

# In California, Proposed Legislation to Increase Insureds' Recoveries from Their Insurance Policies

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After devastating wildfires, California legislators proposed greater wildfire insurance protection, drafting a set of bills.

The most important proposed changes are as follows:

- SB 897 would require insurance companies to cover additional living expenses to include all reasonable expenses incurred by the insured to maintain a comparable standard of living, and would provide a list of covered expenses. It would allow for losses related to a declared state of emergency so that policyholders could choose to receive up to 80 percent of the value of the contents for which they are making a claim without having to list each item and its value. It also includes a section stating that its provisions apply retroactively to any covered claim filed on or after July 1, 2017.
- SB 894 provides that wildfire survivors would be able to repurpose unused portions of their coverage, putting it toward rebuilding their homes. It would also prevent insurance companies from dropping coverage for at least two years after a disaster.
- AB 1797 extends the time people have to rebuild, from two to three years.

It is anticipated legislators will attempt to fast-track the legislation so insureds can recover losses from the 2017 wildfires regardless of the wording of their existing insurance policies.

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