

## Top 10 Preparedness Tips for Colorado

- How to avoid the most common gaps in coverage
- What disasters victims wish they had known about insurance before their loss

**Tip #1: Insurance money — not charitable or government aid — makes the biggest difference in people’s ability to rebuild and recover after a disaster.** FEMA money for individuals is needs-based and the maximum grant per household is \$41,000. SBA loans have to be repaid. Charitable aid generally covers basic needs – not the cost of rebuilding a home. Insurance funds can and should flow quickly after a loss.

**Tip #2: Having the right kind and right amount of insurance on your property is extremely important.** Post disaster surveys consistently show that up to 2/3 of impacted households find the amount of insurance on their homes to be significantly less than what builders are estimating their home’s replacement cost to be. And many households learn the hard way after a loss that basic home insurance does not cover flood or earthquake damage. Ask good questions, keep good notes.

**Tip #3: Do not blindly trust that your insurance company has you fully covered.** The goal of an insurance sales rep is to sell you a policy at a price you’re willing to pay. The software insurers use chronically underestimate the true replacement cost of homes. It’s important to calculate how much your home is insured for (per square foot of living space) and make sure that number is in line with local construction costs. Buying add-ons (also called “riders” or “endorsements”) that give you 50% “Extended Replacement Cost,” building code upgrade and inflation protection are critically important to avoiding the underinsurance problem that dogs far too many disaster victims. Keep your insurer informed if you make upgrades or acquire high value items.

**Tip #4: Create a home inventory, digitize and safely store important documents off site.** A cell phone video, photos or a written/printed spreadsheet are all helpful. Hopefully, you’ll never need the inventory, but if you do, you’ll be so glad you created it in advance and not under post-loss stress. Do it now!

**Tip #5: If you don’t have insurance coverage for flooding and earthquakes, consider buying**

**it.** Flooding events are common in Colorado, with over 40% of the losses occurring outside of traditional “flood zones.” Even if you don’t live in an area classified as high flood risk, flood insurance provides important protection for heavy rain and related damage. Visit: [www.floodsmart.gov](http://www.floodsmart.gov) to get informed.

Earth movement, earthquakes and landslides are not covered by most homeowner policies and DO occur in Colorado. You have to buy this coverage separately. Many insurers are providing optional “earthquake” endorsements. Do your best to understand the deductibles and limitations. Get a quote to add flood and earthquake protection to your insurance safety net.

**Tip #6: Take advantage of mitigation (risk reduction) discounts.** For example, if you install an impact resistant roofing material, a premium discount may help cover most of the additional cost over standard shingles. Living in a “Firewise” community or helping your community [earn that designation](#) may also reduce your insurance premium. Find out what mitigation discounts or incentives your current insurance company may offer.

**Tip #7: Avoid letting your insurance lapse.** If money is tight, raise your deductible to reduce your premium and work with your insurer to reduce any non-essential coverages.

**Tip # 8: If your insurer drops you, start shopping ASAP.** Read UP’s publication: Dropped by Your Insurer: [www.uphelp.org/droppedco](http://www.uphelp.org/droppedco)

**Tip # 9: Keep the area around your home and your gutters clear of brush, needles, etc.** The #1 thing that helps firefighters is “defensible space” (clear space around the home, no plants). Clear out gutters and roof drains regularly. Install screens on all your roof vents to keep embers from flying in. Install spark arrestors in chimneys and get the chimney cleaned professionally. Ask your local Fire Department if they’ll inspect and certify for an insurance company that you’ve cleared brush adequately.

**Tip # 10: Sign up for local emergency alerts and have a “go bag” with necessities and a plan for replacing medications, etc. in the event you’re evacuated.** Keep a copy of your current insurance policies in a safe place.