



A Tradition of Stewardship  
A Commitment to Service

Agenda Date: 3/19/2018

Agenda Placement: 7F

## Napa County Legislative Subcommittee Board Agenda Letter

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**TO:** Napa County Legislative Subcommittee  
**FROM:** Helene Franchi for Minh Tran - County Executive Officer  
County Executive Office  
**REPORT BY:** Molly Rattigan, Deputy County Executive Officer - 253-4112  
**SUBJECT:** SB 897-Residential Property Insurance: Wildfires

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### **RECOMMENDATION**

County Executive Officer requests discussion and possible action on SB 897 (McGuire), a bill that would require insurance companies to make immediate advance payments for contents, and housing and living expenses, and simplify expense itemization requirements.

### **EXECUTIVE SUMMARY**

SB 897 (McGuire) would create standards to expedite residential insurance claims after a Governor-declared disaster. For all new home insurance policies, SB 897 would require insurance companies to disclose exactly what is covered under additional legislation. SB 897 would also give the option for insured residents to collect monthly additional living expenses equal to the amount their home would have rented for, in furnished condition, instead of having to itemize all of their monthly personal expenses.

### **FISCAL IMPACT**

Is there a Fiscal Impact?                      No

### **ENVIRONMENTAL IMPACT**

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

**BACKGROUND AND DISCUSSION**

California residential insurance policies require homeowners and renters to prepare an exhaustive inventory of damaged property showing in detail the quantity, description, age, replacement costs, and amount of loss. They must also provide proof of these costs by attaching bills, receipts and other related documents. This is a difficult task requiring proof of hundreds of thousands of items.

SB 897 would create standards to expedite residential insurance claims after a Governor-declared disaster. SB 897 would:

- | Require insurance companies to make an immediate advance payment of at least 25% of an insured's content policy limit and four months of their housing and living expenses without an itemized list
- | Require insurers to offer victims no less than 80% of their contents policy limits without the expense itemization requirement
- | Allow insured parties, if they choose to report their inventory, to group items and use their own forms rather than the company's forms
- | Grant a 30-day grace period on policy premiums immediately following a Governor-declared disaster

For all new home insurance policies, SB 897 would require insurance companies to disclose exactly what is covered under additional legislation. SB 897 would also give the option for insured residents to collect monthly additional living expenses equal to the amount their home would have rented for, in furnished condition, instead of having to itemize all of their monthly personal expenses.

California State Association of Counties: Pending  
Rural County Representative of California: Support

**SUPPORTING DOCUMENTS**

A . SB 897 Fact Sheet

B . SB 897 Text

Recommendation: Approve

Reviewed By: Molly Rattigan