



# Fire Insurance Claims: What to Tell Your Family, Friends, and Business Contacts

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# Presentation Disclaimer

- This is an emotional subject and we will try to deal with it calmly and factually.
- We will be talking about how to make a claim, to your own insurance, to maximize the benefits. We will not be talking about Fair Plan, FEMA, third-party liability, tax implications, or many other potentially relevant topics.
- The information in this presentation is generally based on my understanding of California law, as it exists at the time of the presentation, in combination with some of my personal opinions, and does not reflect the views of any particular client or factual situation.



# Steven Brower – Speaker Intro

- California Attorney since 1980
- 15 years representing insurance companies (St. Paul Fire & Marine and Reliance National) mostly on Computer E&O claims (coverage)
- Last 30+ years representing policyholders against insurers
- Upcoming Federal jury trial in Oakland relating to a home which was uniquely damaged in the 2017 Atlas Fires



# Brower Law Group, APC

- Started January 1, 2018
- Over 15 years of ACC sponsorship
- 6 litigation attorneys (most junior has 5 years of experience)
- Honor of representing at least 15 ACC members
- Significant portion is insurance coverage
- BLG is the designated “high-risk” insurance coverage counsel for the Authority for California Cities Excess Liability (ACCCEL), a joint powers insurance authority pooling catastrophic general, automobile, personal injury, and public officials errors and omissions liability losses among eleven California cities

# General Principles

- ▶ Insurance companies actually do handle many claims without significant problems
- ▶ For this kind of major event, they will have CAT (Catastrophic Event) Adjusters coming in from around the USA
- ▶ Timeframes will often be more extended, as a practicality, even though it isn't fair
- ▶ Insurance company referrals to vendors (clean up, contractors, ALE) are not mandatory, but may be helpful
  - ▶ Insurance companies do not arrange the work to be done
- ▶ Both patience and persistence will be required
- ▶ Governmental intervention will both help and hinder

# Insurance Coverage

- ▶ Property Insurance will generally cover:
  - ▶ Repair/replacement of the building (normally 12 months, but 36 months for “state of emergency”);
    - ▶ “Replace” can be in another location, and can include the land
  - ▶ Repair/replace “other” structures – garages, septic systems, pools, walls
    - ▶ This limit can, sometimes, be combined with primary (Ins. Code 10103.7(a))
  - ▶ Landscape
  - ▶ Personal property (with low limits on cash, jewelry, art, firearms)
  - ▶ Additional Living Expense (ALE)
    - ▶ At least 24 months from inception, can get 12 month extension for circumstances, but not an increase in limits
    - ▶ Not applicable to public safety shut-off events
    - ▶ Up to 2 weeks for Restricted Access by Civil Authority
    - ▶ Advance payment for at least 4 months upon request
  - ▶ Actual cash value (depreciation), replacement value, code upgrades



# Insurance Cancellation Moratorium

- ▶ Moratorium on cancellations for one year runs from January 9, 2025, but that only applies to policies in effect
  - ▶ Insurers can still cancel for other reasons
  - ▶ Becomes 2 years for total loss
- ▶ 60 day grace period on premium payments (Ins. Code 8558)
- ▶ The insurance department notice “requests” that insurers provide other relief, including non-cancellation of policies where cancellation notices have been sent in the last 90 days



# Things to Do Immediately – Finances

- Determine your available financial resources
- Understand insurance claims will take time
- There will be interim relief available from insurance, but it is subject to various limits



# Things to Do Immediately – Housing

- Establish a permanent address for the next 3-5 years
- Determine what is reasonable to approximate the insured property
  - It can be much more than you think
- Decide how you want to handle a long-term living situation
  - Choices of location, work style, family composition
- ALE (Additional Living Expense) benefits can be a significant portion of your coverage
  - Check the timeframe in your policy
    - Minimum 24 months in CA, but that doesn't increase the sub-limit for ALE
  - Check the terms of your policy
  - Covers additional expenses to maintain your lifestyle (probably not mortgage or HOA fees)

# Things to Do Immediately – Diary

- ▶ Diary of communications and expenses
  - ▶ Right now, details are all clear in your mind
  - ▶ Just 30 days from now they will be a jumble, by 90 days it will be a distant memory
  - ▶ Some communications will work out fabulously well and you won't need your notes, but some could be significant to a dispute
    - ▶ Dates, times, **names**
      - ▶ Try to determine affiliations, insurance companies often use third parties
    - ▶ Try to record information accurately, without advocacy



# Things to Do Immediately – Documents

- ▶ Receipts
  - ▶ Electronic records, particularly credits cards, often do not contain the details needed for a receipt
  - ▶ Easy to jumble in wallet, better to have a system
- ▶ Insurance Policies
  - ▶ Not just the renewal package, the actual insurance policy must be provided free within 30 days upon request (Ins Code 2084). Policies are often over 100 pages, make sure you have the right document
- ▶ Old Receipts
  - ▶ Likely going back further than normal transaction storage
    - ▶ Obtain and preserve before they are further deleted



# Things to Do Immediately – Insurance

- ▶ Submit a claim on the residence
  - ▶ Possibly separate policies for autos, boats, business property, fine arts
- ▶ Inquire about benefits available on an expedited basis (possible alternatives)
- ▶ Keep track of the process
- ▶ Prepare inventory, by category (Ins. Code 2061(a))
  - ▶ Option of 30% (max \$250,000) without any inventory, without waiver
- ▶ Changing of adjuster – 3 times within 6 months triggers
  - ▶ Right to receive a special status report (Ins. Code 2071)
  - ▶ Right to have a primary point of contact (Ins. Code 14047)

# Things to NOT Do Immediately

- ▶ You probably don't yet need an attorney
  - ▶ 6 months for Governmental Claims (NOT defining in this presentation)
  - ▶ 2 years for Personal Injury claims
  - ▶ 4 years for Breach of Contract (Insurance) claims
- ▶ You don't yet need a public adjuster
  - ▶ They take a percentage of the claim
  - ▶ Some of the current percentages are high, especially for full claims
- ▶ FEMA funds are not for insured costs
  - ▶ They will likely request repayment and may threaten criminal action if not received



Thank you for attending!



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