

Boulder County fire victims have insurance questions. Here are some answers.

The Colorado Sun

Are you underinsured? (Possibly.) Should you wait for a master builder to redo the whole neighborhood? (No.) Can you get a living expenses check now? (Yes. Do it.) Meanwhile, all Colorado homeowners should do this tuneup.

Insurance, when it works, is meant to be restorative. Restorative to a way of life you liked, to a career, to your family's health, and yes, to treasured objects.

The Marshall fire destroyed much of that security for thousands of Boulder County residents, and instantly tallied hundreds of millions of dollars in damages. Colorado officials say they are ready to backstop all insurance challenges and step in with regulations or legislation if necessary to help push full recovery.

More than 900 people showed up for a virtual insurance town hall this week, with heart-wrenching questions about when their insurance will kick in, and how they can avoid monetary disaster.

Fire victim Mary B. put it this way on the forum: "I had just moved into the place, and it's ... it's gone. I lost my work. I lost everything."

Here we're taking on some of the top questions that Marshall fire victims had for insurance experts. But these tips are for everyone in Colorado who owns or rents a dwelling and is now much more worried about climate-related disasters than they were a week ago. Do yourself a favor and get an insurance checkup or tuneup — whatever you call it, it can be peace of mind.

Q: Will they replace my home? What if my policy doesn't cover the amount to rebuild in today's economy? Am I "underinsured"?

A: Many homes destroyed by fires are rebuilt and an owner's temporary living expenses are covered by homeowners insurance. But that's not always the case if you're underinsured, which may be a problem if you set your insurance on auto drive.

Victims of the Boulder County fire should immediately start talking to their insurance company about the payout language in their current policy. They should also seek backup explanations from state regulators, [who have set up teams specifically for that purpose](#), and from nonprofit groups who represent policyholders. United Policyholders is one that many disaster victims have found supportive and useful in the past.

FEMA provides financial assistance to the uninsured, but also can supplement insurance payments for the underinsured. The state Division of Insurance recommends going through your regular insurance process and once you get the estimate, if it's not enough to cover the repair or rebuild, reach out to FEMA again and they will take a second look. You'll need to provide proof that the insurer is not covering the full amount.

Q: Should I file a claim now or wait until I make all my lists?

A: File an initial claim now with your insurance company. It does not need to be complete. Filing now gets you into a system of emergency help, arranged by teams of insurers and state disaster officials, that could prove very useful. Most big-name insurance companies have disaster recovery systems in place and do not want bad publicity in disasters like this. They can be helpful in cutting early checks for loss of possessions that can be used to replace cars, clothing and essentials. They will also explain the system for paying your interim living expenses during rebuilding, including renting a new place.

State officials on the town hall forum emphasized that your initial claims and lists do not need to be complete. If it helps, write down the big stuff first, the expensive electronics or treasured antiques or simply the number of beds. Turn that in. Your file with the insurer will stay open as you go through phone photos and room-by-room memories to add lost objects.

Q: You want me to itemize everything that was in my house? How can I possibly remember?

A: United Policyholders offers a list of items that will help homeowners recall what is in their house [HERE](#). The organization also provides a downloadable spreadsheet to help guide homeowners through their lost inventory [HERE](#)

Other tips:

- Check your photo archive for pictures of your house. Ask friends who may have photos that would show you what was in certain rooms of your home.
- Pull up online financial accounts to remind you of past purchases on credit cards, at Amazon, etc.
- Carla Albers, who lost her home in the Waldo Canyon fire, recommends getting a notebook and write down all the rooms in your house on separate pages. Then start listing items, big ones first. You can go back later and be more specific — a Serta mattress, for example — but when you sit down with the insurer to create the inventory, this will get you started.
- You'll likely be asked to include replacement costs for all items. Albers said her local Bed, Bath & Beyond let her create a special fire registry so she could walk around the store and scan items she used to have around her home. She then printed out a list with prices to submit to her insurance company.

Q: How do I prove things to my insurance company?

A: Remember the advice about keeping receipts? It was one of the most oft-repeated lines throughout this past week.

Documentation is boring. You know what else it is? Highly effective. If you're a homeowner, keep receipts and invoices for your big-item spending on renovations or improvements, ranging from that rebuilt family room to the new stove you bought last year.

Ask your broker or agent if your policy covers specific possessions separate from the house structure — some insurers require special riders for valuable jewelry or other individual possessions even when they are contained inside the house.

Whether you are a renter or a homeowner, taking pictures excessively is never a waste of time. Comb

through your phone and other cloud media for past photos of your house, apartment and possessions. For those of you doing an insurance tuneup for the future, take pictures of the furnishings and finishings in each room. Take pictures of important possessions, whether it's a record collection or a big screen TV or a treadmill. Put the pictures into the cloud for storage, or in a safe deposit box outside the house.

Mobile apps are available to help you document receipts and categorize and tag them. A few of note:

- **Stack** — From Google's in-house incubator Area 120, this mobile app takes pictures of paper receipts and turns them into PDFs. It also has a scanner that reads the text in photos, which makes searching for specific receipts easier. Free. >> stack.area120.com
- **Expensify** — More of a receipt and expense tracker for business users, it integrates with QuickBooks and other accounting software. Limited free and paid plans. >> expensify.com
- **Evernote** — Takes and dates photos of receipts that can be manually tagged to track expenses. Free and paid versions. >> evernote.com

Also, document any steps taken to prevent more damage, such as emergency repairs or protecting plumbing against freezing. Take before and after pictures and save all receipts.

And even if some items don't seem worth replacing, like an old blender you got as a gift 20 years ago, keep track of future expenses in case you buy a new blender. Insurance often covers the cost of the new replacement so you can get reimbursed — with a receipt.

Q: Can I get some money now to live on for now? How do I do that?

A: Yes, you can, and this is one reason everyone emphasizes making your initial claim immediately. Many policies from total home losses allow or encourage immediate payout of 30% of the face value coverage for possessions, or "contents," depending on your policy language. This is not all you will get. It's a starter. It's an acknowledgement that in the face of complete disaster, families need some cash right away for clothes and other basics.

"That 30% can be incredibly important and incredibly useful as you're trying to rebuild your life right now. And that payment isn't contingent upon an inventory," Insurance Commissioner Michael Conway told the town hall forum.

Besides possessions, there are two other key cash payments: [Loss of use, and additional living expenses](#). Loss of use pays your rent or hotel costs for the time you are out of your former home, though there may be time or total payout limits, so go over this with your insurer. Loss of use can be paid out in advance, or, more frequently, reimbursed from receipts. Did we mention keeping all receipts?

Additional living expenses are also another thing to track carefully. Receipts, receipts, receipts. Replacing clothes is obvious. But keep the toothpaste receipt, too, and everything else in between. Medication refills, glasses and contact lenses, kids' lunch boxes, dog food. Document it all.

Q: Should I be arranging for debris removal right now?

A: Most homeowner policies do include amounts for debris removal after disasters. Make sure you note the need for this in your initial claim. However, because so many homes burned, and because toxic substances can be involved that are dangerous in both removal and disposal, state and federal officials are huddling to consider collective solutions for this problem, Conway said this week.

Boulder County Health [warned on Wednesday](#) that fire victims should not be stirring up debris in search of possessions or taking inventory. The department said it “strongly cautions that sorting through ash and debris poses a significant health risk and is highly dangerous.”

It could be that the state helps arrange a master contract in the wide areas that burned. Stay tuned. But make that claim in the meantime.

Q: Should I wait for my community to do a master rebuilding plan? Or should I go ahead on my own?

A: File the claim first. There may be more information available in the coming weeks.

In other fire-ravaged communities, like the Mountain Shadows subdivision that burned in the Waldo Canyon fire in 2012, local home builders rebuilt many of the same homes built before the fires. George Hess III, founder of Vantage Homes, told The Colorado Sun that the company still had the old master plans for the neighborhood. With some adjustments, Vantage built some of the same exact houses and did so much faster than if they were starting with new plans or hiring a new builder.

Colorado officials said they are seeking more information from California communities wiped out by fires that are now in the middle of master planning efforts. But that will take some time.

Q: Do I have to keep paying my mortgage, insurance, property taxes, etc., even if my home is lost?

A: Yes. Mortgage lenders require homeowners to have home insurance to protect the asset. The insurance should cover most or even all of the recovery. If you decide you don't want to rebuild or want to sell, you'll be able to use insurance proceeds to pay off the mortgage.

But talk to your lender. They may waive payments temporarily and should work with you if the home is lost.

As for property taxes, talk to your local city or government. After the Waldo Canyon fire, the El Paso County Assessor lowered assessment values of all homes destroyed and damaged by the fires by as much as 75%, said Steve Schleiker, who was a deputy assessor at the time and currently serves as the assessor. There's still value in the land.

Q: I just bought new windows and have an unsecured loan. They are now destroyed. Do I have to pay back the loan?

A: Yes, otherwise you'll be in default of that loan. But make sure the windows are part of your home insurance estimate. The cost may be fully covered so you can pay off the loan.

Q: If I'm a renter, what protections do I have?

A: If you have renters insurance, talk to the company about coverage and the recovery process. If you have no insurance, FEMA provides [financial assistance to renters](#) to pay for temporary housing and cover items lost. You cannot receive assistance from both your insurer and FEMA, though.

Local and private organizations are also helping people find housing in the Boulder and Denver area, including [Boulder Area Rental Housing Association](#), [Colorado Apartment Association](#) and [Denver Apartment Finders](#).

Q: How can people “tune up” their insurance for future disasters?

Coloradans who are not victims of the current fire disaster should still go through their own insurance checkup, or get a “tuneup” if you need to make changes. One of the biggest misunderstandings in home insurance is whether a policy covers the full present-day cost of rebuilding the home as it was. Your insurance may be capped at a set payout level. That number might have looked big a few years ago when you paid your first premium. But would it be enough to pay contractors to rebuild your dream dwelling right now?

Investopedia [put it this way](#): “Some advisors feel all homeowners should buy guaranteed replacement value policies because you don’t need just enough insurance to cover the value of your home ... you need enough insurance to rebuild your home, preferably at current prices (which probably will have risen since you purchased or built).”