.

5

Ask your insurance company for an immediate advance for your additional living expenses (four months for total loss, two weeks (or more) for restricted access)

6

Ask your insurance carrier for an upfront payment of at least 30 percent of your contents limit

7

Ask your insurance company to provide you with a list of reimbursable additional living expenses. Your insurance company must provide you with this list. (Cal. Ins. Code § 2060)

TIPS FOR MOVING FORWARD

8

Do not assume that your insurance company is your adversary. Give your insurance company the chance to do the right thing. But don't be a pushover. Claims adjusters have a job to do. They're not your friends or therapist.

9

Focus on calculating the total value of your damaged or destroyed property. Understand the maximum insurance benefits that are available to you.

10

Document and support your claims with proof, details, and estimates. Do not exaggerate or pad your claim.

11

Present clear requests. Present them in writing. Explain what you need, when you need it, and why you're entitled to it.

TIPS FOR MOVING FORWARD

12

Do not rush to hire an attorney or a public adjuster. If you choose to hire a public adjuster, make sure the contract limits recovery to those amounts that the public adjuster recovers and nothing after that.

13

Do not sign documents without consulting with a qualified attorney.

14

If you have any disagreements with your insurance company, try to resolve them informally, but confirm all complaints in writing.

15

Get professional help when you need it.



**WRITE THIS DOWN!
(SERIOUSLY—WRITE THIS
DOWN!)**

UNITED POLICYHOLDERS

<https://uphelp.org>

**ESPECIALLY THE “RECOVERY
HELP” TAB**

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