



# Reed Smith 2025 California Wildfires Relief Resources Guide

We at Reed Smith are closely following the progression of the devastating and costly wildfires ravaging Southern California. Our thoughts and prayers are with the entire region, especially those under mandatory evacuation orders. Of paramount concern is the health, safety and well-being of loved ones. However, once the fires have been fully contained and people are allowed back in their homes to try to recover and rebuild, they may face additional challenges pursuing insurance for their losses.

## First steps after a wildfire

This checklist from United Policyholders will help homeowners stay on track during this stressful time. United Policyholders is a nonprofit organization that has been educating and advocating for disaster victims since 1991.

1. Take care of your or your family's immediate needs first.
2. Finding temporary housing is a priority. Your insurance company should help you find a place of similar size.
3. Start a recovery diary. Take notes on who you talked to, including their name(s), the number you called, the date and time and what was said. Keep your paperwork organized.
4. Ask your insurance company for cash advances for: (i) living expenses and (ii) replacing personal property.
5. Keep all receipts while you are displaced. Hotel bills, clothes and pet boarding may be reimbursed but require receipts.
6. Take photos of your property before any cleanup or debris removal happens.
7. Do not rush into signing contracts. Get copies of **all** paperwork you do sign.
8. An insurance adjuster will eventually come and inspect your home. If they make you a settlement offer on the spot, don't take it immediately. Take the time you need to evaluate whether the offer is fair. Consider seeking advice from a professional.
9. Inventorying your damaged and destroyed property is time-consuming and unpleasant. United Policyholders has a list of [tips and tools](#) to help in this process.
10. Give your insurer a chance to do the right thing, but be prepared to stand up for your rights and get help if you feel you're not being treated fairly.
11. Register with FEMA (federally declared disaster) and the SBA (state disaster declarations needed). More information on FEMA and the SBA is discussed below.

## Homeowners insurance

Homeowners are likely feeling overwhelmed and in shock by the loss of their homes and property with little to no warning. If you have homeowners insurance, though, know that most homeowners policies cover fire damage for damage or destruction to the home itself and all property inside. Damage caused by smoke and/or ash may also be covered, but policy terms vary.

It is important for homeowners to request from their insurer a current and **complete** copy of their homeowners insurance policy. If you don't have the contact information for your insurance company or agent, the California Department of Insurance can help. Visit the [California DOI website](#) or call them at: 1-800-927-HELP (4357).

A complete homeowners insurance policy should contain a declarations page that lists how much the dwelling is insured for and the limits of any contents or additional living expenses (ALE) coverage that you may have purchased. The complete policy should also contain the general terms and conditions of coverage, a list of exclusions of coverage and any endorsements that may apply.

Most home insurance policies provide coverage for expenses incurred due to the loss of use of a home. Some policies call this "additional living expense" (ALE) coverage. Others call this "loss of use." Sometimes this is a dollar amount (e.g., \$50,000), and sometimes it is a time limit (e.g., 24 months). Under California law, ALE benefits for disaster losses must be available for a minimum of 24 months. To figure out if an expense qualifies for ALE coverage, a homeowner should ask: Is this an expense I incurred because of the loss event? If the answer is "yes," it is reasonable to seek reimbursement under ALE/loss of use coverage. It is important to save all receipts for costs that may be reimbursable.

Standard homeowners policies are likely to offer coverage for landscaping replacement caused by wildfires. This type of coverage is typically a set amount or a percentage of the limit of coverage for the home. Unfortunately, landscaping losses often exceed coverage limits. For example, mature trees can be valued as high as \$5,000, yet many policies contain a \$500 limit per tree.

Finally, while homeowners are responsible for clearing debris following a wildfire, some policies may cover the cost for this work. Homeowners should keep organized records of any materials purchased or labor hired to assist in cleanup. Photograph recognizable items before they are cleared from the home or property, particularly items the insurer removes for cleaning or salvage.

See these [tips from the California Department of Insurance](#) on how to avoid being victimized by an insurance scam following a disaster.

A claim should be made immediately to protect and preserve the homeowner's rights, and the homeowner should ask for advanced payments. The [United Policyholders Insurance Claim Help Library](#) provides homeowners with tips for filing dwelling and contents claims, sample letters and claim forms, information on resolving claim disputes and additional links to government and professional help.

## California insurance laws during a state of emergency

In addition to obtaining a complete copy of your homeowners policy, impacted policyholders can follow the state Department of Insurance's [press releases, notices and bulletins page](#), which publishes important information and updates about California insurance laws.

On January 9, for example, Insurance Commissioner Ricardo Lara issued [Notice 2025-01](#), highlighting California laws imposing a one-year moratorium on cancellations and non-renewals for certain properties located within or adjacent to the fire perimeter, as well as the 60-day grace period for premium payments. In conjunction with Notice 2025-01, Commissioner Lara issued [Bulletin 2025-1](#) listing the known ZIP codes impacted by the Palisades and Eaton Fires, which would be subject to the one-year moratorium on cancellations and non-renewals.

The Commissioner also on January 9 issued the DOI's [2025 Annual Notice](#), which highlights what he describes as the most significant California laws relating to residential property policies, including during a declared state of emergency like the ongoing Los Angeles wildfires.

For example, the 2025 Annual Notice outlines several key insurance code protections regarding additional living expense (ALE) coverage:

- **ALE advance payment.** In a state of emergency when the home suffers a total loss, insurers must provide an advance payment of no less than four months of living expenses upon request. Additional payments shall be payable upon proper proof following the advance period. See Cal. Ins. Code § 2061(a).
- **Minimum 24-month time period for ALE claims.** In the event of a covered loss relating to a state of emergency, insurance companies must provide ALE coverage for "no less than 24 months from the inception of the loss, but shall be subject to other policy provisions." See Cal. Ins. Code § 2060(b)(1). In certain circumstances, an insurer must grant an extension of up to 12 additional months if there are delays in the reconstruction process beyond the policyholder's control, such as "unavoidable construction permit delays, lack of necessary construction materials, and lack of available contractors to perform the necessary work." See Cal. Ins. Code § 2060(b)(1).

- **Restricted access due to orders of civil authorities.** When a state of emergency is accompanied by an “order of civil authority restricting access to the home, related to a covered peril, additional living expense coverage shall be provided for at least two weeks,” with additional extensions of two weeks to be provided for “good cause, but shall be subject to other policy provisions.” See Cal. Ins. Code. § 2060(c).
- **List of covered ALE items.** If a policyholder has suffered a loss under a homeowners’ insurance policy and has made a claim for ALE, the insurance company must provide a list of items that the insurer believes may be covered under the policy as additional living expenses. See Cal. Ins. Code § 2060(a).

In addition, the 2025 Annual Notice highlights key insurance code provisions regarding personal property (or “contents”) coverage that may apply when a policyholder has suffered a total loss of their primary residence due to the ongoing wildfires:

- **Payment for contents without itemization.** Insurers must offer a payment for personal property coverage equal to at least 30% of the dwelling coverage limit (up to \$250,000) without requiring itemization of contents. Policyholders may recover additional amounts by filing a full itemized claim for losses exceeding the initial payment. Insurers must notify policyholders of these options when claims are filed. See Cal. Ins. Code § 10103.7(b).
- **Insurance company-specific forms not required.** Insurers shall not require that the insured use a “company-specific inventor form if the insured can provide an inventory using a form that contains substantially the same information.” See Cal. Ins. Code § 2061(a)(2).
- **Categorical inventory permitted.** Insurers must accept an inventory that includes “groupings of categories of personal property, including 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.” See Cal. Ins. Code § 2061(a)(3).

Other significant insurance code provisions highlighted in the 2025 Annual Notice include:

- **Rebuilding or replacing in a new location.** Insurers must not limit or deny payment for eligible building code upgrade costs or replacement costs on the basis that the policyholder has decided to rebuild their home at a new location or purchase an already built home at a new location. But the measure of recovery cannot exceed the reasonable replacement cost at the insured property’s original location. See Cal. Ins. Code § 2051.5(c)(1).
- **No land value deductions.** Relatedly, the measure of recovery available to the policyholder to use toward rebuilding or replacing their home at a new location must be the same amount that “would have been recoverable had the insured dwelling been rebuilt at its original location, and a deduction for the value of the land at the new location shall not be permitted.” See Cal. Ins. Code § 2051.5(c)(2).
- **Ability to combine certain coverages.** In the event of a claim relating to a state of emergency, policyholders who choose to rebuild may combine policy limits for “dwelling” and “other structures” for use towards rebuilding the home when the dwelling limit alone would be insufficient to cover the costs. See Cal. Ins. Code § 10103.7(a).
- **Building code upgrade coverage.** If a policy includes building code upgrade (ordinance or law) coverage, it must provide adequate coverage for the increased costs to repair or replace the insured property to comply with current building codes. See Cal. Ins. Code § 10103(c).

On January 14 and again on January 17, Commissioner Lara issued [Amended Bulletin 2025-1](#), expanding the list of ZIP codes subject to the moratorium on policy cancellations and non-renewals. The January 17 Bulletin includes ZIP codes of properties in the numerous areas impacted by the Palisades Fire, Eaton Fire, Hurst Fire, Lidia Fire, Sunset Fire, and Woodley Fire. Policyholders living in affected areas should confirm their insurers’ compliance with these moratoriums and seek assistance if policies are improperly cancelled or not renewed.

More recently, on January 23, Commissioner Lara issued [Bulletin 2025-2](#) along with a [press release](#) ordering insurance companies to take immediate steps to assess whether properties suffered a “total loss” and to expedite advance payments for ALE and contents, as discussed above. Bulletin 2025-2 also addresses concerns about misinformation some policyholders may have received about the impact on their insurance claims should they choose to rebuild at a new location or purchase an already-built home elsewhere. Commissioner Lara emphasized that under existing California law, insurers are required to pay the full benefits that would have been payable, including building code upgrade costs, had the policyholder rebuilt at the original location. Finally, Bulletin 2025-2 highlights additional protections relating to total loss scenarios, including:

- **36-month time period to collect full replacement cost.** Policyholders are entitled to a minimum of 36 months after receiving the first actual cash value payment to collect the full replacement cost of their loss, with additional six-month extensions available for good cause if delays in the reconstruction process occur following a state of emergency. See Cal. Ins. Code § 2051.5(b)(1) and (2).
- **Two-year mandatory renewal.** For total losses resulting from disasters, such as the L.A. wildfires, insurers are required (with certain exceptions) to offer policy renewal for at least the next two annual renewal periods or no less than 24 months from the date of loss. See Cal. Ins. Code § 675.1(a)(3).

For the most up-to-date information, policyholders are encouraged to review the [DOI website](#), including press releases and bulletins issued by the Commissioner.

## **FEMA disaster assistance**

FEMA aid is generally considered emergency assistance of last resort to help individuals find temporary housing and return to their primary residence. FEMA aid is available for temporary housing, repair, replacement, housing construction and other basic needs.

Individuals and business owners in the designated area who sustained losses can begin applying for assistance by registering online at the [Department of Homeland Security's Disaster Assistance website](#) or by calling: 1-800-621-FEMA (3362).

Individuals have 60 days from the date of the disaster to apply for FEMA disaster assistance, although the date may be extended, as it was in other jurisdictions. Every affected individual should file and register for aid immediately.

FEMA assistance is generally not available if any other funding source is available, including insurance, a Small Business Administration (SBA) loan or private or other charitable donations. However, FEMA will advance immediate funds to individuals who may need to be paid back if those costs are ultimately covered by insurance or paid by another source.

FEMA temporary housing assistance is available regardless of income generally for three months for homeowners and one month for renters, but those time periods may be extended based on individual circumstances.

## **Assistance with landlord or tenant issues**

Individuals may have issues with their landlords involving the condition of the damaged premises. In California, the legal arrangement between a tenant and landlord is governed by the parties' contract or lease.

General information on landlord and tenant rights in California can be found on the [California Attorney General's website](#).

## **Immediate foreclosure relief**

If your home or ability to make mortgage payments was harmed by the 2025 California wildfires, you may qualify for relief to help you keep your home. If you are at risk of losing your home because of the disaster, your lender may stop or delay initiation of foreclosure for 90 days. Lenders may also waive late fees for borrowers who could become delinquent on their loans because of the disaster.

If you have a Federal Housing Administration (FHA)-insured mortgage, follow the instructions on the [HUD Disaster Relief Options for FHA Homeowners web page](#).

If you have a conventional mortgage, contact your lender to see if you are eligible for relief.

## **Mortgage insurance for destroyed/damaged homes**

If your home was destroyed or damaged to such an extent that you are forced to rebuild or relocate, you may qualify for the Section 203(h) program, which makes it easier to get mortgages or to reestablish yourself as a homeowner. This mortgage insurance requires no down payment and allows for 100% financing. For more information, see the HUD discussions on the website, [Mortgage Insurance for Disaster Victims Section 203\(h\)](#).

## **Replacing original documents**

Individuals may need to replace original documents. Copies of insurance policies can be obtained directly from insurers. Proof of insurance may be available from a broker or agent who can assist with obtaining a full copy of any policy.

Professionals who assisted with home closings may have copies of deeds, mortgages, plats of survey and real estate appraisals (often with pictures of the home).

Here are some additional links to assist with that process:

- [Social Security issues and how to replace card](#) or call 1-844-USA-GOV1
- [Driver's license or identification replacement cards](#)
- [Medicare card replacement](#)
- [Passport replacement](#)
- [Birth certificate and other vital records](#)

### **Tips on hiring a contractor**

Individuals should be careful about selecting contractors. Tips and warnings about unlicensed contractors following a disaster can be found at:

- [Contractors State License Board – After a Disaster: Don't Get Scammed!](#)
- [Contractors State License Board – Contractors Board Warns Consumers About Unlicensed Contractors After Disasters](#)

### **Additional California state government resources**

The state of California website includes a [2025 Los Angeles Fires Resources](#) page with additional information on Disaster Recovery Centers, open shelters, unemployment benefits and other government services.