



#INSURECA

CALIFORNIA CONSUMER ALERT

Insurance Commissioner Ricardo Lara

Insurance coverage for additional living expenses if the home is not habitable due to a wildfire

RETURNING HOME SAFELY

Being aware of hazards is crucial when you return home:

- **Wait for clearance:** Don't go home until it's declared safe.
- **Watch for dangers:** Look out for things like downed trees and power lines.
- **Check gas lines:** Be cautious with propane tanks and gas lines.
- **Inspect for hazards:** Chemicals, toxic ash, and other dangerous materials.

What is Additional Living Expense (ALE) Coverage?

Also known as Loss of Use or Fair Rental Value, ALE covers the additional costs when your property is not safe to live in due to a covered peril, like a wildfire.

Depending on the type of coverage you have, you may be required to account for any covered expenses, so be sure to keep all of your bills and receipts associated with your relocation, such as emergency shelter (i.e. hotel bills), clothing, and food. Additional living expenses include items such as food and housing costs, and telephone or utility installation costs in a temporary residence. Also, extra transportation costs to and from work or school, relocation and storage expenses, and furniture rental for temporary residence are eligible under additional living expense coverage.

Time Limit to Collect Additional Living Expenses (ALE):

36 Months plus six-month extensions for good cause. After a state of emergency, a policyholder will have ALE coverage for a minimum of 24 months, plus an extension of 12 months if there is a delay in the reconstruction process that are the result of circumstances beyond their control.

Additional extensions of six months must be provided for good cause. However, some policies may have a dollar limit that could be exhausted prior to these time limits ending, so you should be aware if this. Check your policy for details. ([Cal. Ins. Code section 2060\[b\]\[1\]](#)).

Renters' Insurance:

If you have Renters' insurance you may not have ALE coverage for the full 36 months, described above, as most Renters' insurance policies will only cover you for ALE until you are able to move back into the property or the reasonable time for you to find a property to rent in another location, whichever is less.

Additional Living Expense (ALE) Coverage when home is uninhabitable:

Downed power lines, hazardous materials, downed trees, toxic water and other hazards make many areas within the fire zones unsafe to inhabit. Even if your home suffered no damage or if the damage

Tips for returning home safely after wildfires

- 1 Wait for clearance:** *Don't go home until it's declared safe.*
- 2 Watch for dangers:** *Look out for things like downed trees and power lines.*
- 3 Check gas lines:** *Be cautious with propane tanks and gas lines.*
- 4 Inspect for hazards:** *Chemicals, toxic ash, and other dangerous materials.*

800-927-4357
insurance.ca.gov



RICARDO LARA
INSURANCE COMMISSIONER
STATE OF CALIFORNIA

has been repaired, if your policy provides coverage for ALE and the home is unsafe or uninhabitable due to a covered peril, you would be eligible for this coverage. For example, if you don't have access to water, sewer, or electricity services due to damaged water/sewer systems or downed power lines, ALE is still covered. However, an insurer can, in lieu of making additional living expense payments, provide a reasonable alternative remedy that addresses the property condition that makes the property unlivable. For example, if you have no electricity, the insurance company may install a generator to resolve that issue to make the home livable. ([Cal. Ins. Code section 2060\[b\]\[2\]](#))

With regards to habitability concerns relating to toxic contamination from smoke and ash from neighboring properties, the policyholder may need to show that the smoke damage and the toxins in the surrounding area make the home uninhabitable. Your insurance company should properly investigate this claim and conduct appropriate testing. Also, if your county health department or another governmental agency conducts its own testing or otherwise determines that your neighborhood, or your home, is not safe to live in due to hazardous conditions, your insurance company should extend ALE benefits until your home is deemed safe to live.

We encourage you to visit our [Wildfire Resources](#) page for more helpful information. Please work with your insurance agent or broker, claims adjuster, and insurance company with a goal of achieving a settlement that you believe is fair and consistent with your coverage. If you have a question about your insurance or a dispute with your insurance company, please call us at **1-800-927-4357** or use visit us online at www.insurance.ca.gov



Exciting News! ✨ The California Department of Insurance (CDI) is proud to introduce the **Community Outreach and Education Partnership Initiative**. This dynamic program is designed to raise consumer awareness about CDI's vital services and expand understanding of key insurance topics and fraud prevention. Become a valued partner and unlock exclusive access to:

- Comprehensive consumer education materials
- Specialized training sessions
- Powerful social media tools

Become a Partner Today: <https://www.surveymonkey.com/r/VHGZQHT>