

# HOW TO AVOID GETTING CONTENTS CLAIMS DENIED OR REJECTED

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LAW GROUP

  
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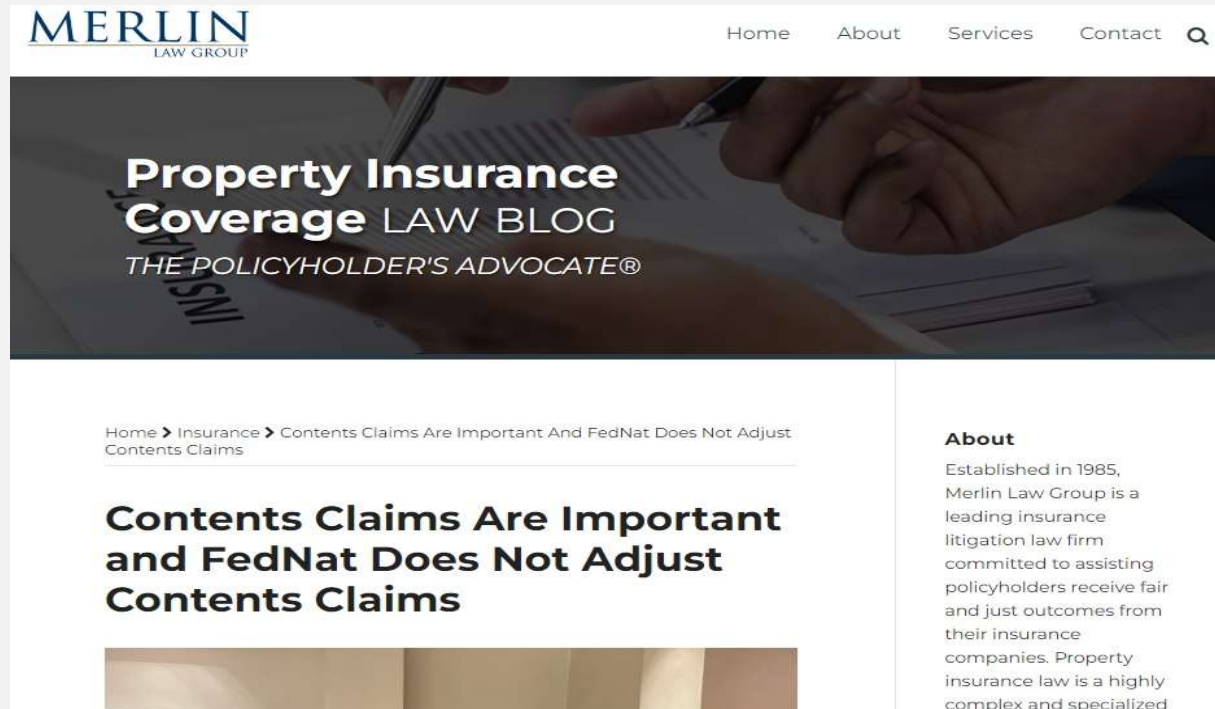





WHY  
CONTENTS  
CLAIMS  
ARE HATED

- Difficult to Assess Partial and Total Loss
- Tedious in Nature
- Insureds Do Not Understand
- Usually the End of the Claim
- Technical Rules that Clients Forget
- Confusing Documents
- Expensive
- Adjuster Apathy
- Ripe with Liability

# HATED OR “OFTEN OVERLOOKED”



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**Property Insurance Coverage** LAW BLOG  
*THE POLICYHOLDER'S ADVOCATE®*

Home > Insurance > Contents Claims Are Important And FedNat Does Not Adjust Contents Claims

**Contents Claims Are Important and FedNat Does Not Adjust Contents Claims**

**About**  
Established in 1985, Merlin Law Group is a leading insurance litigation law firm committed to assisting policyholders receive fair and just outcomes from their insurance companies. Property insurance law is a highly complex and specialized

## HOW TO START

1. Make Sure You Have the Policy

2. A Good Form for Your Client

3. An Honest Conversation with Your Client on What to Expect

4. Another Honest Conversation with Your Client About What They Need to Do or Not Do

5. Decide If Hiring a Consultant Makes Sense

## GET THE POLICY

- After a covered loss under a policy covered by Section 2071, an insurer shall provide to the insured, free of charge, a complete copy of the policy that was in effect at the time of the loss within 30 calendar days of receipt of a request from the insured. *Cal Ins Code 2084; 2071.*
- While personal property claims may not be addressed until the end, it is best practices to make a request for the policy on first notice of representation.
- If you need to involve counsel, it will be the first document the attorney asks for.
- Make Sure You Know What You are Fighting For: Some policies cover different perils for dwelling and contents



DUTIES OF  
THE  
INSURED  
TO PROVE  
LOSS

- Prepare An Inventory of Damage or Stolen Personal Property

Details required: Quantity, Description, Age, Replacement Cost and Amount of Loss

- Supporting Documentation Required

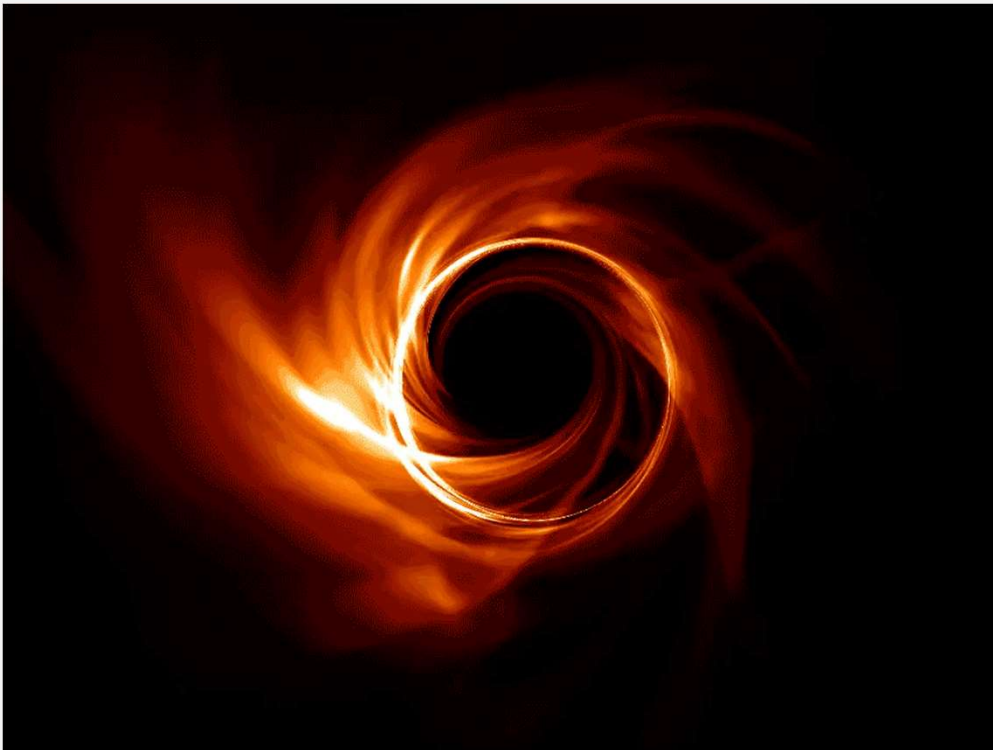
Receipts for purchase, Proofs of Payment

- Refresh Memory

Start looking for old photos on phones or your cloud-based devices

Will assist not only in proving ownership, but condition and age

## PITFALL #1: SLOPPY PRESENTATION OF A CLAIM



- Emailed Lists Confuse Adjusters and Can Lack Formatting
- Use a Spreadsheet
  - No Obligation to Use a Carriers Spreadsheet But Can Be Beneficial
  - Allows for Formatting to Avoid Duplicate Reporting
- If Applicable Match A Police Report
- Report Loss List As Soon As Possible In Certain Claims





BEST  
METHODS:  
PRESENTING  
THE CLAIM

- Preserving the Evidence with Photos or Videos
- Proof of Loss
- Estimates/Scope/Bid/Expert Reports
- Contents Inventory/Business Personal Property/Business Equipment

# FORMS

## CONTENTS INVENTORY OF DAMAGED PROPERTY

Insured:  
Claim Number

Page # 1

Item no.	Quantity	Description	Brand Name/Ser.#/Model #	Place of Purchase	Age	Condition	Replacement Cost	Sales tax %	TOTAL	Dep. %	Dep. Amt.	ACV
								8.75%	\$0.00	0%	\$0.00	\$0.00
								8.75%	\$0.00	0%	\$0.00	\$0.00
								8.75%	\$0.00	0%	\$0.00	\$0.00
								8.75%	\$0.00	0%	\$0.00	\$0.00

## PITFALL #2: NOT CHECKING THE INSURED'S WORK

- Insured's will guess at information if they do not know because they feel compelled or pressured into providing information.
- For example, an Insured may say an Item is only two (2) years old when they do not recall.
- Explain to the Insured it is always appropriate to say, "I DON'T KNOW"
- By providing incorrect dates, it is easy to make a "material misrepresentation"
- Think of ways the insured can prove ownership of complicated or expensive items
  - Customer Profiles, Credit Card Statements, Declarations

**2. Concealment or Fraud.** This policy is void as to you and any other insured, if you or any other insured under this policy has intentionally concealed or misrepresented any material fact or circumstance relating to this insurance, whether before or after a loss.

## “MATERIAL MISREPRESENTATIONS”

- Allegations of Material Misrepresentation will not only ruin the claim, but also creates often insurmountable burdens to overcome in litigation
- Summary Judgment Standard: An insurer is entitled to summary judgment on a plaintiff's breach of contract claim when the insured makes a misrepresentation that is:
  - (1) related to a material matter;
  - (2) knowingly and willfully made with knowledge of falsity; and
  - (3) made with the intent to defraud or deceive.

See *Cummings v. Fire Ins. Exch.*, 202 Cal.App. 3d 1407, 1418-19 (1988)

## WHAT IS A “MATERIAL MATTER”?

- Whether a false statement is material depends upon "its prospective reasonable relevance to the insurer's inquiry." *Cummings* at 147.

If an insured's misrepresentation "concerns a subject reasonably relevant to the insured's investigation, and if a reasonable insurer would attach importance to the fact misrepresented, then it is material." *Id.* (citing *Fine v. Bellefonte*, 725 F.2d 179, 183 (2d Cir. 1984)).

- Cases hold that materiality is a mixed question of law and fact that can be decided as a matter of law if reasonable minds could not disagree on the materiality of the misrepresentations.

*Woods v. Independent Fire Ins. Co.* (11th Cir.1985) 749 F.2d 1493, 1496; *Long v. Insurance Co. of North America* (10th Cir.1982) 670 F.2d 930, 934.)

## PRESENTING THE CLAIM

- Proof of Loss
- Estimates/Scope/Bid/Expert Reports
- Contents Inventory/Business Personal Property/Business Equipment
- Be sure to check the policy for other coverages involving contents: debris removal etc.

# USING A PROOF OF LOSS OR PROOF OF CLAIM

## **Paying or denying a claim**

40 days – An insurer must accept or reject a claim in whole or in part within 40 days of receiving proof of claim. If they reject a claim, they must list all factual and legal bases for doing so with explanation of any applicable statute or other law. *10 Cal Code Reg 2695.7(b)*.

If more time is needed to make a determination, written notice shall be provided and a written update shall be provided every 30 days until a determination is made or legal action is served. *10 Cal Code Reg 2695.7(c)*.

30 days - If the insurance company *accepts* a claim, they must pay the undisputed portion of the claim immediately but not later than 30-days. *10 Cal Code Reg 2695.7(h)*.

## BURDEN OF PROOF: WHO NEEDS TO DO WHAT

- It is the Insured's CLAIM and the Insurer's LOSS
- It is the Insured's Burden of Proof to provide sufficient information to show the amount of loss claimed
- It is the Insured's responsibility to establish "actual value" of the damaged property

2. **Your Duties After Loss.** After a loss to which this insurance may apply, you shall see that the following duties are performed:

- a. give immediate notice to us or our agent. Also notify the police if the loss is caused by theft. Also notify the credit card company or bank if the loss involves a credit card or bank fund transfer card;
- b. protect the property from further damage or loss, make reasonable and necessary temporary repairs required to protect the property, keep an accurate record of repair expenditures;
- c. prepare an inventory of damaged or stolen personal property. Show in detail the quantity, description, age, replacement cost and amount of loss. Attach to the inventory all bills, receipts and related documents that substantiate the figures in the inventory;



## BUSINESS PERSONAL PROPERTY CLAIMS

- Difficult claims because the claims are only as good as the business records
- Business records can often be destroyed in certain types of losses
- Timely and expensive for insured's to re-create inventories if they did not maintain
- Complicated inventory management or acquisition
- Carriers will often hire consultants – forensic accounts – who will look for a “complete” picture

## PITFALL #3: BAD OR INCOMPLETE BUSINESS RECORDS

- Just like homeowners, Insured's will guess at information if they do not know because they feel compelled or pressured into providing information.
- Inventories acquired on terms but not yet paid for
- Complications When Insured is Involved in Developing Their Own Products
- Calculations Can Become Evil Games of "To Give a Mouse a Cookie"
- Check the policy for "Loss Data Preparation" Coverage
  - Allows Insured to hire its own expert at carrier's expense

Please provide the following at your earliest convenience:

1. An estimation of the claimed inventory loss by product. To the extent possible, please include the item number/SKU, item description, quantity on hand, unit of measure, unit cost, and extended cost.
2. A narrative explanation of the methodology utilized to determine/estimate the claimed lost quantities / amount from Request #1.
3. To the extent it is not included in Request #1, please provide a listing of all of the insured's specific products kept in inventory at the loss location.
4. The address of the loss location, the date in which the insured moved into the loss location, and the address of the prior location that the insured operated out of.
5. Regarding the nicotine pouches from Mercury Manufacturing, please provide documentation to support the date in which the relevant patent was approved.
6. A brief overview of the insured's customer base including the approximate number of customers.
7. 2020 Federal Income Tax Return including all supporting schedules filed with the return.
8. Per the 2021 Federal Income Tax Return, 2021 beginning inventory was \$2,802,618 and 2021 ending inventory was \$4,351,924. Please provide an explanation for the significant increase in the inventory levels during 2021.
9. The date of the last physical inventory count and documentation supporting the counts by product including the insured's cost into the products. It is our understanding that the insured moved into the loss location sometime in August 2022 and physical counts of inventory may have occurred. If so, please provide all documentation related to the counts including an itemized listing of the counts by product.
10. Detailed monthly income statements for each month from January 2021 through the most recent month available.
11. Detailed monthly balance sheets for each month from January 2021 through the most recent month available.
12. Detailed monthly general ledger detail for each month from January 2021 through the most recent month available.

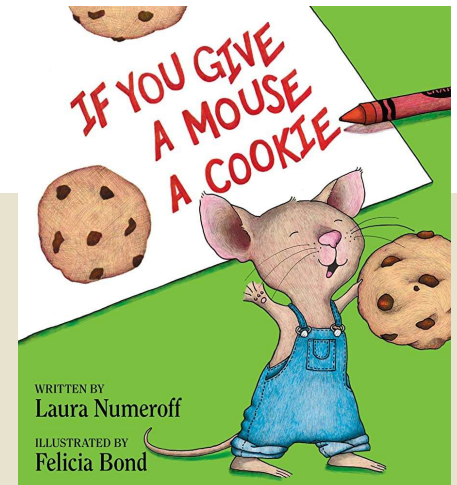
#### REQUESTS FOR INFORMATION:

##### Move from Anaheim to Los Angeles

1. Regarding the \$1,500 Trucking Inc. invoice for the move of 50 pallets from Anaheim to Los Angeles (MMREQ000071), please provide all corresponding shipping information from including the bills of lading and all other shipping information. Based on our experience, this information should be maintained by the insured and/or the shipping company.
2. In order to verify the quantities shipped and included within "Transferred Merchandise by Private Truck" (MMREQ000073), please provide the following:
  - a. The name, address, and contact information for the private trucking company and crew utilized.
  - b. The invoices from the private trucking company and crew related to the move.
  - c. Documentation to support payment to the private trucking company and crew related to the move.
  - d. Bills of lading and all other shipping information provided by the private trucking company.

##### Product Returned from South East

3. Please confirm that South East represents South East Wholesale. Please also identify this customer within the customer listing provided (RITZ000363-379).
4. Please provide the owner's name, address, and contact information for South East.
5. Regarding the original sale of product ultimately returned from South East, please provide the following:
  - a. The sales invoices for all product sold to South East.
  - b. Corresponding shipping information for all shipments to South East including the bills of lading and all other shipping information.
  - c. To the extent it is not included above, itemization of the products sold to South East.
  - d. Documentation to support payments received for the products sold to South East.
6. Regarding the return of product from South East, please provide the following:



## MEASURE OF LOSS – CONTENTS

### LOSS SETTLEMENT PROVISIONS

- “Loss Settlement” provisions describe the valuation method and are generally found in the “Conditions” section
- Two Most Common Settlement Methods: ACV and RCV
  - Replacement Cost (“RC”) – Cost to replace new
  - Actual Cash Value (“ACV”) – Cost to replace an instant before the loss
- “Open” vs. “Valued” Policies (Insurance Code § 410)
  - More Common: Open policy is one in which the value of the property is not determined until after the loss
  - Rarely will you see “valued” policy – when the value of the insured property is agreed in advance and stated in the policy

## “ACTUAL CASH VALUE”: CALIFORNIA DEFINITION

- California: Under an “open” policy requiring payment of “actual cash value,” the measure of actual cash value recovery, in the case of a total or partial loss of a structure or its contents, is “the amount it would cost the insured to repair, rebuild, or replace the thing lost or injured less a fair and reasonable deduction for physical depreciation based upon [the property’s] condition at the time of the injury or the policy limit, whichever is less.” [[Ins.C. § 2051\(b\)](#)]
- At Trial: California Civil Jury Instruction (CACI) 2022 No. 3903K.  
Loss or Destruction of Personal Property (Economic Damage), which defines “fair market value” as
- “the highest price that a willing buyer would have paid to a willing seller, assuming:
  1. That there is no pressure on either one to buy or sell; and
  2. That both buyer and seller have reasonable knowledge of all relevant facts about the condition and quality of the [item of personal property].

## ACTUAL CASH VALUE: FEDERAL COURT DEFINITION

- Excerpt from the Code of Federal Regulations CFR § 25.2512-1 Valuation of property; in general
- “The value of the property is the price at which such property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell, and both having reasonable knowledge of relevant facts. The value of a particular item of property is not the price that a forced sale of the property would produce. Nor is the fair market value of an item of property the sale price in a market other than that in which such item is most commonly sold to the public, taking into account the location of the item wherever appropriate.”

## ENDORSEMENTS: OPEN OR VALUED? ARTICLES POLICIES

- Are Endorsements “Open” or “Valued”?

<b>Class</b>	<b>Amount of blanket coverage</b>	<b>Blanket limit per item</b>	<b>Amount of itemized coverage</b>
JEWELRY	NO COVERAGE	NO COVERAGE	\$ 32,000

**There is no deductible for this coverage.**

## ENDORSEMENTS: OPEN OR VALUED? ARTICLES POLICIES

- Are Endorsements “Open” or “Valued”?

Class	No.	Description	Value
Jewelry	1	LADIES PLATINUM & DIAMOND RING CONTAINING CENTER CUT CORNERED SQUARE MODIFIED BRILLIANT DIAMOND WEIGHING 2.55CTS, G COLOR, SI2 CLARITY. GIA #5121584539 SET WITH ONE HUNDRED FORTY-FOUR PAVE SET DIAMONDS WEIGHING 0.59CTS, G-H COLOR, V	\$ 25,000
	2	14K WHITE GOLD PAIR OF STUD EARRINGS, 3 PRONGS TIFFANY STYLE SETTING, SET WITH ONE GENUINE ROUND DIAMOND EACH, WEIGHT APPROX .88CT, COLOR H, CLARITY SI. TOTAL WEIGHT APPROX 1.76CTS FOR THE PAIR.	\$ 7,000



## ENDORSEMENTS: ARTICLES POLICIES **READ THE POLICY!**

- The only way to set your client's expectations is to read the policy.
- Payment depends on whether it is a Total loss or Partial Loss
- Total Loss does NOT always mean full payment will be amount of itemized coverage for that article
  - Some carriers will only pay the fair market value of the item right before the loss, regardless scheduled amount
  - Most insureds are overpaying for coverage on their articles policies due to inflated appraisals

## EXPLAINING DEPRECIATION

- “Replacement Cost Coverage” versus Replacement Cost Coverage\* - Don’t Forget the Asterisk
- Communicate with the Insured How The Recoverable Depreciation Process Works
- Communicate with the Insured How Long the Insured Gets to Recover Recoverable Depreciation
- Communicate with the Insured When Your Representation Ends

## HOW CARRIERS CALCULATE DEPRECIATION

- **California Fair Claims Settlement Practices Regulation 2695.9(f)**
- **(f)** When the amount claimed is adjusted because of betterment, depreciation, or salvage, all justification for the adjustment shall be contained in the claim file. Any adjustments shall be discernable, measurable, itemized, and specified as to dollar amount, and shall accurately reflect the value of the betterment, depreciation, or salvage. Any adjustments for betterment or depreciation shall reflect a measurable difference in market value attributable to the condition and age of the property and apply only to property normally subject to repair and replacement during the useful life of the property. The basis for any adjustment shall be fully explained to the claimant in writing.
- Tax is not depreciable.

## MEASURING REPLACEMENT COST

- Measure of “replacement cost”: Under a replacement cost policy, the measure of indemnity is the amount it would cost the insured to repair, rebuild or replace the damaged property, without any deduction for depreciation.

[Ins.C. § 2051.5(a)(1)]

- Compare to Replacement Cost Only After Item is Repurchased to Recover Depreciation

## RECOVERY REPLACEMENT COST BASIS

- Entitlement to Replacement Cost Basis (Sometimes called “Limited Replacement Cost Loss Settlement”)
  - To receive replacement cost basis, you must complete the repair or replacement within certain time frames.
    - Time Frames may be 24 months from the date the carrier pays ACV
    - Might be Shorter. Limits Are Set By Policy
- Good Cause Extensions
  - Additional extensions of six months may be provided upon a showing of “good cause” subject to Section 2051.5 of the CA Insurance Code



## UNDERSTANDING SUBLIMITS

“Special Limits” generally apply to:

- Jewelry and Furs
- Money, Coins
- Securities, Stamps
- Silverware
- Firearms
- Tapes, records, discs
- Computers
- Sports Cards

**PITFALL #4:  
CLAIMING CONTENTS NOT COVERED  
UNDER THE POLICY**

Emailed Lists Confuse Adjusters and Can Lack Formatting

Use a Spreadsheet

No Obligation to Use a Carrier's Spreadsheet But Can Be Beneficial

Allows for Formatting to Avoid Duplicate Reporting

If Applicable Match A Police Report

Report Loss List As Soon As Possible In Certain Claims

Claiming Contents Owned by Others



## WHO IS AN INSURED

- Only Way to Determine That Is To Read the Policy

Mercury (CAIC):

### DEFINITIONS

**A.** In this policy, "you" and "your" refer to the "named insured" shown in the Declarations and the spouse if a resident of the same household. "We", "us" and "our" refer to the Company providing this insurance.

**9.** "Insured" means:

**a.** You and residents of your household who are:

**(1)** Your relatives; or

**(2)** Other persons under the age of 21 and in the care of any person named above.

**b.** A student enrolled in school full time, as defined by the school, who was a resident of your household before moving out to attend school, provided the student is under the age of:

**(1)** 24 and your relative; or

**(2)** 21 and in your care or the care of a person described in **a.(1)** above.

**d.** Any Additional Insured named in the Declarations, but only with respect to Coverages **A, B, E** and **F** and only for the "residence premises".



## WHO IS AN INSURED

- Only Way to Determine That Is To Read the Policy  
State Farm:

### DEFINITIONS

- A. In this policy, "you" and "your" refer to the "named insured" shown in the Declarations and the spouse if a resident of the same household. "We", "us" and "our" refer to the Company providing this insurance.

4. "insured" means you and, if residents of your household:

- a. your relatives; and
- b. any other person under the age of 21 who is in the care of a person described above.

## WHO IS AN INSURED: FAIR PLAN

If there is a checkmark  next to C - Personal Property in the Declarations, the following applies:

### COVERAGE C - Personal Property

We cover personal property usual to the occupancy as a dwelling and owned or used by you or members of your family residing with you while it is on the Described Location. At your request, we will cover personal property owned by a guest or household employee while the property is on the Described Location.

If you remove personal property from the Described Location to a newly acquired principal residence, the Coverage C limit of liability will apply at each residence for the 30 days immediately after you begin to move the property there. This time period will not extend beyond the termination of this policy. Our liability is limited to the proportion of the limit of liability that the value at each residence bears to the total value of all personal property covered by this policy.

**Property not covered.** We do not cover:

1. whether real or digital, accounts, bank notes, bills, bullion, coins, currency, deeds, evidences of debt, gold other than goldware, letters of credit, manuscripts, medals, money, notes other than bank notes, passports, personal records, platinum, securities, silver other than silverware, tickets and stamps;
2. animals, birds or fish;

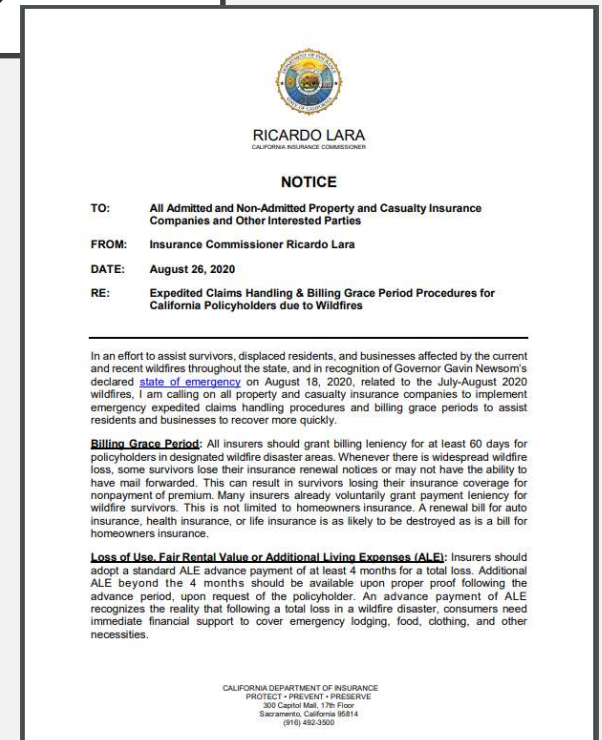
- Adult Daughter lived in her parents' house but was not listed on their dwelling policy as an insured and the policy excluded coverage for unnamed persons. The home and contents sustained smoke damage from a wildfire. Insurer did not owe Daughter for damage to her property. She was not an insured in her own right, nor was she a third party beneficiary of the parents' policy. [[Wexler v. California Fair Plan Ass'n \(2021\) 63 CA5th 55, 57-60, 63-66, 277 CR3d 398, 401-403, 405-407](#)]

“IN THE EVENT OF A COVERED LOSS  
RELATING TO A STATE OF EMERGENCY...”

- Time limit to collect Full Replacement Cost
  - No less than **36 months** from the date that first payment toward the Actual Cash Value is made.  
Cal Ins Code 2051.5(b)
  - Additional extensions of six months shall be provided for good cause.  
Cal Ins Code 2051.5(b)

# VOLUNTARY CLAIM HANDLING PRACTICES – 2020 WILDFIRES

- Following the 2020 wildfires, the Insurance Commissioner issued a notice calling on all property insurance companies to implement claim procedures to help residents and businesses recover more quickly
- Personal Property (Contents) – 25% advance payment without a written inventory



<http://www.insurance.ca.gov/0250-insurers/0300-insurers/0200-bulletins/bulletin-notices-commiss-opinion/upload/Notice-ExpeditedClaims-BillingGracePeriod.pdf>

## FRAUD: RESIDENTIAL CLAIMS

- Common Fraud Indicators
  - Newly Acquired Contents
  - Expensive Contents
  - Late Reported Contents
  - Theft Losses Including Total Contents
  - Newly Issued Policies
  - Losses Incompatible with Residence, Occupation or Income



## FRAUD: COMMERCIAL CLAIMS

- Common Fraud Indicators
  - Newly Acquired Contents
  - Old Inventory / Non-Saleable Inventory
  - Chemicals or Materials Client is Not Licensed to Have



## SMOKE DAMAGE: IS IT A TOTAL LOSS?

- Wildfire smoke contains combustion by-products (“CBP”)
  - Particulate matter that can enter a home includes ash, soot, and char
- In a recent 9th Circuit opinion, the court found that without showing any smoke related particles in the home, there was no smoke damage.
  - Despite the overwhelming evidence that the home and its contents were inundated with smoke, physical evidence of smoke particulates was necessary to establish damages.
    - *Shirley v. Allstate Ins. Co.* No. 19-56066, 2020 WL 5991156 (9th Cir. October 9, 2020)
- Best way to demonstrate the presence of CBPs is to professionally test for them
  - Check attics, HVAC, crawlspaces, and garages

# APPRAISAL

- Appraisal can be difficult with certain content claims because large differences in valuations of items – or determination of authenticity of items – may be best decided in the courtroom
- Appraisal can be used to curb excessive depreciation by carriers to reduce ACV and force Insureds to repurchase all or unnecessary items to recover depreciation
- Appraisal can be difficult if you cannot find the right experts
- Appraisal can be expensive
- Appraisal may be unappealing to certain insureds at the end of their claim



# INSURANCE BAD FAITH

- Must generally prove that the insurer acted unreasonably and without proper cause
- Usually requires evidence that the insurer did not make a prompt, full and fair claim investigation and that there was no genuine dispute over coverage
- Acts that may qualify as bad faith
  - Unreasonable denial of policy benefits
  - Unreasonable delays in the claim process
  - Compelling the insured to litigate the claim due to an inadequate settlement offer
  - Misrepresenting facts or policy provisions
- *Cal Ins Code 790.03(h)* lays out 16 practices determined to be unfair methods of competition and unfair and deceptive acts or practices



## RECENT LEGISLATION

- Insurance Code Section 10103.7(b)(1) – Effective January 1, 2021

For losses resulting from state of emergency, insurer shall provide at least 30% of policy limit for contents (up to \$250,000) without an inventory

**(b)(1)** In the event of a covered total loss of a primary dwelling under a residential property insurance policy resulting from a state of emergency, as defined in Section 8558 of the Government Code, if the residence was furnished at the time of the loss, the insurer shall offer a payment under the contents (personal property) coverage in an amount no less than 30 percent of the policy limit applicable to the covered dwelling structure, up to a maximum of two hundred fifty thousand dollars (\$250,000), without requiring the insured to file an itemized claim.

**(2)** After receiving the payment described in paragraph (1), the insured may recover additional amounts up to the policy limit for contents coverage by filing a claim pursuant to the terms of the policy for the loss of contents that exceeds the value of the payment provided pursuant to paragraph (1).

**(3)** When an insured files a claim relating to a state of emergency, as defined in Section 8558 of the Government Code, the insurer shall notify the insured of the option to receive payment for loss of contents pursuant to paragraph (1) and of the insured's option to subsequently file a full itemized claim pursuant to paragraph (2).

**(4)** This subdivision does not affect payment under the policy for scheduled personal property.

**(5)** This section does not prohibit an insurer from restricting payment in cases of suspected fraud.

# CA DEPARTMENT OF INSURANCE

- Complaints can be filed online on CDI's website: [insurance.ca.gov](https://insurance.ca.gov)
- Insurance Mediation Program
  - Claim must relate to a state of emergency
  - Insured files standard complaint with DOI
  - DOI may request appropriate relief and may meet and confer with parties to attempt to resolve any outstanding issues
  - If this does not resolve the dispute, the DOI must notify the insured of their rights to mediation
  - Costs of mediation are borne by the insurer
  - DOI assigns a mediator, parties can object to a mediator once
  - Carrier has to provide all pertinent information to insured before mediation (e.g. claim file and policy)
  - All parties must negotiate in good faith and have authority to immediately settle claims
  - Not required to accept an agreement proposed during mediation

*Cal Ins Code 10089.70, et seq.*

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