



# Insurance Rebuilding and Recovery

*for Boles Fire Survivors*

Monday, January 13, 2015

College of the Siskiyous

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# About UP

- Incorporated as a non-profit corporation in 1991. Tax identification # 94-3162024
- A trusted information resource and a respected voice for insurance consumers in all 50 states
- 20+ years of experience in insurance claim/coverage matters
- Funded by donations and grants

# About UP

- Not for profit, not for sale
- Partnering with government agencies, other non-profits
- Learn more at our website: [www.uphelp.org](http://www.uphelp.org)

# Our Three Programs

- Roadmap to Recovery
  - *Helping people solve insurance problems after disasters.*
- Roadmap to Preparedness
  - *Increasing insurance literacy and financial preparedness by sharing lessons learned by disaster survivors.*
- Advocacy and Action
  - *Fighting for insurance consumer rights.*

# 24/7 help on the web: [www.uphelp.org](http://www.uphelp.org)

- Insurance Claim Help
  - Recovery Blogs:  
[www.uphelp.org/BolesFire](http://www.uphelp.org/BolesFire)
  - Claim Help Library
  - Guides for overcoming obstacles
  - Links to Government and Professional help
  - Tips from past disaster survivors
  - Sample Letters and Claim Forms

The screenshot shows the United Policyholders website homepage. At the top left is the logo with the tagline "Empowering the Insured". To the right is a search bar and the text "Not for profit. Not for sale." Below the logo is a navigation menu with links: "About UP", "Our Programs", "Latest News", "Library", "Find Help", and "Support Us". The main heading is "How can we help you?". Below this is a paragraph: "United Policyholders is a non-profit organization that's on your side; we don't take money from insurance companies. We give you the straight scoop on insurance matters. Guide you through the claims process. Answer your questions. Fight for your rights. Welcome to insurance help." There are three main content areas: "Loss Recovery" with a list of links (Insurance Claim Tips, State by State Assistance, Sample Letters and Forms, Tools and Resources, R2R Blog/Bulletin Board) and an image of a damaged car; "Latest News" with three articles from 2011; and "Disaster Recovery Help" with three articles from 2011. On the right side, there are several call-to-action buttons: "Claim Help", "Underinsurance Help", "Read UP's Tip of the Month" (with a gift icon), "Keep up with UP", and "Donate Today". At the bottom right, there is a Facebook widget showing a "Like" button and the names of users who liked the page. The footer contains a disclaimer: "The material on this site is for informational purposes only and is not a substitute for legal advice. By using our Website, you agree to the Terms of Use and Privacy Policy." and copyright information: "© 2012 United Policyholders | Shop for a Cause | Share your story or ask an insurance question - Contact Us | Login | MeJones".

# “Ask an Expert Forum”

## www.uphelp.org/ask-an-expert

- Register. It's free.
- Write in your questions.
- Get an answer from an expert in construction, insurance, laws and disaster recovery.
- Your name stays private

**Ask an Expert** BETA

Ask a Question

Find Answers

Meet the Experts

About Ask an Expert

**Browse Popular Topics**

- Additional Living Expenses
- Cancellation/renewal
- Cleaning/repair
- Communication
- Construction
- Contents inventory
- Deadlines
- Debris removal

[Show / Hide More](#)

"We are so grateful to have wonderful UP looking out for us and putting together amazing amounts of information to help us understand 'the process' and cope with the trials and tribulations!"  
- Jeff Smith, Wildfire Survivor

**An independent voice and resource for insurance consumers.**  
For 20 years United Policyholders (UP) has been helping to level the playing field between powerful insurance companies and the people that need them most. United Policyholders is a non-profit organization that is a voice and an information resource for insurance consumers in all 50 states. Our work is funded by foundations and donations from individuals and businesses. We do not accept funding from insurance companies.

**Get Expert Answers**

Recent questions for our Experts.

**Question**  
**Not rebuilding ---- How much is a...**  
I have an urgent question and I would appreciate some input. I had a total...  
— **gianna** East Orange, New Jersey

**Answered by amy**, UP's Executive Director  
Last Updated: Monday, June 04, 2012  
Expert Topic(s): **DWELLING REPLACEMENT**

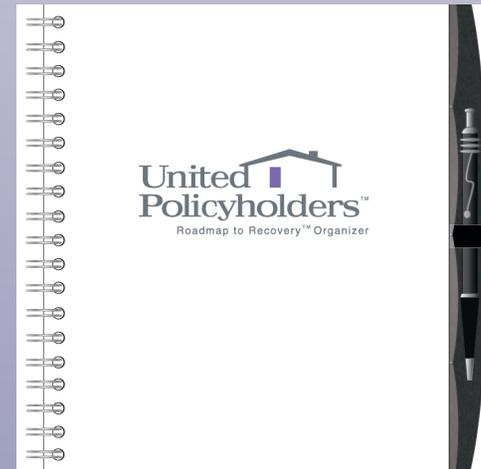
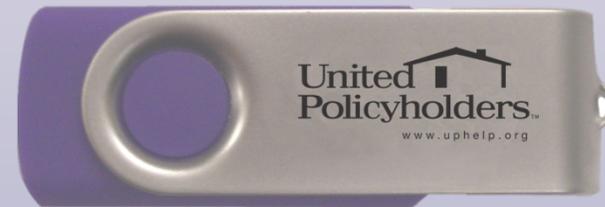
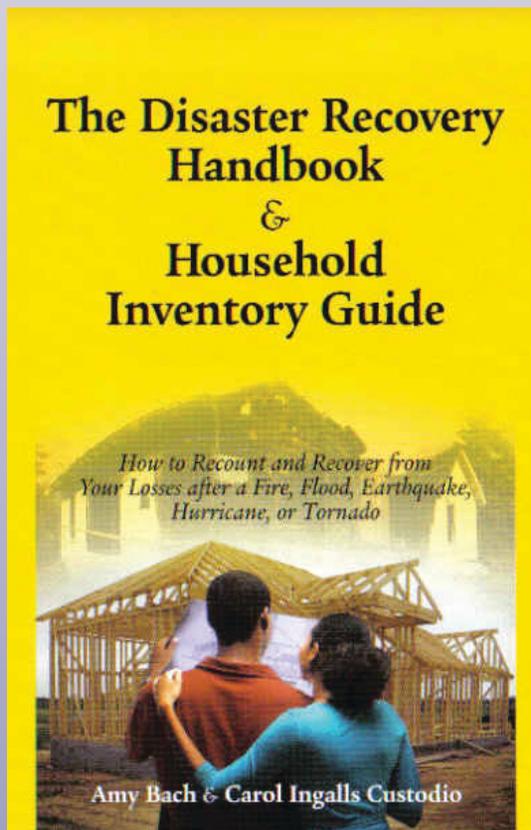
**Question**  
**Contents Inventory**  
Our house was destroyed in a wildfire. I am working on my contents list an...  
— **burndownthehouse** Bastrop, Texas

**Answered by cmorrison**,  
Last Updated: Monday, June 04, 2012  
Expert Topic(s): **CONTENTS INVENTORY**

**Question**  
**Homeowners Insurance**  
What happens to my policy coverage when an insurance company goes bankrupt?  
— **johnlosangeles** Alhambra, California

**Answered by bhedden**, Public Adjuster  
Last Updated: Monday, June 04, 2012  
Expert Topic(s): **GENERAL QUESTION**

# Useful Tools



# Knowledge Equals Power AND \$

- The more you understand about what you are entitled to receive under your insurance policy, the more money you will recover to rebuild your home and life **and** the smoother your claim will go.

# Words of wisdom:

Give your insurance company a chance to do the right thing, but don't be a pushover



# Think of your insurance claim as a business transaction

- There is a natural tension between the policyholder and the insurance company
  - The insurance company wants to MINIMIZE \$ paid out on the claim
  - The policyholder wants to MAXIMIZE \$ paid out on the claim

# Should I expect a “fight” with my insurance company?

- NO. Some claims go smoothly from beginning to end. We hope yours does.
- But when large dollars are at stake, disputes often arise.

## Try *not to rush* or make hasty financial decisions

- This is hard advice to follow because you want to get home as quickly as you can.
- But, losing a home is an incredibly disorienting experience.
  - It takes months for most people to completely regain their normal memory and critical thinking function.

# Review payments carefully

- DO NOT accept checks with words like “full” or “final settlement” on them unless you are absolutely sure the check/draft is for the full amount owed;
- If necessary, ask the adjuster to issue a new payment WITHOUT those words.

# Be careful before signing...

- If your insurer asks you to sign a proof of claim form before you know how much you have really lost, write in “undetermined” under the amount of the loss.
- Contracts with vendors, professionals, etc.

# Keep your home insurance policy handy and refer to it often

- You need the “Declarations Page” **and** the entire contract, including ALL:
  - **Endorsements**
  - **Riders**
- Make a working copy that you can write notes/questions on.
  - Request in writing, use UP sample letters

# Do your own calculations :

- Your dec page and the formulas and numbers in your policy (inflation adjuster, extended coverages, caps...)
- UP's Guide to Your Declarations Page
- An experienced public adjuster
- An experienced insurance attorney

# Never too late to keep a CLAIM DIARY

- A written record of your conversations with adjusters/insurance company representatives, contractors, suppliers, etc.
- Note promises/agreements made by your adjuster/insurance company representatives
  - Who made the promise/agreement
  - Date it was made
  - Substance of what was agreed to

# A paper trail is essential

- Putting things in writing is Speaking UP
- Some adjusters use the phone, which creates no record.
- Keep notes in your diary and follow up with your insurer **IN WRITING** (email counts)

# Coverage A: Dwelling Coverage

- Your actual dollar coverage for Coverage A may be higher than the amount stated on your Declaration Page because your policy may contain increases via “endorsements”. The extras should be explained in your policy wording.

# Extended Coverage

- Most policies sold today are “extended replacement” policies, which increase your “Coverage A” limits by a given % (commonly 25%, 50%, 100%) when your Coverage A limits are inadequate to repair/replace your damaged/destroyed property.

Note: A few insurance policies apply the “extended replacement benefits” to Coverages B and D. Most policies apply the extended benefits only to Coverage A.

# Coverage B: Other Structures

- Structures on your property that are not physically attached to the house; detached garage, retaining wall, fencing, gazebo...

# Coverage C: Personal Property

- Visualize taking the roof of your home, turning the house upside down and shaking it...whatever falls out is personal property.

# Coverage D: ALE (Additional Living Expense)/Loss of Use

- Reimbursement for expenses you incur including:
  - Rent for **comparable housing** and rental furniture
  - Laundry costs if your rental doesn't have a W/D

*See [www.uphelp.org/ALE](http://www.uphelp.org/ALE), and Sample Letter requesting info about insurance benefits for ALE*
- Ask for a cash advance
- Your mortgage payments are not covered

# Other Items

- Debris Removal, Landscape, Code Upgrades
  - Maximum coverage for these items is often buried in your policy language;
  - For each of these categories, coverage is commonly set at 10% of your “Coverage A”, (which is often inadequate after a total loss).

# Guiding principles:

- Focus on documenting the full extent and value of your losses
- Give your adjuster/insurer a chance to do the right thing, but don't be a pushover
- Ads are ads
- Leverage and negotiation
- It's a marathon not a sprint
- Get help when you need it

# Proof of Loss Help Resources

- Uphelp.org library
- Vendors, loss evaluation professionals
- Retailers, the Internet
- Contents inventory specialists
- Repair/rebuild professionals
- Public adjusters

# Make good choices:

- Cleaning and repairs can eat up limits
- General contractors, architects
- Before you hire a contractor, check their customer references and license status.
- Policy limits will guide some of your choices
- Read: “*Questions to ask a Contractor*” at [www.uphelp.org/hiringhelp](http://www.uphelp.org/hiringhelp)

# Public Adjusters

- A public adjuster (commonly referred to as a “PA”), is a private claim adjuster that works for you, NOT the insurance company.
- A red flag should immediately go up if you encounter a PA that is trying to rush you or pressure you into hiring them.
- Read “Questions to Ask Before Hiring a PA” at [www.uphelp.org/hiringhelp](http://www.uphelp.org/hiringhelp)

# Fees for professional help

- P.A.'s generally work on a contingency fee basis. They charge a fee that is a % of the money you recover from your insurance company. Usually 7-15%
- Contractors
  - See Rebuilding 101

<http://uphelp.org/library/resource/rebuilding-101>

# Pros and Cons of Hiring a Public Adjuster

- Pros: A diligent P.A. can take the weight off your shoulders by fully documenting your claim and negotiating a higher settlement than you might get on your own
- Cons: An overloaded or ineffective P.A. can create delays and conflicts and/or take more away from your settlement than they add.

# If you decide to hire a PA, then...

- Be sure to hire **ONLY** a licensed public adjuster
  - Ask for their license number and check it.
- Ask for references and check them!
- Ask the PA if s/he is a member of:
  - NAPIA (National Assoc. of Public Insurance Adjusters)
  - CAPIA (California Assoc. Public Insurance Adjusters)

# Strategies for proving your losses

- Photographs (pre/post, odometers, family...)
- Written statements from friends and family
- Get organized (accordion files, binders, Excel)
- Create a paper trail
  - Claims diary (by date)
  - Email by topic (not an email string)
- Assess your resources (time and talent)
- Network (other policyholders, professionals...)

# Debris Removal

- Understand your policy (pros & cons)
- Identify reputable/experienced contractors
- Obtain at least 2 estimates
- Negotiate and hire ASAP
- Have progress billing break out estimates of
  - Dwelling
  - Other Structures
  - Contents
  - Trees & Shrubs

# Additional Living Expenses

## **COVERAGE C - LOSS OF USE**

**The limit for Coverage C is the actual loss incurred by you within 12 months following the date of loss for all the following coverages.**

- 1 If a loss covered under this section makes that part of the insured premises where you reside uninhabitable, we will pay Additional Living Expense, meaning any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living.**

**Payment will be for the shortest time required to repair or replace the damaged property or, if you permanently relocate, the shortest time required for your household to settle elsewhere.**

# Contents

- Understand your policy
- Get organized (keep all receipts, Excel, ledger)
- Create an inventory (memory, photos, others)
- Identify all retailers that track your purchases
- Create a fictitious wedding registry
- Document replacement costs
- Obtain estimates to replace big ticket items

# Dwelling

- Understand your policy
- Obtain building plans & specifications
- Summarize construction components
  - Hardwood floors, tile, stone, carpet, etc.
  - Identify any custom components
  - Type and approximate size of windows & doors
  - Construction materials (roof, frame, exterior...)
- Identify condition, not age (unless required)

# Strategies for proving your losses

- Learn to earn (know your policy, limits, etc.)
- Don't take "no" for an answer
- "Can you show me where it says that in the policy?"
- Track all correspondence by topic
- Be proactive, offer reasonable deadlines
- Only YOU know the condition of your property and things!

# Help resources

- The California Department of Insurance (800) 927-HELP
- The Contractors State License Board (800) 321-2752
- The Find Help Directory at [www.uphelp.org](http://www.uphelp.org)

# Questions?

**For more information, visit:  
[www.uphelp.org](http://www.uphelp.org)**