

Well-Adjusted: Perspectives from claim help professionals

In this issue of “[Well Adjusted](#)”, UP speaks with Platinum-level Sponsor Rich Csaposs, who is based in the Sacramento area, about working with Auburn residents who lost their homes in the 49 Fire. The 49 Fire (Placer County, CA) burned 343 acres and 63 homes, as well as 3 commercial structures in September. Rich is the President of RC Advantage, a public adjusting firm.

UP: What insurance challenges do you expect 49er fire survivors to face?

RC: The three main challenges the survivors will face are preparing their inventory, getting paid in full for their home’s contents, and collecting their full extended home replacement coverage.

Although it is difficult for survivors to remember everything that they lost, it is crucial to prepare a complete inventory of a home’s contents for an insurance claim. If you can get a hold of a checklist of items that are normally kept in a home, that checklist will remind you of items that you may not specifically recall after a traumatic event. [Editor’s note: See UP’s home inventory spreadsheets [here](#).]

Large numbers of wildfire claims in recent years have resulted in a significant number of personal property claims. As a result, some insurance companies have started using inventory companies to audit the personal property inventories prepared by the insureds. These inventory companies often set the unit replacement cost lower than what you would pay at the local mall. When preparing their inventories, it is important for survivors to value their items at the original purchase cost, not a discounted price. If an insured originally bought their bedding at Nordstrom, then the Nordstrom price is reasonable to determine the replacement cost of the item.

The second big challenge for survivors will be fighting unreasonable depreciation. Most people have no idea how and why insurers calculate values and apply depreciation.

I have been told that some inventory companies apply a large deduction for depreciation in order to

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determine the actual cash value of the personal property items. This significantly reduces the insured's recovery, if the insured does not replace the item. If the item has not been thrown away, I feel that the insured will use that item again, so the item should be valued at fair market value. [Editor's note: Insurers pocket millions each year in savings because insureds don't know to come back and collect full replacement costs after replacing damaged/destroyed items.]

The final challenge for the insured will be to ultimately collect the extended home replacement cost coverage. Most people, given the opportunity to rebuild their home from the ground up, want to make improvements and expand the footprint of the dwelling. But the insurance company most likely will not pay the full amount of the extended replacement cost, arguing that the additional square footage was an improvement and that they only owe for the cost of replacing what was there at the time of the loss.

In order to avoid paying out of pocket for improvements, the homeowner must determine the replacement cost of the dwelling as it existed, and to get the insurance company to agree to this amount prior to rebuilding the home. The insurance company must also agree not to penalize the insured if they build a bigger property if the cost stays under the total policy limit.

UP: In your experience, do people you meet know what a public adjuster (PA) is? Or do you often have to explain to prospective clients what a PA does?

RC: Most people are not aware of PA's unless they have had a prior loss. I have to educate people about public adjusters and their role in the claims process.

UP: What is the hardest part of your job as a PA?

RC: My biggest challenge is dealing with incompetent insurance claims adjusters that withhold payments that are clearly covered under the policy. I also find that getting insurance companies to expedite payments to insureds is challenging.

UP: How many total hours do you generally spend on a total loss fire claim?

RC: It really depends on the complexity of the claim and the needs of the insured. A commercial business loss with 50 employees needs immediate and constant attention, where a building claim might not need

as much attention.

UP: If you could give one piece of advice to someone who has recently lost a home, what would it be?

RC: Consult with as many experts as are available, and develop a claim strategy to get what you want, not what the insurance company is willing to offer.

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