

# PROTECTIONS FOR CALIFORNIA HOMEOWNERS

## New Laws Support Homeowners and Communities Impacted by Wildfires



### THREE YEARS TO REBUILD

Homeowners have three years to rebuild their home after a state-declared emergency. Current law gives homeowners a six-month extension if delays are out of the insured's control. (AB 1772 - 2018)



### REBUILD, BUY, BUILD IN NEW LOCATION

Homeowners have choices after a catastrophic wildfire. Homeowners can rebuild a new home on their original lot, buy an existing home or build a new home in a new location. Insurers must provide extended replacement cost coverage under the policy regardless of what a policyholder decides to do. (AB 1800 - 2018)



### HOMEOWNERS HAVE THREE YEARS OF ADDITIONAL LIVING EXPENSES

Homeowners have up to 36 months to collect additional living expenses (ALE) if there are reasonable delays in the rebuilding process. The amount of ALE is subject to policy limits. (SB 894 - 2018)



### HOMEOWNERS CAN COLLECT COMBINED STRUCTURE COVERAGE LIMITS TO REBUILD HOME

If policy limits for the primary dwelling are insufficient to replace a home destroyed in a state-declared emergency, policyholders can use the limit of coverage for outbuildings and other structures, up to the amount of actual loss, to rebuild. (SB 894 - 2018)



### IF A WILDFIRE CAUSES MUDFLOW, HOMEOWNERS INSURANCE WILL COVER THE LOSS

If a wildfire is the efficient proximate cause of the a loss from mudflow, homeowners insurance will cover the homeowners' loss. (SB 917 - 2018)



### PROTECTIONS IN CASE OF HOME LOSS

Insurers are required to pay for living expenses when a home is uninhabitable, for the purchase of land when a policyholder wishes to move or rebuild in a new location, up to \$250,000 for coverage of home contents, and make advance payments of at least four months of living expenses. (AB3012/SB872 - 2020)



### INSURERS CAN'T CANCEL IN A STATE-DECLARED EMERGENCY

Property insurers CANNOT cancel or non-renew a policy that was in effect at the time of a state-declared emergency solely because the insured house is in a zip code within or adjacent to where a wildfire has occurred. (SB 824 - 2018)



### INSURERS MUST RENEW POLICIES FOR TWO YEARS

For homeowners who experience a total loss of their dwelling caused by a disaster, insurers are required to renew the policy for at least two years. (SB 894 - 2018)



### NEW DWELLING REPLACEMENT COST ESTIMATE

Every other year, insurance companies are required to provide an updated estimate of the cost to replace the insured dwelling. (AB 1797 - 2018)



### ACCESS TO INSURANCE POLICIES

Insurance companies are required to give a complete copy of the insurance policy and all endorsements to a policyholder upon request. In a statedeclared emergency the insurer can provide an electronic copy of the policy. (AB 1799 - 2018)

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### CDI INSURANCE FINDER TOOL

The California Department of Insurance (CDI) has developed a publicly available Home Insurance Finder tool to help homeowners find property insurance coverage in their area. (AB 1875 - 2018)



### EXTENDED BUILDING CODE UPGRADE

Policies that provide replacement cost coverage must provide additional building code upgrade coverage of no less than 10% of the dwelling coverage policy limits. (AB 2756 - 2020)



### NOTICE OF AVAILABLE DISCOUNTS

Insurers are required to inform policyholders about available fire safety discounts when a policy is offered/renewed. (AB 2229 - 2018)



### CONTENTS COVERAGE WITHOUT AN INVENTORY

Insurers shall offer a payment under the contents (personal property) coverage in an amount no less than **30 percent of the policy limit** applicable to the covered dwelling structure (which is different than the contents coverage portion of the policy), up to a **maximum of two hundred fifty thousand dollars (\$250,000)**, without requiring the insured to file an inventory. (AB 3012 - 2020)



### ADDITIONAL LIVING EXPENSES/GRACE PERIOD

Insurers will pay at least two weeks of ALE benefits to evacuees and provide an advance payment for no less than four months of ALE without an itemized inventory form. Insurers must offer a 60-day grace period on payment of policy premiums for properties located within the affected area defined in the declared state of emergency. (SB 872 - 2020)