



# Roadmap to Recovery Program

insurance claim and disaster recovery help

## First Steps After a Wildfire

**This checklist will help keep you on track during this stressful time. We're rooting for you...**

- ✓ Take care of your or your family's immediate needs first.
- ✓ Finding temporary housing is a priority. Your insurance company should help you find a place of similar size.
- ✓ Start a recovery diary. Any notebook will do. Take notes on: who you talked to, the number you called, date and time, what was said. Keep your paperwork organized.
- ✓ Ask your insurance company for cash advances for:
  - Living expenses
  - Replacing personal property
- ✓ Keep all receipts while you are displaced. Hotel bills, clothes and pet boarding may be reimbursed but require receipts.
- ✓ Take photos of your property before any cleanup or debris removal happens.
- ✓ Do not rush into signing contracts. Get copies of ALL paperwork you do sign.
- ✓ An insurance adjuster will eventually come and inspect your home. If they make you a settlement offer on the spot, get a 2<sup>nd</sup> opinion on what you're entitled to.
- ✓ Inventorying your damaged and destroyed property is time-consuming and unpleasant. UP offers tips and tools for getting this done. Visit [www.uphelp.org/contents](http://www.uphelp.org/contents)
- ✓ Give your insurer a chance to do the right thing, but be prepared to stand up for your rights and get help if you're not being treated fairly.
- ✓ Register with a "Case Manager" – they can help make referrals to resources.
- ✓ Register with FEMA (federally declared disaster) and the SBA (state disaster declarations needed)
- ✓ For more specifics and guidance on the insurance claim process, visit [www.uphelp.org/NorthBayFires](http://www.uphelp.org/NorthBayFires)

## How to “Speak UP”

**S**trong as possible

**P**aperwork organized

**E**mpowered

**A**ssertive but polite

**K**eeping a claim diary

**I**nsurance educated

**N**etworking with others

**G**etting professional help if needed

**U**nwilling to be short-changed

**P**ro-active

The information presented in this guide is for general informational purposes, and is not a substitute for legal advice. If you have a specific legal issue or problem, United Policyholders recommends that you consult with an attorney. Guidance on hiring professional help can be found in the “Find Help” section of [www.uphelp.org](http://www.uphelp.org). United Policyholders does not sell insurance or certify, endorse or warrant any of the insurance products, vendors or professionals identified at our website.



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## Home Insurance FAQs for Wildfire Survivors

### 1. If a disaster destroys or damages my home, what do I need to know about insurance?

You need to get a basic understanding of the categories and maximum amounts of benefits that are available to you under your home insurance policy. You need to apply all inflation and other formulas that may increase your available coverage. You need to understand that collecting full insurance benefits on a large dollar loss requires you to be pro-active in valuing what you lost and asserting your rights to a reasonably prompt, fair and full claim settlement.

Get a current and complete copy of your insurance policy. Review your home insurance “declarations page” to see how much your DWELLING is insured for. Check your coverage for CONTENTS, ADDITIONAL LIVING EXPENSES, OTHER STRUCTURES, BUILDING CODE COMPLIANCE, DEBRIS REMOVAL, TREES, SHRUBS AND LANDSCAPING.

Here is a sample of a declarations page. Your declarations page may not look like this, but it should have the same basic categories and info.

Section I				Section II		
A	B	C	D	E	F	
Dwelling	Other Structures	Personal Property	Loss of Use	Personal Liability (Personal Injury & Property Damage)	Each Occurrence	Medical Payments to Others
\$ 300,200	\$ 30,100	\$ 225,200	\$ 120,100	\$ 1,000,000	Each Person \$ 1,000	Each Accident \$ 25,000

**Coverages and Limits of Insurance:** Insurance is provided for the following coverages only when a limit is shown. The limit of liability for this structure (Coverage A - Dwelling) is based on an estimate of the cost to rebuild your home, including an approximate cost for labor and materials in your area, and specific information that you have provided about your home.

**Section I Only:**

**Section II:** Additional Residence Premises if any located (Number, Street, City, State)

**P00C00**

1st Mortgage Loan No. \* 0057254674

2nd Mortgage Loan No.

**This policy does not provide Earthquake Insurance.**

**This policy does not provide Flood Insurance.**

**Basic Policy Premium**

Forms and Endorsements made part of this policy at time of issue.

Homeowners Policy - Special form - \$1000 Deductible (HO-3).

Name Change Endorsement (60 1000 12 13)

Lender's Loss Payable Endorsement (438 BFUNS).

Limited Home Replacement Cost Endorsement - 150% Of Cov A (HO-28).

Replacement value Endorsement Personal Property (HO-29).

\$1000 Deductible (HO-60).

Workers' Compensation & Employers' Liability - CA (HO-90).

Private Residence Employees - Class 0910.

Building Code Upgrade Limit - \$75,050.00

**Discounts/Benefits Applied:** 10% Fire/Burglar Alarm, AAA Membership, Multi-Policy

**Total Policy Premium**

## 2. Will my temporary/additional living expenses be covered?

Most home insurance policies provide coverage for expenses you have due to losing the use of your home. Some policies call this “Additional Living Expense” (ALE) coverage. Others call this “Loss of Use”. Sometimes this is a dollar amount (i.e. \$50,000) and sometimes it is a time limit (i.e. 24 months). Under California law, ALE benefits for disaster losses must be available for a minimum of 24 months.

To figure out if an expense qualifies for ALE coverage ask yourself: ***Is this an expense I incurred because of the loss event?*** If the answer is yes, it is reasonable for you to seek reimbursement under ALE/Loss of Use coverage.

Here is a list of typically reimbursable items that may be available to you:

- Rent for temporary housing
- Insurance policy on contents in temporary rental house
- Credit check fee for temporary lodging
- Mileage to/from a temporary rental house for rebuild-related business
- Mileage for increased distance traveled from temporary rental home to:
  - Place of employment
  - Adult and children’s activities (school/sports/clubs/lessons)
  - Your house of worship
- IT fee charged to set-up new computer system at temporary rental home
- Sewer fee at temporary rental property
- New account or “setup” fees for utilities at temporary rental home
- Photocopies and mailing expenses related to claim
- Cost of fencing to secure damaged/destroyed house and/or pool
- Moving costs incurred to move from the temporary rental home back into the repaired/rebuilt home (moving company; boxes; packing paper and tape)
- Reconnection fees for setting up services (cable/telephone/utility)
- Carpet cleaning when moving out of rental home
- Pet boarding cost
- Increased vet bills for pets due to illness/symptoms resulting from the loss event

## 3. How can I get a fair settlement on a totally destroyed home?

Document everything that was destroyed, file a timely claim, learn your rights, and get help when you need it. Give your insurance company and their adjuster a chance to do the right thing, but don’t be a pushover. Your settlement on a total loss claim should be at or close to your policy limits in every category. The biggest challenge for most total loss fire survivors is documenting what it would cost to replace the destroyed home with one of like kind and quality, and reaching a fair and prompt claim settlement that’s as close as possible to that

amount. Many people find it impossible to navigate a severe or total loss insurance claim on their own. If you work full-time, have young children, health challenges, or just can't face putting in the time and energy to handle your large or total loss insurance claim, professional claim and legal help is available on a contingency/commission fee basis in California.

Options for getting help include:

- Filing a complaint with the Department of Insurance (1 800 927-HELP)
- Hiring a licensed public adjuster with good references ([www.uphelp.org/help-directory](http://www.uphelp.org/help-directory))
- Hiring an attorney with insurance expertise/good references ([www.uphelp.org/help-directory](http://www.uphelp.org/help-directory))

#### **4. Who is responsible for clearing the debris from my lot and is that covered under my policy?**

The homeowner is responsible for clearing debris and the cost should be covered if the loss is insured. Your insurance benefits for debris removal will either be a set dollar amount or a percentage of your dwelling/structure coverage. Policies vary, so read your Declarations Page and policy. Check with your local government officials to see if they're coordinating a debris removal program. If you have the option of having your debris removed through a coordinated program, work with your adjuster/insurer to have your benefits cover the cost of participating.

#### **5. How can I get a fair settlement for my damaged or destroyed contents/personal property?**

By listing and valuing as detailed an inventory as your insurer requires. Use our samples, tools and suggested strategies for minimizing the pain and time of creating your contents inventory.

#### **6. Where can I find more details and help navigating a fair insurance settlement?**

Visit the Roadmap to Recovery Help Library at [www.uphelp.org/NorthbayFires](http://www.uphelp.org/NorthbayFires) and [www.uphelp.org](http://www.uphelp.org) as often as you need to. We are a non-profit with 25 years of expertise and empathy on the emotional, financial, legal and practical challenges of recovering from a catastrophic loss. We offer tips, short-cuts, strategies and much more:

- Dwelling Claim Tips: [www.uphelp.org/dwelling](http://www.uphelp.org/dwelling)
- Contents Claim Tips: [www.uphelp.org/contents](http://www.uphelp.org/contents)
- Sample Letters and Claim Forms: [www.uphelp.org/samples](http://www.uphelp.org/samples)



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## Insurance lingo

**Actual Cash Value** – The amount a willing buyer would have paid a willing seller for an item immediately before it was damaged or destroyed. Also sometimes called “Fair Market” or “Depreciated” value.

**Additional Living Expense** – One of the main “buckets” of coverage in a home or renters policy. Sometimes labeled as “Temporary Living Expenses” or “Loss of Use.” Covers additional rent, furniture rental, laundry, extra gas and other expenses you incur because you’re out of your home. NFIP policies do not contain coverage for Additional Living Expenses.

**Adjuster** – A person tasked with investigating and settling an insurance claim. There are three types: Staff, Independent, and Public. Staff and Independent adjusters work only for insurance companies. Public Adjusters work only for policyholders/consumers.

**Declarations (“Dec”) Page** – Usually the cover or first page of a policy. States the names of the people, location, vehicle or items insured, the basic and extra coverages, limits and deductibles, and whether a lender or other entity is named on the policy.

**Deductible** - An amount the insurer will deduct from its payment on a loss. A deductible can be a flat dollar (e.g. \$500) or a percentage (e.g. 2% of the insured value of the dwelling). You will not collect insurance benefits on a loss that falls below your deductible.

Let’s say you choose a \$1,000 deductible for your home insurance. A pipe bursts and causes \$3,000 in damage. If your policy covers the loss, the insurance company **deducts** the \$1,000 and owes you \$2,000 toward the repairs. If the damage is only \$800, you recover no benefits. A policy with a \$1,000 deductible will be cheaper – usually a lot cheaper - than one with a \$250 deductible.

**Depreciation** – A process through which the value of an item gets reduced to account for its age and condition. Depreciation is negotiable and subjective in most cases.

**Difference in Conditions (“DIC”)** - A policy that fills gaps caused by exclusions. Sometimes called a “wrap” or “wraparound” policy or rider.

**Dwelling** – A residence or home. Also referred to in insurance lingo as a “Structure.”

**Endorsement** – An add-on or change attached to your basic policy contract that either takes away or adds coverage or otherwise changes the contract. Also referred to as a “rider” or a “floater”.

**Exclusions and Limitations** – The fine print legalese in insurance policies that limits the circumstances where the insurer will pay a claim and the timing and amounts of their payments.

**Insured** – The person or persons covered by an insurance policy.

**Insurer** – A company that has agreed to take on risk in exchange for payment of a premium.

**Limits** – The most you can collect under each coverage category in a policy. Inflation formulas and endorsements that change the basic policy can change the limits. Most policies have several different categories of coverage, each with its own limit.

**Loss of Use** – See “Additional Living Expense.”

**Policy** – A contract specifying the amounts, limits and conditions of insurance coverage.

**Policyholder** – A person named in an insurance policy as the insured.

**Premiums** – Payments made to an insurance company to keep a policy in force. Premiums can be paid up front, monthly, annually or over the life of the policy.

**Proof of Loss** – An official document you sign that confirms/certifies your loss/claim.

**Replacement Value** - The cost to repair or replace a your home or stuff without a deduction for depreciation.

**Rider** - Added or subtracted coverage or conditions. See “Endorsement.”

**Risk Exposure:** The range of loss/damage possibilities associated with a person, event or property based on the characteristics of that person, event or property. Insurance pricing is generally based on risk exposure (such as loss history, location, age, and for auto insurance, type of vehicle and your driving record).

**Surcharge** – A price increase added to a basic rate because of a specific condition or change in condition associated with an insured risk. Example: A brush surcharge is often applied to homes in wildfire-prone areas.

## This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.