



**RICARDO LARA**  
CALIFORNIA INSURANCE COMMISSIONER

September 15, 2020

Dear Community Leader,

California is facing an unprecedented moment in time battling wildfires throughout the state. I, with the rest of my dedicated staff at the California Department of Insurance, am committed to continuing to serve California consumers during this extraordinary time.

In an effort to further assist survivors, displaced residents, and businesses affected by the current and recent wildfires, and in recognition of Governor Gavin Newsom's declared state of emergency on August 18, 2020, I have directed the California Department of Insurance (CDI or Department) to take a number of actions with more ahead. Following is an update of recent wildfire actions that may be helpful to you and your constituents (with more complete details in the full notices):

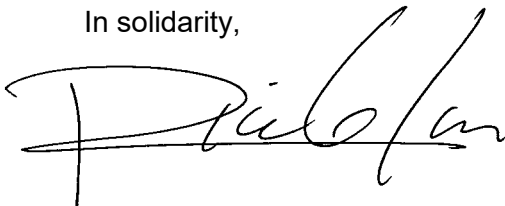
- **[Continuation of Additional Living Expense \(ALE\) Benefits Due to Inaccessible/Uninhabitable Homes or Mandatory Evacuations Still in Effect as a Result of Wildfires](#)**: On September 3, 2020, I called on all residential property insurance companies to cease terminating ALE benefits while the policyholder's property remains uninhabitable due to damage caused by the wildfires.
- **[Expedited Claims Handling & Billing Grace Period Procedures for California Policyholders due to Wildfires](#)**: On August 26, 2020, I called 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 including:
  - **Billing Grace Period**: All insurers should grant billing leniency for at least 60 days for policyholders in designated wildfire disaster areas.
  - **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.
  - **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.

- **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.
- **[Notice to Insurers of a Forthcoming Bulletin Requiring a Moratorium Against Non-Renewal or Cancellation of Residential Property Insurance Policies for Properties within or Adjacent to a Fire Perimeter Pursuant to Insurance Code Section 675.1\(b\)\(1\)](#):** On August 26, 2020, I reminded residential property insurers that Insurance Code Section 675.1(b)(1), as enacted by Senate Bill 824 (Lara, Chapter 616, Statutes of 2018), prohibits insurers from non-renewing or cancelling policies of residential property insurance for residential properties in ZIP Codes within or adjacent to a fire perimeter for one year following a Governor's declaration of a state of emergency.
- **[Pharmacy Network Adequacy and Prescription Drug Access during U.S. Postal Service Disruptions and Recent States of Emergency Related to Extreme Heat and Wildfires](#):** On August 21, 2020, I reminded insurers of their existing obligations under the Department's network adequacy regulations and statutory requirements prohibiting restrictions to retail pharmacy access and requiring provision of access to medically necessary health care services during a declared state of emergency.

As always, consumers are encouraged to contact CDI at 1-800-927-4357 or online at [www.insurance.ca.gov](http://www.insurance.ca.gov) to speak with an expert for help with their questions, concerns, and any claims issues.

My Legislative, Community Relations, and Outreach teams continue to be available to you and your staff during this time. Please remain safe and remember that we will get through these extraordinary times together.

In solidarity,



**RICARDO LARA**  
Insurance Commissioner