

Tuesday, 02/15/25

@11am PT

# **Status Update + Q&A**

*Next CRG Status Update  
will be Saturday,  
02/15/25 at 11am PT*





# **The Claim Game**

**The  
California  
Wildfires of  
2025**





# Dear Insurance Companies,

- Tens of billions of dollars in checks must be prepared and distributed promptly.
- Total loss insurance claims should be paid in days and weeks, not months and years.
- Please act swiftly to fund claims.
- Please ask your reinsurers backing these risks, to share action plans.
- To expedite the measurement and payment of total loss building, we recommend the following formula:
- *\*\*Replacement Cost of Building\*\* = (Total Square Footage of Building) X (Cost per Square Foot) X (1.3x Replacement Cost Multiplier)*

\*The 1.3x Replacement Cost Multiplier accounts for increased costs of materials, labor, and other variables.

- Contents claims should not involve audits that undermine the integrity of policyholders.
- *Total loss contents claims can be efficiently measured and paid utilizing 75% of the building limit, or other variables.*
- We urge you not to engage biased third-party consultants who may minimize losses.
- Lastly, please do not place additional burdens on the insured; we have enough





# Ooops, State Farm made a few blunders

State Farm Insurance Company has significantly mishandled the notification process regarding its reduction in AM Best rating in March 2024.

In an effort to improve their decreased rating, and to get their higher risks off the books, State Farm discreetly sent non-renewal letters with minimal communication with their policyholders, bankers, and brokers.

Furthermore, State Farm did not secure written confirmation that their customers were adequately informed. Even though State Farm has a one billion dollar annual marketing budget, their own customers were left unaware of these critical developments.



# Will State Farm Be a GREAT Neighbor or Not?

- We respectfully request State Farm and its shareholders immediately consider reinstating all 2024 policies that were previously in force.
- For reinstated policies, we respectfully request State Farm immediately release payments of \$250,000 or greater for additional living expenses with further payments along the way.
- What will State Farm's next steps be to alleviate the ongoing pain and suffering experienced by their customers?
- It's time for State Farm to truly be a great neighbor!





# Increasing gaps in funding...

Policyholders are increasingly facing significant uninsured losses and a growing financial burden. Many homeowners and businesses are experiencing coverage shortfalls ranging from 10% to over 50%.

- Insufficient policy limits
- Rising insurance premiums
- Increased cost of construction
- The risk of insolvency among insurance companies

## What can we do?

There is a pressing need for access to approximately \$500+ billion cash to drive recovery efforts.

- Could a California Insurance Gap Funding Initiative be a viable solution?





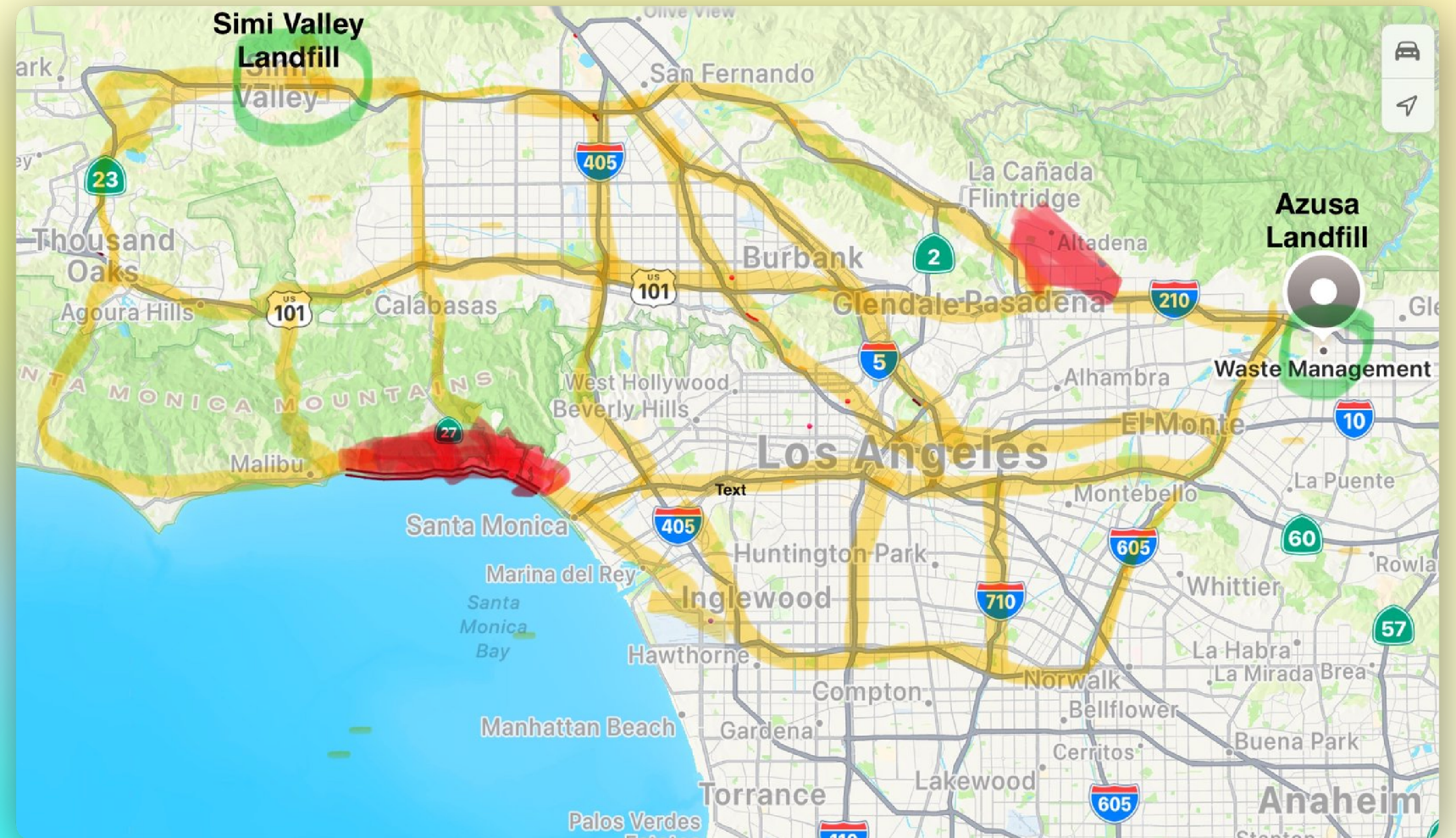
# Cash Flow Solutions + Transparency

- Insurance carriers and reinsurers must remain transparent on their exposure, check releases, and timing to indemnify all claims.
- To address these shortfalls and mounting uninsured losses, loans will be necessary.
- Bank assets, contracts, estates, and State Farm's investment portfolio can potentially serve as collateral.



# The Clean Up

What is the most efficient and cost-effective approach?





# The Gorgeous Land

## Imperative Questions

- How long does it take to move 4.5M+ cubic meters of mixed debris?
- How many dump trucks?
- How many bulldozers?
- Where are the landfills?
- How many workers are needed?
- Where will the workers stay?
- How much fuel is needed?
- How many trucks will breakdown?
- How many tools and heavy equipment are needed?
- How many anticipated weather and city events will disrupt the disposal?
- How will tens of thousands of trucks loads impact traffic flow?
- Who is paying for all of it?





# The Majestic California Coast

## More imperative questions

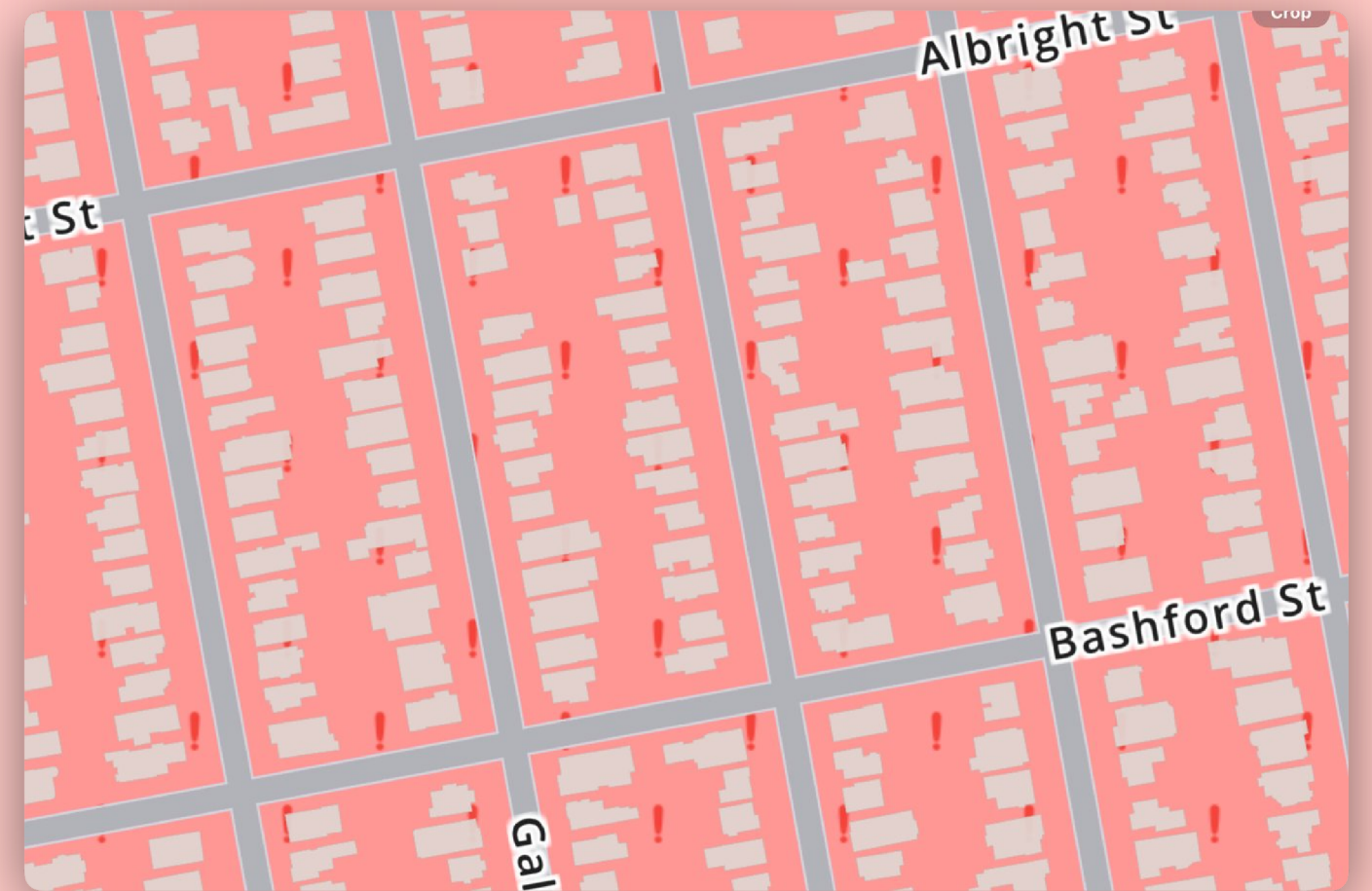
- Who is overseeing the environmental coastal cleanup?
- How many boats?
- How many barges?
- How many containers?
- How much equipment
- How many cranes?
- How many workers?
- Where will the workers stay?
- How long with PCH and other arteries be temporarily closed?
- Who is paying for all of it?





# Clearing Debris from Neighborhoods & Blocks vs. Individual Lots

- Clearing larger areas with bulldozers and less trucks offers a significantly faster solution.
- Managing your area privately can lead to gridlock, akin to a crowded grocery store parking lot filled with dump trucks that lack maneuverability.
- To improve coordination, consider identifying neighborhood captains to rally support in collaboration with local leadership.



**Please pay  
contractors  
on time  
and in full.**





# Temporary Relocation

- Many Californians are displaced due to the wildfire
- Inventory for rental properties and hotel rooms in SoCal is very low.
- Looking outside the Metro area is recommended





# Questions & Answers

Next online events:

Saturday, 02/15/25 at 11am PT

Tuesday, 02/18/25 at 11am PT

Saturday, 02/22/25 at 11am PT

***Register at***

***[www.thecommunityrecoverygroup.com](http://www.thecommunityrecoverygroup.com)***

**Thank you for  
joining us!**