

Wildfires and home insurance: what Arizonans need to know

ABC15 Arizona

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ABC15 meteorologists are forecasting high winds and fire danger heading into the holiday weekend. Already this year, Arizona residents have seen the impact from one spark, which can quickly grow into a wildfire threatening homes.

More than 1.8 million acres have burned due to wildfires from January 2024 to mid-May 2024, according to the National Interagency Fire Center. For homeowners, it's important to know that home insurance does cover fire damage. Excluding arson, your home insurance covers damaged caused by a fire whether the fire originates inside or outside of the home.

But, with the increase in wildfire destruction across the country, it's important to make sure your insurance is up-to-date with what you need specifically.

Different types of coverage:

Dwelling coverage - Pays to rebuild your house if destroyed in a wildfire.

Other structure coverage - Pays to rebuild detached structures on your property - like a shed or fence - if they are damaged by a wildfire.

Personal property coverage - Pays to replace or repair your belongings if they're destroyed in a wildfire. Typically, homeowners can choose between actual cash value and replacement cost coverage, which is more expensive but provides a higher reimbursement amount.

Loss of use coverage – pays for extra costs, like lodging, if you must leave your home while it’s being rebuilt or fixed.

If you live in an area that’s at risk for wildfire damage, your coverage will likely cost more.

“Fire line score is what they call it,” explains Nathan Mason with Insurance Professionals of Arizona. A fire line score is used by insurers to determine a resident’s fire risk. It takes into account factors like proximity to trees or brush that may act as fire fuel, climate, and other fire risks. The bigger the risks, the bigger the potential claims paid out by insurance companies, the more money they pay out, the more rates will increase.

“The unfortunate part is it all comes down to us paying for it,” Mason said.

He says one of the most important steps a homeowner can take is preparing before a wildfire. If a tragedy happens, you may be in shock and not able to clearly remember all of your belongings when filing a claim.

“People get new furniture, people get new washer and dryer appliances, those things are changing often, so keep track of large items,” Mason suggests.

One of the simplest ways to keep track of your things is to create a digital inventory list. That way it will be easy to update and accessible from anywhere. Take videos of your belongings and receipts if you have them. Mason says videos can be particularly helpful by keeping track of items you may not use often – like power tools or holiday displays. Also, double check your policy and talk through it with your insurer.

“Don’t just assume your policy is going to cover your fancy stuff, or your antiques and collectibles. Call your agent and ask what amount of coverage you have,” Mason explained.

You can check your home’s fire line score and climate risk costs online.

United Policyholders, a consumer advocacy group, offers a comprehensive inventory spreadsheet with suggestions divided by room. You can find the spreadsheet on their website.