



## Frequently Asked Questions About Insurance Reimbursement for the County-Led Debris Removal Program

Now that the eligible disaster debris from the Mountain Fire has been removed from your property, it's time to take a closer look into your insurance policy as you prepare to rebuild. The Right of Entry Application Form that you signed for participation in the Consolidated Debris Removal Program (Program) requires that insurance proceeds specifically identified for debris removal be remitted to the County. All debris removal services through the Program were provided at no direct cost to the property owner; however, to avoid a duplication of benefits provided by the State, if the property was covered under a homeowners insurance policy, either you or your insurance company may be required to provide payment from your policy for the amount that is designated for debris removal. If you do not have insurance, no reimbursement is required.

The following are frequently asked questions regarding insurance reimbursement.

### What does Duplication of Benefits mean?

Duplication of Benefits refers to payment from more than one source that is used for the same purpose or activity (i.e., you receive money from your insurance company for debris removal while a public assistance program pays for the same activity). The County is obligated to ensure that this duplication does not occur.

### Will the County have the right to take all my insurance proceeds?

No. There have been rumors that if a homeowner participates in the Program, the County will take all the homeowner's insurance proceeds or the insurance proceeds designated to rebuild their home. **This is simply not true.**

### What portion of my homeowner's policy will the County collect for debris removal?

It depends on the policy that you have. There are generally two types of debris removal coverages in a homeowner's insurance policy:

- **Specified Amount:** One type of debris removal insurance coverage contains a separate, specific debris removal clause, typically capped at a percentage of the coverage amounts listed in the policy (for example, 5 percent of the value of a primary structure, other structure, and personal property). If you have this type of policy, the County will only collect the specified amount designated in the debris removal clause, **not to exceed the actual cost of debris removal through the Program.** You will not owe the County any additional money, even if the actual costs to remove the debris exceed the amount designated in your insurance policy for debris removal.



- **No Specified Amount:** Another type of debris removal insurance coverage does not have a specified amount but includes the costs of debris removal in the total proceeds provided for the primary structure, other structure, or personal property. If you have this type of policy, the County will only attempt to collect insurance proceeds for debris removal after you have rebuilt your home. The County will only collect any money that remains in your insurance policy, if any, after the rebuild is complete.

Please note that if you have already received a settlement payment from your insurance provider, you will be responsible for the debris removal line-item amount stated in your policy, less expenses as explained below.

### **Can I use my debris removal insurance coverage to remove items that were ineligible for removal under the Program?**

It depends. Any additional debris removal out-of-pocket expenses incurred will be evaluated for eligibility under your policy and may qualify as a credit towards your debris removal duplication of benefits. Each property owner's insurance policy will be reviewed for eligibility of receipt deductions. Only debris costs that would have been covered under your policy may be used to offset. We recommend contacting your insurance provider to clearly identify debris coverage amounts allotted for structural debris removal and tree debris removal and/or the lump sum for debris coverage if separate provisions are not identified.

Make sure that you save receipts and proof of payment so that you can submit them to demonstrate that a portion of your insurance proceeds were used for other debris removal. It is also recommended that you take photographs before and after the debris removal to further document the activity. And again, each property owner's insurance policy will be reviewed for eligibility of receipt deductions. We recommend contacting your insurance provider to clearly identify debris coverage amounts and eligible debris.

### **If I have insurance but I decide not to rebuild, will I have to pay for the costs of the debris removal?**

It depends. If the insurance proceeds you received did not include specified amount for debris removal, you will not be responsible for any costs associated with the debris removal. If there is a specified amount, you may be responsible for reimbursement according to the conditions above and in accordance with your policy. For more information, contact the Department of Insurance (800) 927-4357 or visit us online at <http://www.insurance.ca.gov/>