



OFFICE OF
INSURANCE COMMISSIONER

March 6, 2024

TO: All property insurance companies adjusting fire loss due to the Gray and Oregon Road fires from 2023.

RE: Adjusting personal property claims and settlements

Many insured are still processing their personal property claims after the devastating Gray and Oregon Road fires destroyed more 350 homes last August. These people are contacting me directly to share the difficulties they are experiencing.

Claim adjustment exists to help people — in this case, people impacted by wildfires — be made whole. It should not be an adversarial process.

Unlike a normal house fire, a wildfire often completely consumes the residence and all it contains. This means people are unable to sort through the debris to find evidence of personal property loss and must rely on their memory to generate lists. These wildfire victims have lost everything in their homes; an itemized list could easily be over 5,000 line items. Given the circumstances, I request all authorized and Surplus Line companies consider providing relief from the policy requirement for the insured to fully complete an itemized list of all personal property loss and allow grouping of like items for consideration.

On the structure side, some companies immediately paid out the policy limits when informed of a home's total destruction. That immediate determination helped their insureds because timely settlements are important in recovery efforts.

Therefore to help expedite the process, I further request that insurers consider what they must already do in states that have experienced devastating wildfire loss: Provide a percentage of the total limits of liability without requiring a complete, itemized list of loss. I strongly encourage Washington state's wildfire victims be granted the same considerations you provide insureds in Oregon after a wildfire loss with a Governor's declaration of emergency by offering a minimum of 70 percent of the purchased coverage for the personal property of the residence. This is a fair settlement offer. If the insured chooses to recover more, then they must submit a full itemized list proving this loss for company review.

At minimum, I expect all affected insurance companies to strictly follow our state's claims handling regulations, including promptly providing all necessary claim forms, instructions, and reasonable assistance so that an insured can comply with the policy conditions and the insurer's reasonable requirements.

Authorized insurers and Surplus Line insurers adjusting 2023 wildfire loss.

RE: adjusting personal property claims and settlements

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An important reminder: Insurance companies in Washington state are responsible for the accuracy of any determination of depreciation to reach the Actual Cash Value (ACV) amount. I expect your determination of depreciation to have supporting documentation on how your company accurately reached each ACV decision.

I truly appreciate the time and effort company staff and our local insurance producers are putting in to help our communities become whole after these devastating fires. Timely loss settlements are critical for the success of these folks recovering from this catastrophe.

Sincerely,

A handwritten signature in black ink that reads "Mike Kreidler". The signature is written in a cursive, flowing style.

Mike Kreidler,
Insurance Commissioner

[Sent electronically]