

Getting an insurer to extend Additional Living Expense/Loss of Use Benefits (CA Only)

Insurance benefits for expenses related to losing the use of your home are provided in most policies under the category of “Additional Living Expenses” or “Loss of Use”. (Same thing, different label). Your policy probably limits the dollar amount of those benefits, and how long they’ll be available to you after your loss. A few insurers only limit your ALE benefits to the amount of money and time it reasonably takes you to move back into a replacement home.

It is common for people whose homes have been totally destroyed to run through all their ALE benefits before they’re able to replace the home. Construction and permitting delays, illness, bad weather and any number of unexpected events can derail rebuilding progress. Now we can add Shelter-in-Place and social distancing orders to that list.

After two large scale wildfires destroyed thousands of homes in the San Diego area, UP survey results helped convince California lawmakers that the 12 months of ALE benefits provided in standard policies wasn’t enough time the victims to complete rebuilding. So they changed the law to require a minimum of 24 months of ALE in every California home insurance policy. But even that proved too short for many, so they made a further change. Now, for total losses occurring after September 2018, California law requires a minimum of 36 months of ALE coverage in a home insurance policy. **IMPORTANT NOTE:** Lawmakers only extended the minimum amount of *time* you have to use your ALE benefits. They did not mandate higher dollar amounts of ALE benefits.

Regardless of these laws, your insurance company can make a business decision to extend any policy deadline or increase your ALE benefits ***if they choose to do so based on special facts or circumstance***. However, they are not ***obligated*** to unless a legally enforceable order says they have to.

When ALE benefits were running out for 2017 North Bay wildfire survivors, CDI issued a [request](#) that insurers voluntarily extend ALE benefit payments beyond 24 months, and many did. CDI also issued a [Notice](#) to insurers that they should not enforce any policy deadlines until 90 days after Shelter-in-Place/Pandemic Emergency orders are lifted. Some insurers are voluntarily complying with the notice, some are not.

The simplest way of getting your insurance company to extend a policy deadline is to make a clear request in writing with good reasons why they should. Make your request *at least* two weeks before the deadline. Customize our Sample Letter or write your own:

- Explain why you need an extension and how much more time you’re asking for. Include supporting documentation. Examples: Your local Shelter in Place order, a communication from your contractor, doctor or other third party confirming delays out of your control.
- Speak with your neighbors insured with the same company to find out if others are getting an extension – What arguments and support did they provide their insurer?

**Sample Letter Requesting Extension of
Additional Living Expense/Loss of Use Deadlines**

NOTE: This sample letter below must be customized to the facts of your individual situation and claim. **All portions that are in parentheses and/or underlined must be completed or revised and anything in italics should be removed before you send it.**

[Date]
[Name of adjuster or higher-ranking ins. co. employee]
[Name of Insurance Co.]
[Address]

Re:
Claim Number: _____
Date of Loss: _____
Name of Insured: _____
Address of Insured Property: _____

Dear _____,

We are continuing to do our best to document our loss and cooperate with your company to reach a fair and full settlement. Due to circumstances beyond our control, our rebuild completion has been delayed and we need an extension of our ALE/Loss of Use benefits.

Please extend our ALE/Loss of Use Benefits [_____] months (*fill in the amount of time that you think it will reasonably take you to complete repair/replacement*).

[Add in facts that support your request and show that you have moved the rebuild along as fast as possible, yet need additional time. Reference official government documents that explain the delay or support your extension request]

Thank you in advance for confirming that you're granting this extension within 14 days from the date of this letter.

Sincerely,

[YOUR NAME]
[MAILING ADDRESS]

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