

# The SGD Report

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In response to recent events, the California Department of Insurance has issued recommended “Claims Handling Reforms for Wildfire Disasters.” The reforms “are designed to speed and simplify the claims process”

We expect that these recommendations are the blueprint for eventual catastrophe claim handling mandates.

Many of California’s largest insurers voluntarily adopted the recommended reforms when they were released, including State Farm, Farmers and Allstate, who account for 52 percent of the homeowners market in California.

The recommended reforms are as follows:

## Additional Living Expenses:

“Insurers should adopt a standard ALE advance payment of 4 months for a total loss, upon request. Additional ALE should be available upon proper proof following the advance period, upon request.”

*This is a larger initial advance payment than some insurers currently make.*

## Contents:

“Insurers should provide a standard contents advance payment of at least 25% of policy limits for a total loss of the primary residence in a wildfire disaster.”

*This is a different practice than making no advance payment for contents until documentation is submitted.*

## Vehicle claims:

“Upon satisfaction of proof of claim, insurance companies should expedite payment of automobile property damage claims under comprehensive loss coverage.”

## Billing:

“All insurers should grant billing leniency for 30 days for customers in designated wildfire disaster areas.”

**If you have any questions or issues you want addressed, want to submit a claim or just say hello, please call, fax or E-mail us at**  
claims@sgdinc.com

### Debris removal:

“Insurers should accept an expedited debris removal process coordinated through city, county and state agencies, with master debris removal vendor contracts under pre-negotiated conditions unless the insurer can provide more rapid debris removal outside of the state and local government coordinated effort.”

### Inventory Forms:

“Insurers should agree to accept home inventory software (or paper alternative) currently available to the public by IINC or the CDI (or others), without a requirement of using company-specific inventory forms.”

### Inventory Itemization:

“Insurers should agree to accept reduced itemization of contents in wildfire total losses.”

*The DOI has also stated that grouping of items such as DVD's should be acceptable as versus itemization of every title. This could encourage larger claims.*

We appreciate our client's support during the recent wildfires and hope that our service has exceeded your expectations. We will continue to strive to meet your needs. Happy New Year!!

## **SGD can handle your claims from the smallest to the largest!**

- Bodily Injury
- Auto, Truck, and Heavy Equipment
- Residential and Commercial Property
- Construction Defect
- Cargo
- Fraud Investigation – Surveillance and Subrosa
- Jewelers Block & Fine Arts
- Workers Compensation



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