



# 2020 Wildfires Webinar

## Understanding and Negotiating Depreciation (CA, CO, OR, WA)

Roadmap to Recovery™ Workshop

Zoom Webinar

September 9, 2021

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# Webinar

## Appreciation (WA)

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Roadmap to Recovery™ Workshop  
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## Understanding Depreciation (CA, CO, OR, WA)

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# About United Policyholders (UP)

- Reputable, established 501(c)3 not-for-profit charitable organization, Platinum Guide Star rating
- A trusted information resource and respected voice for insurance consumers in all 50 states
- 30 year track record and expertise in disaster recovery
- Not for profit...not for sale
- Funded by donations and grants

# Team UP

- Professional staff
- Government and nonprofit partners
- Volunteers
  - Survivor to Survivor - previous catastrophic loss survivors paying it forward
  - Consumer oriented professionals
    - Damage and repair/rebuild cost estimators
    - Lawyers
    - Public Adjusters
    - Tax and Financial Planning experts
    - Construction and Real Estate professionals

# Our Three Programs

## Roadmap to Recovery™

- Guidance on insurance, restoring assets and getting back home after a catastrophic loss

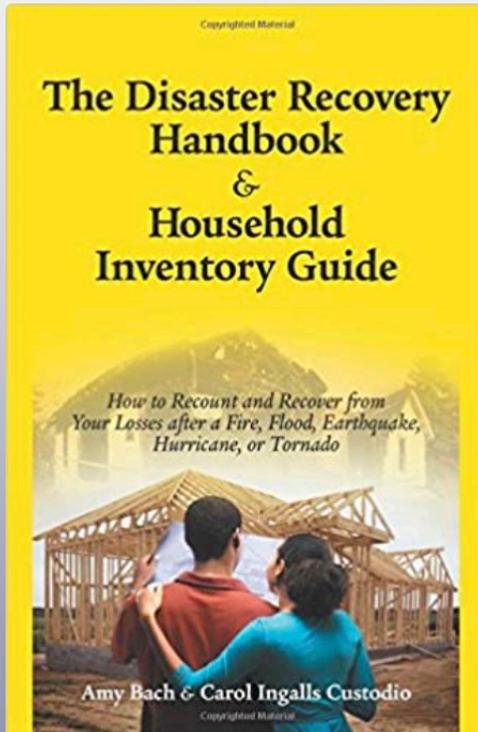
## Roadmap to Preparedness

- Helping households and communities reduce risk and be resilient to disasters and adversity

## Advocacy and Action

- Enforcing insurance consumer rights and protections

# R2R Guidance and Tools



## “The Little Yellow Book”

Email [info@uphelp.org](mailto:info@uphelp.org)  
to have a copy mailed  
to you.

# The Fine Print

- This workshop is intended to be general guidance only, not legal advice
- If you have a specific legal question, we recommend you consult an experienced attorney
- We do not endorse or warrant any of the sponsors or the speakers at our workshops
- We are not creating a professional/client relationship with any individual



Amy Bach, Esq.

Co-Founder and Executive Director, United Policyholders

Chris Rockers

The Claims Group

Sandy Watts

Insurance Specialist, United Policyholders

# Amy Bach



- **A professional insurance consumer advocate since 1984**
- **Published author, experienced trial and regulatory attorney**
- **Co-founder, UP**
- **Official consumer representative:**
  - **National Association of Insurance Commissioners**
  - **Federal Advisory Committee on Insurance (US Treasury)**
  - **American Bar Association Standing Committee on Disaster Response**

# Chris Rockers

- Two + decades of expertise in advocating exclusively for insured commercial and residential property owners following a loss
- Served on the Rocky Mountain Association of Public Insurance Adjusters Advisory Board for five years
- Author of numerous articles for the Colorado Real Estate Journal on Property Insurance matters



Phone: (303) 926-4959

[www.cgclaims.com](http://www.cgclaims.com)

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# Sandra Watts



- **Insurance Specialist, Roadmap to Recovery Program**
- **30+ years experience in Insurance claims and claims management**
- **Appointed Member, CA DOI Curriculum Board**
- **IICRC Certified Master Fire & Smoke, Water Restoration & Microbial Remediation Technician**
- **CPIA - Certified Property Insurance Appraiser & Umpire**

# Reminders

- Keep up your journal/paper trail
- Use one credit card when replacing items where possible
- Deposit all insurance checks in one bank account
- Save, scan and keep receipts in one place for reimbursement (RCV, ALE)
- Stay in regular contact w/your insurer
  - Confirm your ongoing cooperation in writin
  - Confirm amounts paid, categories paid from, \$\$ still owed

# A useful, free organizing tool

<https://www.uphelp.org/pubs/insurance-accounting-spreadsheet>

Coverage			A		B	C	D	E - Additional Coverages			Total
			Dwelling		Other Structures	Personal Property	Loss of Use (ALE)	Ordinance or Law	Debris Removal*	Trees, Shrubs & Plants	
			Structure	ERC (OPT ID)							
			100%								
Coverage (Declarations Page)			\$ 226,500.00	\$ 113,250.00	\$ 22,650.00	\$ 170,100.00	\$ 90,800.00	\$ -	\$ 11,325.00	\$ 11,325.00	\$ 645,950.00
REPLACEMENT COSTS Estimates			\$ 226,500.00	\$ 235,547.89	\$ 87,885.29	\$ 210,569.23	\$ 45,987.33	\$ 188,562.04	\$ 31,780.65	\$ 19,719.94	\$ 1,046,552.37
Limit of Coverage			\$ 226,500.00	\$ 113,250.00	\$ 22,650.00	\$ 170,100.00	\$ 45,987.33	\$ -	\$ 11,325.00	\$ 11,325.00	\$ 601,137.33
<b>Payments Received</b>											
Date	Check #	Purpose									
11/10/18	668	ALE ADVANCE					\$ 8,000.00				\$ 8,000.00
11/30/18	234	EVAC EXPENSES					\$ 1,158.98				\$ 1,158.98
3/19/19	123	INS DWELLING EST	\$ 207,201.34		\$ 11,325.00					\$ 11,325.00	\$ 229,851.34
3/30/19	234	75% CONTENTS				\$ 127,575.00					\$ 127,575.00
7/14/20	589	ADDL DWELLING	\$ 19,298.66	\$ 26,683.74	\$ 11,325.00						\$ 57,307.40
7/15/20	587	FINAL CONTENTS				\$ 42,525.00					\$ 42,525.00
7/15/20	987	ONE YEAR ALE/FMV					\$ 24,000.00				\$ 24,000.00
12/30/20	878	FINAL ALE					\$ 12,828.35				\$ 12,828.35
Total Payments			\$ 226,500.00	\$ 26,683.74	\$ 22,650.00	\$ 170,100.00	\$ 45,987.33	\$ -	\$ -	\$ 11,325.00	\$ 503,246.07
Balance			\$ -	\$ 86,566.26	\$ -	\$ -	\$ -	\$ -	\$ 11,325.00	\$ -	\$ 97,891.26

# First Checks = Starting Point

- ◆ You likely have gotten checks for your dwelling and contents losses
- ◆ Think of these as starting points, not the last word
- ◆ You are entitled to the cost to repair/rebuild your home as it was before the fire - up to your policy limits- plus any additional coverages such as Extended Replacement & Code Upgrades, and the full value of your damaged/destroyed contents items (subject to policy conditions/limits)

# Understanding Depreciation

# The Flow of Insurance Funds

Advances

ACV payments when values are set

RCV payments upon proof of expenditures, replacement, repairs completed

# The Lingo

- Replacement Cost (**RC**)
- Actual Cash Value (**ACV**)
- Depreciation (or **holdback**)
  - Recoverable
  - Non-recoverable

# Replacement Cost (RC)

- RC is the price that it would *actually* cost to repair or replace a damaged or destroyed item right now with a new item
- Most homeowner's policies, but not all, are *REPLACEMENT COST* (RC) policies.

# Actual Cash Value (ACV)

ACV is the *pre-loss value* of an item

It can be determined two ways:

- 1) The price a willing buyer would have paid you immediately before the loss (i.e. Craigslist), **or**
- 2) The cost to replace the item now, less depreciation based upon age and condition.

Some policies limit payouts to ACV - that is all they pay (especially manufactured home policies)

# Depreciation

- “Depreciation” is the loss in value of an item due to age and condition (wear and tear).
- Policy language varies, but generally applies to CONTENTS, DWELLING, OTHER STRUCTURES
- Common terms include “Holdback”, “Withheld”, “Recoverable Depreciation”, “Non-recoverable Depreciation”.

# Why Depreciation matters

- Coming up with cash to buy replacement items can be hard, especially if your insurer has heavily depreciated your property.
- Your insurer typically “depreciates” the value of your damaged/lost property to account for its used condition and age.
- For all items that are covered for Replacement Cost Value, unless insurer relaxes or waives the requirement, you often must actually replace items and submit proof to recover withheld/held back benefits.

# Depreciation is negotiable

- The more depreciation your insurer applies - the less you collect up front.
- There is no *official standard* for how much insurers can depreciate your property.
- It can be hard to pin down an adjuster on how they calculated depreciation, but these calculations affect your pocketbook. Challenge the numbers if they seem unfair.
- **Be aware of items that should not be depreciated (antiques, fine art, jewelry, etc.).**
- **Ask, in writing, that your insurer give you a copy of the depreciation schedule/method they used.**

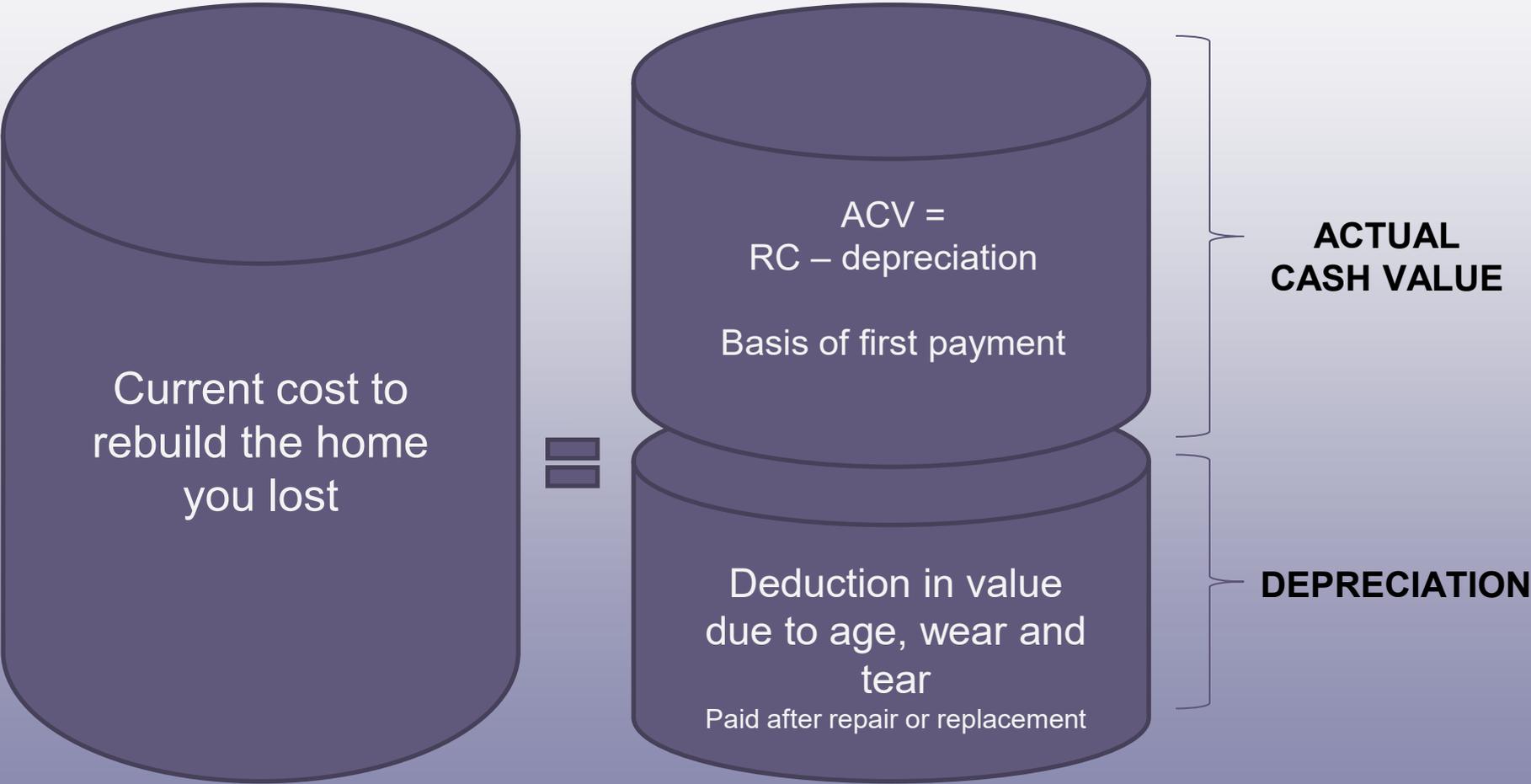
# Excessive and improper depreciation

<https://uphelp.org/claim-guidance-publications/depreciation-basics/>

- Depreciation is subjective and negotiable, condition matters
- Math mistakes are common
- Some items don't lose value or decay over time and should not be depreciated
- An adjuster may want to apply a set depreciation percentage your entire contents or dwelling claim to save (their) time and (insurers') money. Not accurate or legal.
- Politely assert your right to have your property fairly valued and your claim paid in full, seek help from your state DOI as a next step

# Depreciation and Your Dwelling Claim

# Replacement Cost vs. Actual Cash Value



**REPLACEMENT COST**

# Dwelling Claim Process

- Often, the dwelling claim settlement process will begin with the insurer preparing a **scope of loss** on your destroyed property – most likely in Xactimate.
- A scope of loss details the **materials, quantities, and range of work needed** to repair/rebuild what you had prior to the fire
- A scope of loss is different from an **estimate, or bid**, which adds in prices for each line item

# ACV with RC paid when repairs completed – Most common

## 5. How We Settle Covered Loss.

Covered accidental direct physical loss or damage will be settled as follows.

- a. Coverage A (**Dwelling**) and Coverage B (**Separate Structures**). We will only settle covered loss or damage on the basis of use as a private residence.
  - (1) Settlement for covered loss or damage to a specific **component part(s)** of the **dwelling** or **separate structures**, except for **roof materials** and fences, will be settled at reasonable and necessary **replacement cost**, without deduction for depreciation, for the lesser of the costs to repair or to replace the specific damaged **component part(s)**, but for no more than the lesser of the following:
    - i. the applicable **stated limit** or other limit of insurance in this policy that applies to the damaged or destroyed **dwelling** or **separate structure(s)**;
    - ii. the reasonable repair or **replacement cost** of that specific **component part(s)** damaged for equivalent construction with materials of like

kind and quality on the **residence premises**, determined as of the time of loss or damage;

- iii. the reasonable and necessary amount actually spent to repair or replace the specifically damaged **component part(s)** of the **dwelling** or **separate structure(s)**; or
- iv. the loss to the interest of the **insured** in the property.

When the cost to repair or replace damaged property is more than \$2,500, we will pay no more than the **actual cash value** of the damaged specific **component part(s)** of property until actual repair or replacement is completed. If the damage to the **dwelling** should be a total loss, then the **actual cash value** payment will be no more than the lesser of the **stated limit** or the fair market value of the **dwelling** until actual repair or replacement of the **dwelling** is completed.

If the **dwelling** or a **separate structure** is rebuilt or replaced at a different location, the costs described in subsection ii. above are limited to the costs which would have been incurred if the **dwelling** or **separate structure** had been rebuilt or replaced at its location on the **residence premises**.

**Summary for  
Dwelling**

**Summary for All Items**

Line Item Total	555,035.38
Material Sales Tax	24,958.30
Storage Rental Tax	88.87
Overhead	58,008.34
Profit	58,008.34
<b>Replacement Cost Value</b>	<b>\$696,099.23</b>
Less Depreciation <i>Approx 24%</i>	(168,613.64)
<b>Actual Cash Value</b>	<b>\$527,485.59</b>
Less Deductible	(1,500.00)
Less Amount Over Limit(s)	(108,012.59)
<b>Net Claim</b>	<b>\$417,973.00</b>
Total Depreciation	168,613.64
Less Residual Amount Over Limit(s)	(168,613.64)
Total Recoverable Depreciation	0.00
<b>Net Claim if Depreciation is Recovered</b>	<b>\$417,973.00</b>

Built in 1990

2,300 SF - After remodel  
wholly before fire

General Contractor's  
Rebuild Estimate  
\$1,000,000

Carrier Agreed to Perform  
After Complaint Filed  
w/ DORA

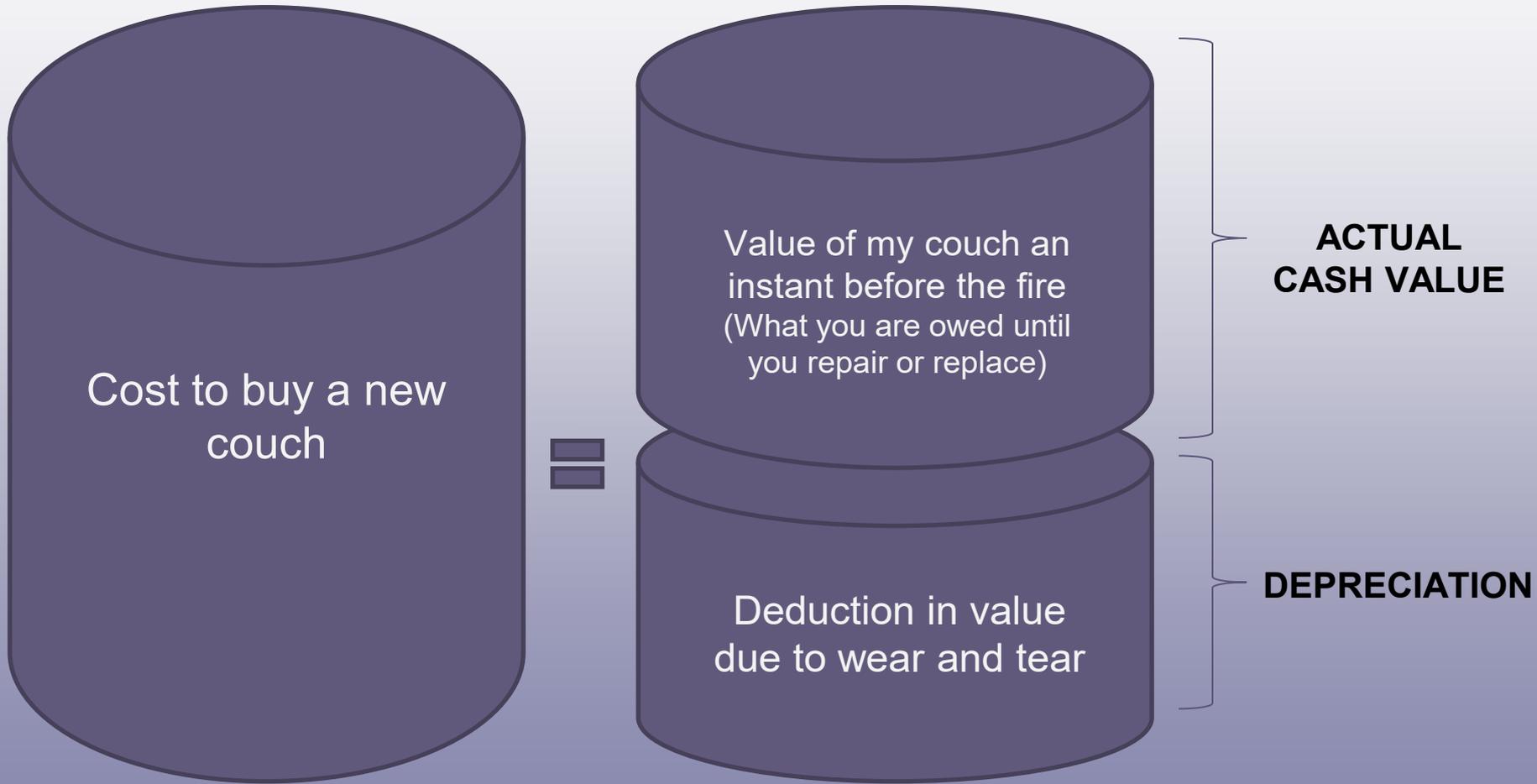
# CALIFORNIA ACV until Replaced

## 2051.5

- (2) If the policy requires the insured to repair, rebuild, or replace the damaged property in order to collect the full replacement cost, the insurer shall pay the actual cash value of the damaged property, as defined in Section 2051, until the damaged property is repaired, rebuilt, or replaced. Once the property is repaired, rebuilt, or replaced, the insurer shall pay the difference between the actual cash value payment made and the full replacement cost reasonably paid to replace the damaged property, up to the limits stated in the policy..

# Depreciation and Your Contents Claim

# Replacement Cost vs. Actual Cash Value Contents



**REPLACEMENT COST**

# I have a Replacement Cost policy, why is my insurance company only paying the Actual Cash Value?

- Your insurance may initially “hold back” an amount of money from a payment to you because of depreciation.
- Most policies have “Loss Settlement Provisions” that specifically state that you are owed ACV (replacement cost less depreciation) until the property is repaired or replaced.
- To collect the full amount you are entitled to under an RC policy, you have to **actually replace** the items and send the receipts to the insurer with a demand for the balance they owe you.

# “Section I – Loss Settlement”

## COVERAGE B - PERSONAL PROPERTY

### 1. B1 - Limited Replacement Cost Loss Settlement.

a. We will pay the cost to repair or replace property covered under **SECTION I - COVERAGES, COVERAGE B - PERSONAL PROPERTY**, except for property listed in item b. below, subject to the following:

- (1) until repair or replacement is completed, we will pay only the cost to repair or replace less depreciation;
- (2) after repair or replacement is completed, we will pay the difference between the cost to repair or replace less depreciation and the cost you have actually and necessarily spent to repair or replace the property; and
- (3) if property is not repaired or replaced within two years after the date of loss, we will pay only the cost to repair or replace less depreciation.

b. We will pay market value at the time of loss for:

- (1) antiques, fine arts, paintings, statuary and similar articles which by their inherent nature cannot be replaced with new articles;
- (2) articles whose age or history contribute substantially to their value including, but not limited to, memorabilia, souvenirs and collectors items; and

(4) any applicable Coverage B limit of liability.

### 2. B2 - Depreciated Loss Settlement.

a. We will pay the cost to repair or replace less depreciation at the time of loss for property covered under **SECTION I - COVERAGES, COVERAGE B - PERSONAL PROPERTY**, except for property listed in item b. below.

b. We will pay market value at the time of loss for:

- (1) antiques, fine arts, paintings, statuary and similar articles which by their inherent nature cannot be replaced with new articles;
- (2) articles whose age or history contribute substantially to their value including, but not limited to, memorabilia, souvenirs and collectors items; and
- (3) property not useful for its intended purpose.

However, we will not pay an amount exceeding the smallest of the following for items a. and b. above:

- (1) our cost to replace at the time of loss;
- (2) the full cost of repair;
- (3) any special limit of liability described in the policy; or
- (4) any applicable Coverage B limit of liability.



**State Farm General Insurance Company**  
A Stock Company With Home Offices in Bloomington, Illinois

900 Old River Rd.  
Bakersfield, CA 93311-8501

**Named Insured**

AT2 001007 0546 H-02-3748-FB14 H F

**Insured, Joe**  
111 E DOVER CT  
ANYTOWN CA 95111-1726



ST-3  
0106-900

**DECLARATIONS PAGE**

COVERAGE SUMMARY  
OCT 27 2017

**Policy Number 57-LB-111-1111**

Policy Period	Effective Date	Expiration Date
12 Months	MAY 12 2017	MAY 12 2018

The policy period begins and ends at 12:01 am standard time at the residence premises.

**HOMEOWNERS POLICY**

**Automatic Renewal** - If the premiums, rules and forms Mortgage/Lienholder written

Location of Residence Premises Same as Insured's Address

Requested By: Policyholder

This policy does not provide This policy includes Building

**Coverages & Property**

- SECTION I
- A Dwelling
  - Dwelling Extension up
  - B Personal Property
  - C Loss of Use

- SECTION II
- L Personal Liability (Each Occurrence) Damage to Property of Others
  - M Medical Payments to Others (Each Person)

**Loss Settlement Provision (See Policy)**

- A1 Replacement Cost - Similar Construction
- B1 Limited Replacement Cost - Coverage B**

**Forms, Options, & Endorsements**

- Homeowners Policy
- Homeowners Policy Endorsement
- Amendatory Endorsement
- Jewelry and Furs \$1,500 Each Article/\$2,500 Aggregate
- Firearms \$2,500 Each Article/\$5,000 Aggregate

- FP-7955.CA
- FE-3422
- FE-3247
- Option JF
- Option FA

**Loss Settlement Provision (See Policy)**  
A1 Replacement Cost - Similar Construction  
B1 Limited Replacement Cost - Coverage B

**Forms, Options, & Endorsements**  
Homeowners Policy FP-7955.CA  
Homeowners Policy Endorsement FE-3422  
Amendatory Endorsement FE-3247  
Jewelry and Furs \$1,500 Each Article/\$2,500 Aggregate Option JF  
Firearms \$2,500 Each Article/\$5,000 Aggregate Option FA

Policy Premium \$ 636.00  
Discounts Applied:  
Home Alert  
Home/Auto  
Claim Record



# Renters Policy

## D. Loss Settlement

Covered property losses are settled at actual cash value at the time of loss but not more than the amount required to repair or replace.

### Optional Coverages

#### Optional Coverages

Personal Property Replacement Cost Loss Settlement

Endorsement

HQ-290 MA (05-17)

Limit

Premium Included\*

*\*Note: The additional cost or premium reduction for any optional coverage or package shown as "Included" is contained in the Total Policy Premium Amount.*

Look for a Replacement Cost Endorsement on your declarations page and attached to your policy

HOMEOWNERS  
HO 04 07 05 11

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### PERSONAL PROPERTY REPLACEMENT COST LOSS SETTLEMENT – CALIFORNIA

#### A. Eligible Property

1. Covered losses to the following property are settled at replacement cost at the time of the loss:
  - a. Coverage C; and
  - b. If covered in this policy:
    - (1) Awnings, outdoor antennas and outdoor equipment; and
    - (2) Carpeting and household appliances; whether or not attached to buildings.

2. This method of loss settlement will also apply to the following articles or classes of property if separately described and specifically included in this policy and not subject to agreed-upon limitations:

- (1) Fur garments; and
- (2) Items made with fur; or
- (3) Items consisting principally of fur; and
- (4) Cameras, projection machines, films and articles of equipment; and
- (5) Tools, equipment and related articles of equipment; and
- (6) Silverware, silver-plated ware, goldware, silver-plated ware and pewterware, but excluding:
  - (1) Pens or pencils;
  - (2) Flasks;
  - (3) Smoking implements; or
  - (4) Jewelry; and
- f. Gopher's equipment meaning golf clubs, golf clothing and golf equipment.

Personal Property Replacement Cost loss settlement will not apply to other classes of property separately described and specifically insured.

#### B. Ineligible Property

Property listed below is not eligible for replacement cost loss settlement. Any loss will be settled at actual cash value at the time of loss but not more than the amount required to repair or replace.

1. Antiques, fine arts, paintings and similar articles of rarity or antiquity, which cannot be replaced.
2. Memorabilia, souvenirs, collectors items and similar articles, whose age or history contribute to their value.
3. Articles not maintained in good or workable condition.
4. Articles that are outdated or obsolete and are stored or not being used.

#### C. Replacement Cost Loss Settlement Condition

The following loss settlement condition applies to all property described in A. above:

1. We will pay no more than the least of the following amounts:
  - a. Replacement cost at the time of loss without deduction for depreciation;
  - b. The full cost of repair at the time of loss;
  - c. The limit of liability that applies to Coverage C, if applicable;
  - d. Any applicable special limits of liability stated in this policy; or
  - e. For loss to any item described in A.2.a. – f. above, the limit of liability that applies to the item.
2. If the cost to repair or replace the property described in A. above is more than \$500, we will pay no more than the actual cash value for the loss until the actual repair or replacement is complete.
3. We must be notified within:
  - a. 24 months after our payment for actual cash value if the loss or damage relates to a state of emergency under California Law; or
  - b. 12 months after our payment for actual cash value in all other cases;
 that you intend to repair or replace the damaged property.

All other provisions of this policy apply.

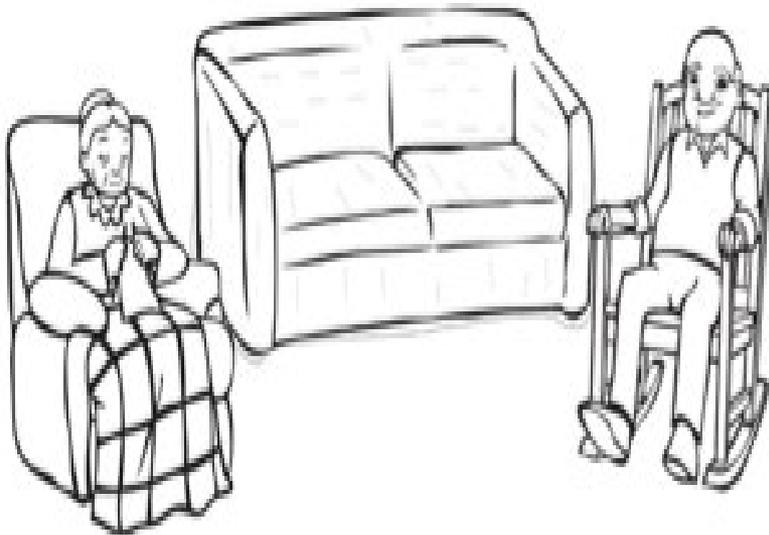
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# Age & Condition

Based On Age And Condition:



Family with no children.  
Five year old sofa, **maybe 20%**



Family with kids and pets.  
Five year old sofa, **maybe 80%**

Item #	Room	Brand or Manufacturer	Model#	Item Description	Quantity Lost	Item Age (Years)	Item Age (Months)	Condition	Cost to Replace Pre-Tax (each)	Total Cost
174	Living Room			textbook	1.00	2.00			79.00	79.00
175	Living Room			blow up pool tube	1.00	0.00	6		30.00	30.00
176	Living Room	Nike/Adidas/and1		Nike/Adidas/and1 , men's sweatpants	10.00	2.00			33.99	339.90
177	Living Room	golf		golf , men's dress pants	1.00	0.00	6		69.99	69.99
178	Living Room	classic fashion		classic fashion , men's dress pants	1.00	0.00	6		56.99	56.99
179	Living Room	apt 9		apt 9 , men's dress pants	1.00	2.00			59.00	59.00
180	Living Room	croft and barrow		croft and barrow , men's pajama pants	7.00	3.00			19.99	139.93

## Negotiation



### Liberty Mutual

New England Region  
 PO Box 1053  
 Montgomeryville, PA 18936-1053  
 Office: (800) 566-0323  
 Fax: (866) 479-8438

Description	Qty	Unit Price	Estimate Amount	Additional *	Replacement Cost Value	Depreciation	Actual Cash Value
17. Shirt - Men's - Casual - Standard grade Orig. Desc. - customs men's tee shirt	7.00 EA	\$11.00	\$77.00	\$4.89	\$81.89	-\$30.71	\$51.18
18. Calculator Orig. Desc. - large electric calculator	1.00 EA	\$21.00	\$21.00	\$1.33	\$22.33	-\$8.93	\$13.40
19. Tie / Necktie - Men's - High grade Orig. Desc. - Pierre Jacques , men's silk tie Brand: Pierre Jacques	1.00 EA	\$21.00	\$21.00	1.33	\$22.33	-\$11.17	\$11.16
20. Sweater - Ladies' - High grade Orig. Desc. - basic additions , women's turtle neck Brand: basic additions	1.00 EA	\$22.00	\$22.00	\$1.40	\$23.40	-\$5.85	\$17.55

Example

State Farm Personal Property Estimate		
Line Item (Item #)	1	3
description	bath towel	roomba
Replacement Cost (RC)	\$ 18.08	\$ 478.58
Actual Cash Value (ACV)	\$ 7.23	\$ 430.72
Estimated Remaining	\$ 10.85	\$ 47.86

Receipt Example

Item	bath towel	roomba
cost on receipt of replaced item (of similar kind) (original cost)	\$ 15.50	\$ 499.99
receipt number (you number these receipts)	1	2

Item #	Description	RC	ACV	Original Cost	amount recoverabl	Receipt
1	towel	\$ 18.08	\$ 7.23	\$ 15.50	\$ 8.27	1
3	roomba	\$ 478.58	\$ 430.72	\$ 499.99	\$ 47.86	2

# Are there time limits to collect RC benefits in California?

## **YES – California - 36 Months**

*California Insurance Code 2051.5*

(b)(1)(A)(ii) “...In the event of a loss relating to a “state of emergency,” as defined in Section 8558 of the Government Code, a time limit of less than **36 months from the date that the first payment toward the actual cash value is made** shall not be placed upon the insured in order to collect the full replacement cost of the loss, subject to the policy limit.” (emphasis added)

You can request extensions of this time limit – do it in writing!

# Are there time limits to collect RC benefits in Colorado?

**YES – Colorado – 365 days after expiration of ALE coverage**

In accordance with C.R.S. 10-4-110.8 (11) (c) (I) and (II), an insurer shall:

- Allow the policyholder 365 days after a total loss claim to submit an inventory of lost or damaged property; and,
- Allow the policyholder 365 days from the expiration of the Additional Living Expense coverage to replace property and receive recoverable depreciation.

# Are there time limits to collect RC benefits in Oregon and Washington?

- No specific statutes
- Refer to your policy language to determine any applicable time limits

# California laws on Depreciation

## **CA Fair Claims Settlement Practices Regulations**

### **Section 2695.9**

(f) When the amount claimed is adjusted because of betterment, depreciation, or salvage, all justification for the adjustment shall be contained in the claim file. Any adjustments shall be discernable, measurable, itemized, and specified as to dollar amount, and shall accurately reflect the value of the betterment, depreciation, or salvage. Any adjustment for betterment or depreciation shall reflect a measurable difference in market value attributable to the condition and age of the property and apply only to property normally subject to repair and replacement during the useful life of the property. The basis for any adjustment shall be fully explained to the claimant in writing.

# California laws on Depreciation

## **CA Fair Claims Settlement Practices Regulations**

### **Section 2695.9**

(1) Under a policy, subject to California Insurance Code Section 2071, where the insurer is required to pay the expense of repairing, rebuilding or replacing the property destroyed or damaged with other of like kind and quality, the measure of recovery is determined by the actual cash value of the damaged or destroyed property, as set forth in California Insurance Code Section 2051. Except for the intrinsic labor costs that are included in the cost of manufactured materials or goods, the expense of labor necessary to repair, rebuild or replace covered property is not a component of physical depreciation and shall not be subject to depreciation or betterment.

# Colorado laws on Depreciation

*“To determine depreciation, Colorado follows the broad evidence rule which requires that **all** relevant factors must be considered to determine appropriate depreciation. This requires looking beyond just wear and tear or market value, and includes looking at all facts and circumstances which would lead to a correct estimate of the value of the particular item.”*

# Depreciation in Oregon

- The legislators in Oregon are working on a bill that would prohibit the depreciation of labor on structure losses.
- Until the law is passed, refer to the language in your policy to determine how your losses are settled

# Washington - Depreciation

*In Lains v. American Family Mutual Insurance Company,<sup>1</sup> a federal district court in Washington considered two issues involving actual cash value:*

- whether American Family improperly considered age in depreciating the insureds' personal property loss, and*
- whether American Family improperly depreciated labor costs as applied to the insureds' dwelling loss.*

*The district court reasoned that the policy's definition of actual cash value was clear and unambiguous: depreciation can be determined by physical deterioration and obsolescence, but not age.*



# CALIFORNIA DEPARTMENT OF INSURANCE



**Wildfire resources  
and insurance  
information**

**FOR FREE, PERSONAL ASSISTANCE WITH YOUR  
CLAIMS OR UNDERINSURANCE ISSUES**

**CALL US AT: 1 800 927 4357**

**OR GO ONLINE: [insurance.ca.gov](http://insurance.ca.gov)**

<https://doi.colorado.gov/for-consumers/file-a-complaint>



**COLORADO**

Department of  
Regulatory Agencies

Division of Insurance

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## File a Complaint

The Division of Insurance Consumer Services sections investigate individual consumer complaints against insurers. Investigations may result in financial recoveries for consumers in the form of additional claim payments, overturned denials of policy benefits or other refunds for the consumer. Investigations can also result in policies being reinstated for consumers.

# Division of Financial Regulation Consumer Advocates

[dfr.oregon.gov](http://dfr.oregon.gov)

888-877-4894 (toll free)

[dfr.insurancehelp@oregon.gov](mailto:dfr.insurancehelp@oregon.gov)

Panelist: Nancy Yuill  
Consumer Liaison  
Division of Financial Regulation  
[nancy.m.yuill@oregon.gov](mailto:nancy.m.yuill@oregon.gov)



[www.insurance.wa.gov/ask-us-insurance-question](http://www.insurance.wa.gov/ask-us-insurance-question)

To File a Complaint Online: [www.insurance.wa.gov](http://www.insurance.wa.gov)

Or Call Consumer Hotline: [800-562-6900](tel:800-562-6900)

By Live Chat: [www.insurance.wa.gov/chat-us](http://www.insurance.wa.gov/chat-us)

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COMMISSIONER  
WASHINGTON STATE

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Newsroom

**File a complaint or check your complaint status**

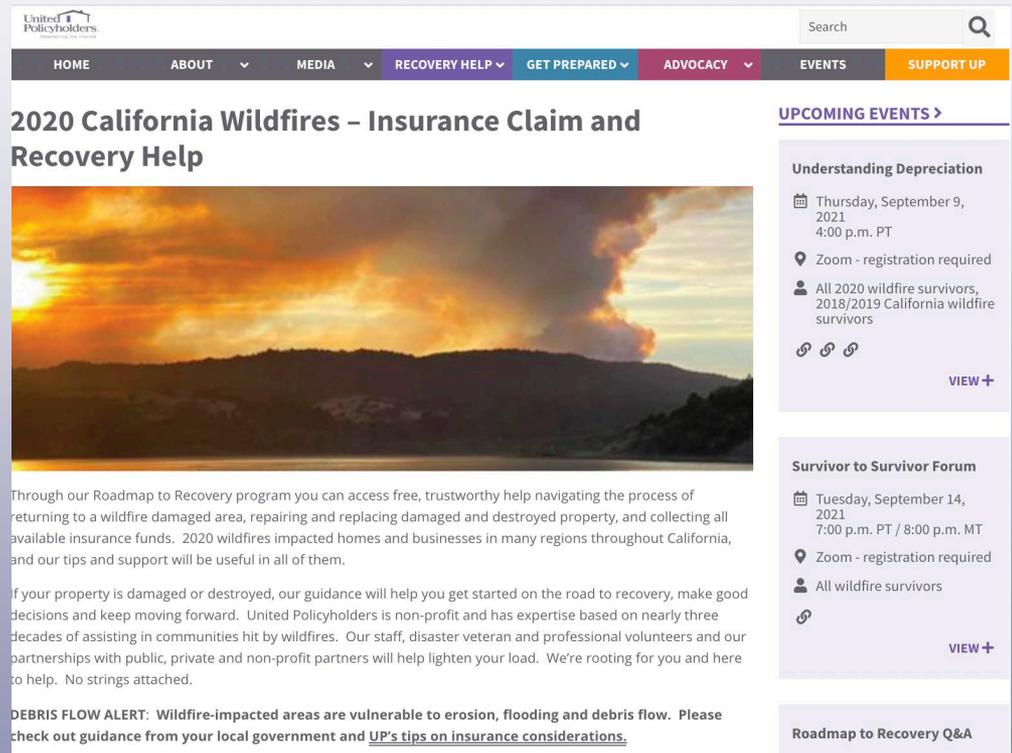
Our offices are closed and we have a limited capacity to receive postal mail. Please note that mailed documents may be delayed by several days. If you need to submit documents to us, please fax them to 360-586-2018. Questions? Call us at [1-800-562-6900](tel:1-800-562-6900) or [live chat with us](#).

## File a complaint or check your complaint status

# Your California Wildfire Help Library

## [www.uphelp.org/2020wildfires](http://www.uphelp.org/2020wildfires)

- California Specific Resources with Step-by-Step Guidance
- One Click Links to Sign UP for Events And Email Notifications
- Links to Pro-consumer Professional Help  
[www.uphelp.org/findhelp](http://www.uphelp.org/findhelp)
- Sample Letters & Claim Forms  
[www.uphelp.org/samples](http://www.uphelp.org/samples)
- Survivors Speak Tips  
[www.uphelp.org/survivorsspeak](http://www.uphelp.org/survivorsspeak)
- Upcoming Workshops And Resources [www.uphelp.org/r2r](http://www.uphelp.org/r2r)



United Policyholders  
RECOVERING THE REGION

HOME ABOUT MEDIA RECOVERY HELP GET PREPARED ADVOCACY EVENTS SUPPORT UP

### 2020 California Wildfires – Insurance Claim and Recovery Help



Through our Roadmap to Recovery program you can access free, trustworthy help navigating the process of returning to a wildfire damaged area, repairing and replacing damaged and destroyed property, and collecting all available insurance funds. 2020 wildfires impacted homes and businesses in many regions throughout California, and our tips and support will be useful in all of them.

If your property is damaged or destroyed, our guidance will help you get started on the road to recovery, make good decisions and keep moving forward. United Policyholders is non-profit and has expertise based on nearly three decades of assisting in communities hit by wildfires. Our staff, disaster veteran and professional volunteers and our partnerships with public, private and non-profit partners will help lighten your load. We're rooting for you and here to help. No strings attached.

**DEBRIS FLOW ALERT:** Wildfire-impacted areas are vulnerable to erosion, flooding and debris flow. Please check out guidance from your local government and [UP's tips on insurance considerations](#).

#### UPCOMING EVENTS >

**Understanding Depreciation**  
Thursday, September 9, 2021  
4:00 p.m. PT  
Zoom - registration required  
All 2020 wildfire survivors, 2018/2019 California wildfire survivors  
VIEW +

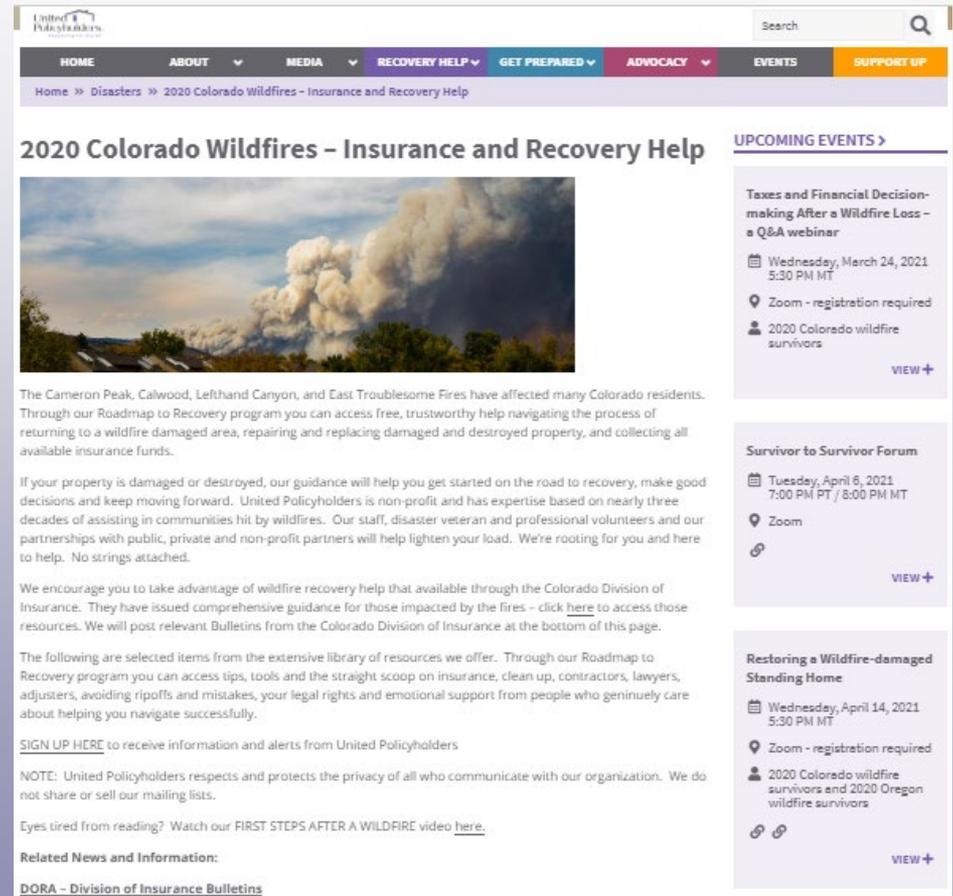
**Survivor to Survivor Forum**  
Tuesday, September 14, 2021  
7:00 p.m. PT / 8:00 p.m. MT  
Zoom - registration required  
All wildfire survivors  
VIEW +

Roadmap to Recovery Q&A

# Your Colorado Wildfire Help Library

## [www.uphelp.org/colorado](http://www.uphelp.org/colorado)

- Colorado Specific Resources with Step by Step Guidance
- One Click Links to Sign UP for Events And Email Notifications
- Links to Pro-consumer Professional Help  
[www.uphelp.org/findhelp](http://www.uphelp.org/findhelp)
- Sample Letters & Claim Forms  
[www.uphelp.org/samples](http://www.uphelp.org/samples)
- Survivors Speak Tips  
[www.uphelp.org/survivorsspeak](http://www.uphelp.org/survivorsspeak)
- Upcoming Workshops And Resources [www.uphelp.org/r2r](http://www.uphelp.org/r2r)

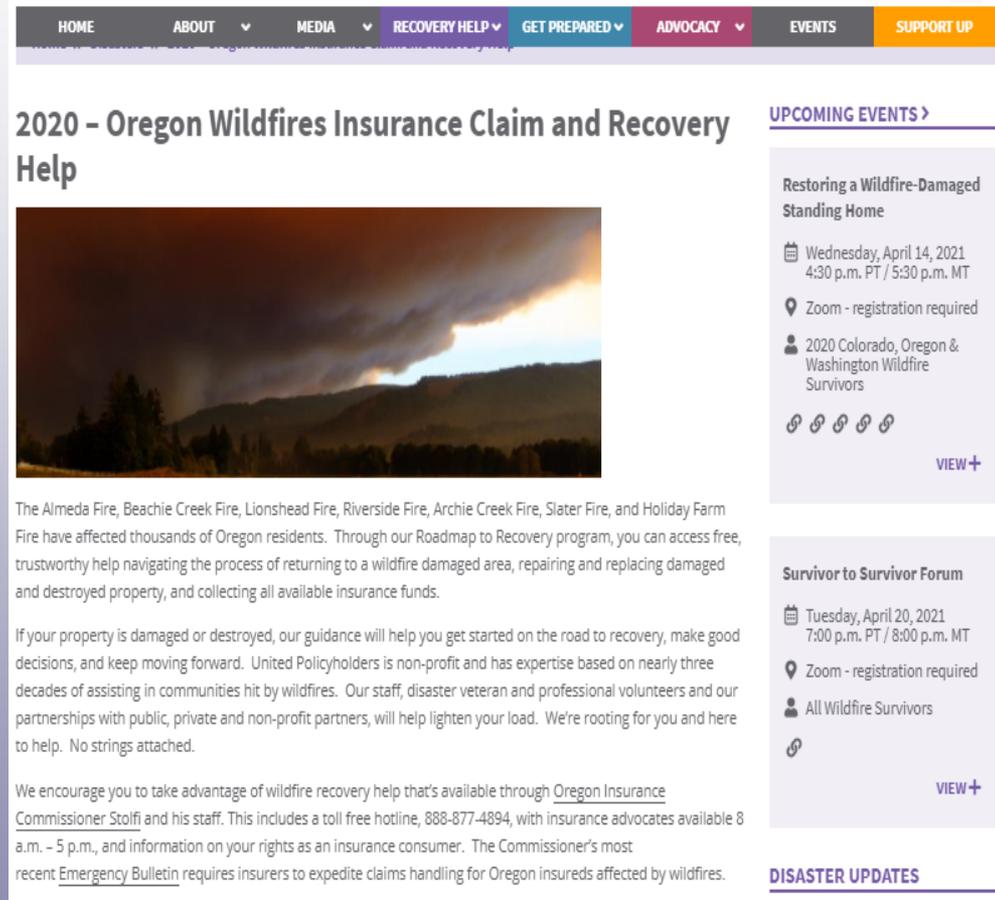


The screenshot shows the United Policyholders website page for "2020 Colorado Wildfires - Insurance and Recovery Help". The page features a navigation bar with links for HOME, ABOUT, MEDIA, RECOVERY HELP, GET PREPARED, ADVOCACY, EVENTS, and SUPPORT UP. A search bar is located in the top right corner. The main content area includes a large image of a wildfire, followed by text explaining the impact of the Cameron Peak, Calwood, Lefthand Canyon, and East Troublesome Fires. It provides information on the Roadmap to Recovery program, which offers free, trustworthy help for navigating the recovery process. The page also mentions that United Policyholders is a non-profit organization with expertise based on nearly three decades of assisting in wildfire-impacted communities. A "SIGN UP HERE" link is provided for receiving information and alerts. A note states that United Policyholders respects and protects the privacy of all who communicate with the organization. A link to a video titled "FIRST STEPS AFTER A WILDFIRE" is included. The page concludes with a "Related News and Information" section, specifically mentioning "DORA - Division of Insurance Bulletins". On the right side, there is a sidebar titled "UPCOMING EVENTS" with two events listed: "Taxes and Financial Decision-making After a Wildfire Loss - a Q&A webinar" on Wednesday, March 24, 2021, and "Survivor to Survivor Forum" on Tuesday, April 6, 2021. Both events are held via Zoom and require registration.

# Your Oregon Wildfire Help Library

## [www.uphelp.org/ORwildfires](http://www.uphelp.org/ORwildfires)

- Oregon Specific Resources with Step by Step Guidance
- One Click Links to Sign UP for Events And Email Notifications
- Links to Pro-consumer Professional Help  
[www.uphelp.org/findhelp](http://www.uphelp.org/findhelp)
- Sample Letters & Claim Forms  
[www.uphelp.org/samples](http://www.uphelp.org/samples)
- Survivors Speak Tips  
[www.uphelp.org/survivorsspeak](http://www.uphelp.org/survivorsspeak)
- Upcoming Workshops And Resources [www.uphelp.org/r2r](http://www.uphelp.org/r2r)



The screenshot shows the website's navigation menu with options: HOME, ABOUT, MEDIA, RECOVERY HELP, GET PREPARED, ADVOCACY, EVENTS, and SUPPORT UP. The main content area features the article "2020 - Oregon Wildfires Insurance Claim and Recovery Help" with a photograph of a wildfire. The sidebar includes "UPCOMING EVENTS" with details for a workshop on "Restoring a Wildfire-Damaged Standing Home" and a "Survivor to Survivor Forum". A "DISASTER UPDATES" section is also visible at the bottom of the sidebar.

HOME ABOUT MEDIA RECOVERY HELP GET PREPARED ADVOCACY EVENTS SUPPORT UP

### 2020 - Oregon Wildfires Insurance Claim and Recovery Help



The Almeda Fire, Beachie Creek Fire, Lionshead Fire, Riverside Fire, Archie Creek Fire, Slater Fire, and Holiday Farm Fire have affected thousands of Oregon residents. Through our Roadmap to Recovery program, you can access free, trustworthy help navigating the process of returning to a wildfire damaged area, repairing and replacing damaged and destroyed property, and collecting all available insurance funds.

If your property is damaged or destroyed, our guidance will help you get started on the road to recovery, make good decisions, and keep moving forward. United Policyholders is non-profit and has expertise based on nearly three decades of assisting in communities hit by wildfires. Our staff, disaster veteran and professional volunteers and our partnerships with public, private and non-profit partners, will help lighten your load. We're rooting for you and here to help. No strings attached.

We encourage you to take advantage of wildfire recovery help that's available through Oregon Insurance Commissioner Stolfi and his staff. This includes a toll free hotline, 888-877-4894, with insurance advocates available 8 a.m. - 5 p.m., and information on your rights as an insurance consumer. The Commissioner's most recent [Emergency Bulletin](#) requires insurers to expedite claims handling for Oregon insureds affected by wildfires.

#### UPCOMING EVENTS >

**Restoring a Wildfire-Damaged Standing Home**

📅 Wednesday, April 14, 2021  
4:30 p.m. PT / 5:30 p.m. MT

📍 Zoom - registration required

👤 2020 Colorado, Oregon & Washington Wildfire Survivors

🔗 🔗 🔗 🔗 🔗

[VIEW +](#)

#### Survivor to Survivor Forum

📅 Tuesday, April 20, 2021  
7:00 p.m. PT / 8:00 p.m. MT

📍 Zoom - registration required

👤 All Wildfire Survivors

🔗

[VIEW +](#)

#### DISASTER UPDATES

# Your Washington Wildfire Help Library

<https://uphelp.org/disaster-recovery-help/washington-wildfires-insurance-claim-and-recovery-help/ww.uphelp>

- WA Specific Resources with Step-by-Step Guidance
- One Click Links to Sign UP for Events And Email Notifications
- Links to Pro-consumer Professional Help  
[www.uphelp.org/findhelp](http://www.uphelp.org/findhelp)
- Sample Letters & Claim Forms  
[www.uphelp.org/samples](http://www.uphelp.org/samples)
- Survivors Speak Tips  
[www.uphelp.org/survivorsspeak](http://www.uphelp.org/survivorsspeak)
- Upcoming Workshops And Resources [www.uphelp.org/r2r](http://www.uphelp.org/r2r)

## DISASTER RECOVERY HELP

[Home](#) » [Disasters](#) » [2020 Washington Wildfires – Insurance Claim and Recovery Help](#)

### 2020 Washington Wildfires – Insurance Claim and Recovery Help



Through our [Roadmap to Recovery](#) program you can access free, trustworthy help navigating the process of returning to a wildfire damaged area, repairing and replacing damaged and destroyed property, and collecting all available insurance funds.

If your property is damaged or destroyed, our guidance will help you get started on the road to recovery, make good decisions and keep moving forward. United Policyholders is non-profit and has expertise based on nearly three decades of assisting in communities hit by wildfires. Our staff, disaster veteran and professional volunteers and our partnerships with public, private and non-profit partners will help lighten your load. We're rooting for you and here to help. No strings attached.

We encourage you to take advantage of wildfire recovery help that's available through the Washington State Insurance Commission. This includes a toll-free hotline, 800-562-6900.

The following are selected items from the extensive library of resources we offer. Through our Roadmap to Recovery program you can access tips, tools and the straight scoop on insurance, clean up, contractors, lawyers, adjusters, avoiding ripoffs and mistakes, your legal rights and emotional support from people who genuinely care about helping you navigate successfully.

# Upcoming Roadmap to Recovery™ Events

## Survivor to Survivor Forums

*Connect and confer with trained UP volunteers who navigated recovery after previous wildfires*

**Tuesday, September 14, 2021, 7:00 p.m. PT / 8:00 p.m. MT**

Register: [www.uphelp.org/Sept14](http://www.uphelp.org/Sept14)

**Tuesday, September 21, 2021, 7:00 p.m. PT / 8:00 p.m. MT**

Register: [www.uphelp.org/Sept21](http://www.uphelp.org/Sept21)

## Q&A webinars

**Wednesday, September 15, 2021, 5:30 p.m. PT**

Register: [www.uphelp.org/sept15](http://www.uphelp.org/sept15) (*California*)

**Wednesday, September 29, 2021, 5:30 p.m. MT**

Register: [www.uphelp.org/sept29](http://www.uphelp.org/sept29) (*Colorado*)

[www.uphelp.org/events](http://www.uphelp.org/events)

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# Upcoming Roadmap to Recovery™ Events

[www.uphelp.org/events](http://www.uphelp.org/events)

The screenshot shows the United Policyholders website's event page. The header includes the United Policyholders logo, a search bar, and a navigation menu with options: HOME, ABOUT, MEDIA, RECOVERY HELP, GET PREPARED, ADVOCACY, EVENTS, and SUPPORT UP. The main content area features five event cards, each with a title, date, time, location, and target audience, along with a 'VIEW +' button.

Event Title	Date	Time	Location	Target Audience
Survivor to Survivor Forum	Tuesday, September 14, 2021	7:00 p.m. PT / 8:00 p.m. MT	Zoom - registration required	All wildfire survivors
Roadmap to Recovery Q&A	Wednesday, September 15, 2021	5:30 p.m. PT	Zoom - registration required	2020 CA wildfire survivors
Survivor to Survivor Forum	Tuesday, September 21, 2021	7:00 p.m. PT / 8:00 p.m. MT	Zoom - registration required	All wildfire survivors
Roadmap to Recovery Q&A	Wednesday, September 29, 2021	5:30 p.m. MT	Zoom - registration required	2020 Colorado wildfire survivors
UP to Good – a benefit for United Policyholders	Friday, October 1, 2021	Virtual Party: 4pm - 5:15pm, Live Party: 6:30-8:30pm	Buena Vista Winery	

# Stay connected to other disaster survivors – S2S Forums

- Great Source of Information About:
  - Insurance and Rebuilding
  - Negotiation and Financial Strategies
  - Referrals and Warnings re: professionals
- Important Source of Emotional Support
  - No one else understands your challenges and emotions like another survivor
- Find upcoming Survivor 2 Survivor Forums and register at: <http://www.uphelp.org/events>

# Stay informed – Sign UP

To be added to our mailing list for notices of future events and updated guidance:

- Encourage friends to sign up:  
[www.uphelp.org/signup](http://www.uphelp.org/signup)
- To request a copy of today's slides or video,  
email: [info@uphelp.org](mailto:info@uphelp.org)

# Thank You Colorado Funders



**COMMUNITY  
FOUNDATION  
BOULDER COUNTY**

INSPIRING IDEAS. IGNITING ACTION.®



*Grand*  
**FOUNDATION**



*Grand County*  
**WILDFIRE EMERGENCY FUND**  
A GRAND FOUNDATION FUND

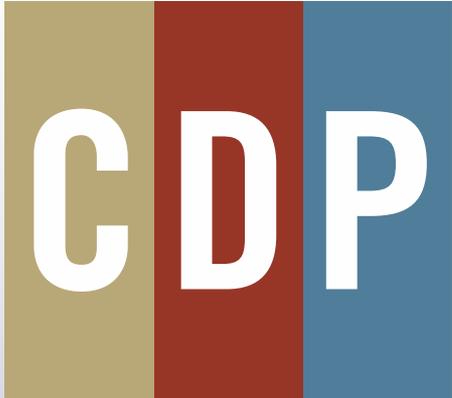


**Center for Disaster Philanthropy**

# Thank You Oregon and Washington Funders



# Thank You California Funders



Center for Disaster Philanthropy

*North Valley*

COMMUNITY  
FOUNDATION



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# For more information

If you still have questions, visit UP's website and search for more claim tips, articles and helpful information at:

**[www.uphelp.org](http://www.uphelp.org)**