SOUTHERN CALIFORNIA EDISON

WILDFIRE RECOVERY COMPENSATION PROGRAM

Fast Pay offer example

SINGLE-FAMILY RESIDENCE – PRIMARY STRUCTURE: TOTAL LOSS

- Owner-occupied, single-family residence (two adults, two children)
- 1,500 sq. ft. primary structure deemed a total loss
- Pre-fire property value of $1,200,000
- Post-fire property value of $600,000
- Owner intends to rebuild / currently owns property
- Claim submitted by attorney

INSURANCE POLICY COVERAGE

$1,000,000 of coverage:
- $600,000 of coverage for structure, landscaping and trees ($360,000 received and $240,000 unpaid)
- $300,000 of personal property coverage
- $100,000 of loss-of-use coverage

REAL PROPERTY / REBUILD[1] COSTS

METHODOLOGY
- Estimate market value change of property between pre-fire state and post-fire state
- Rebuild cost[1] per sq. ft. based on market value change/sq. ft. + $200/sq. ft (subject to range of $550-$750/sq. ft.)
- Subtract total policy coverage for structure, landscaping and trees
- Only eligible for rebuild cost if claimant still owns property
- If property sold, claimant eligible for difference between pre-fire market value and sale price net of insurance coverage

GROSS REBUILD COST
Rebuild Cost per sq. ft. = ($1,200,000 - $600,000) / 1,500 sq. ft + $200 / sq. ft.. = **$600 / sq. ft.**
Rebuild = $600/sq. ft. * 1,500 sq. ft. =

INSURANCE OFFSET FOR STRUCTURE, LANDSCAPING AND TREES
$360,000 insurance received + $240,000 remaining under policy coverage limits =

CLAIMANT OFFER

$900,000 − **$600,000** = **$300,000**

+ PERSONAL PROPERTY COSTS

METHODOLOGY

40% * gross rebuild costs (independent of actual rebuild decision) - personal property policy coverage limits

GROSS 40% * $900,000 =

PERSONAL PROPERTY INSURANCE OFFSET

CLAIMANT OFFER

$360,000 − **$300,000** = **+$60,000**

+ LOSS OF USE (LOU)

METHODOLOGY
42-month period

Monthly Fair Rental Value = pre-fire property value ÷ (35 price-to-annual-rent ratio * 12 months) – loss of use policy coverage limits

GROSS
($1,200,000 ÷ (35 * 12 mo.) = $2,857 / mo.
42 months * $2,857 per month =

LOSS-OF-USE INSURANCE OFFSET

CLAIMANT OFFER

$120,000 − **$100,000** = **+$20,000**

+ NON-ECONOMIC DAMAGES

METHODOLOGY

$100,000/adult, $50,000/child residing in household

ADULTS: 2 * $100,000 +
CHILDREN: 2 * $50,000 =

INSURANCE OFFSET

CLAIMANT OFFER

$300,000 − **N/A** = **+$300,000**

+ DIRECT CLAIM PREMIUM

METHODOLOGY

$200,000 for residential owner-occupant of a destroyed primary structure

WILDFIRE RECOVERY COMPENSATION PROGRAM
$200,000 direct claim premium, not available in litigation

= **+$200,000**

+ ATTORNEY FEES

METHODOLOGY

10% attorney fees on all damages (economic plus non- economic) net of insurance and excluding direct claim premium

Added for claims submitted by an attorney

NET DAMAGES
$300,000: Net Rebuild
+$60,000: Net Personal Property
+$20,000: Net Loss of Use
+$300,000: Non-Economic Damages

CLAIMANT OFFER

$680,000 x **10%** = **+$68,000**

TOTALS

	GROSS AMOUNT		CLAIMANT INSURANCE PAYOUT POTENTIAL[2]		CLAIMANT OFFER
TOTALS	$1,948,000	−	$1,000,000	=	$948,000

Methodologies based on the draft Protocol document and subject to further revision. Final details to be released later this fall.

Notes: 1. Includes value for landscaping damage. 2. Claimants can continue to pursue their insurers for unpaid insurance policy limits unless they elect for an additional payment under an alternative offer option. Alternative offer option for unpaid rebuild insurance detailed as "Option 2" on page 18 of the draft Protocol.