Resolving Claim Disputes

Colorado and California

DATE: January 20, 2022
www.uphelp.org
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
  o Survivor to Survivor - previous catastrophic loss survivors paying it forward
  o 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 to have a copy mailed to you.

Copyright 2022. United Policyholders. All rights reserved.
The Fine Print

• This workshop is intended to be general guidance only, not legal advice.

• We don’t endorse or warrant any of the sponsors listed at www.uphelp.org or speakers at our workshops.

• Our speakers are volunteering their time as educators.
Today’s Presenters

Amy Bach, Esq.
   Executive Director, United Policyholders

Valerie Brown
   Senior Program Officer, United Policyholders

Tony Cignarale
   Deputy Commissioner, California Department of Insurance

Tracy Garceau
   Lead Insurance Analyst, Colorado Division of Insurance
Amy Bach

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

Copyright 2022. United Policyholders. All rights reserved.
Valerie Brown

- Senior Program Officer
- 12+ years experience in disaster recovery
- Board Member, Disaster Leadership Team
- Officer and Board Member, National Aging in Place Council
- Board Member, San Diego VOAD
- Officer, Disaster Leadership Team
- Home Ignition Zone Instructor
Tony Cignarale

• Deputy Commissioner, California Dept. of Insurance since 2007

• 35 Years Insurance Experience

• Admitted to the State Bar in 1999

• Oversees Disaster Response, Consumer Hotline/ RFAs and Market Conduct Examinations

• Helped enact many of the laws in place that help disaster survivors collect insurance benefits timely
FOR FREE, PERSONAL ASSISTANCE WITH YOUR CLAIMS OR UNDERINSURANCE ISSUES

CALL US AT: 1 800 927 4357

OR GO ONLINE: insurance.ca.gov
Tracy Garceau

• Lead Insurance Analyst, Consumer Services, DORA, Colorado Division of Insurance

• tracy.garceau@state.co.us

• 303.894.7803
Colorado Division Of Insurance
For Free, Personal Assistance With Your Claims Or Underinsurance Issues
To File a Complaint Online:  www.doi.colorado.gov
By Email:  dora_insurance@state.co.us
Or Call:  (303)894-7499
OPTIONS AND STRATEGIES FOR RESOLVING CLAIM DISPUTES
Your Rights

There are three primary sources that dictate how your insurance company should be handling your claim:

1. Your State’s Insurance Laws (Statutes and Case Laws that relate to fair/unfair claim handling)
2. Your State’s Regulations, Bulletins and Notices (Often more specific than laws)
3. The language in your specific policy (including endorsements, exclusions and declarations)
4. The Covenant of Good Faith and Fair Dealing (read into insurance policies)
Documentation is KEY!

• Present your requests clearly
• Make all requests in writing
• Explain what you need, when you need it, and why
• Keep a Claim Journal
  – Take notes on who you talked to, the number you called, date and time, what was said. Keep all of your paperwork organized and together
# Keep a log of contacts

<table>
<thead>
<tr>
<th>DATE</th>
<th>ACTIVITY</th>
<th>CONTACT PERSON</th>
<th>PHONE NUMBER</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>7/20/20</td>
<td>Called Realtor in Chico</td>
<td>Realtor Name</td>
<td>(530) 444-4444</td>
<td>Set appointment to tour houses on Saturday</td>
</tr>
<tr>
<td>7/25/20</td>
<td>Toured 2 houses</td>
<td>Name</td>
<td>(530) 444-4444</td>
<td>Addresses of homes toured</td>
</tr>
<tr>
<td>7/28/20</td>
<td>Called Permit Center</td>
<td>Permit Contact</td>
<td>(530) 444-4444</td>
<td>Reviewed permit process and times to approval - approx 21 days</td>
</tr>
</tbody>
</table>

# Insurance Accounting Spreadsheet

This is a spreadsheet to help you keep track of your insurance payments. It includes columns that allow you to track expenses by type of coverage and payments received, as well as line item tracking of your coverage limits.

This document was donated by a Woolsey Fire survivor.

<table>
<thead>
<tr>
<th>Coverage</th>
<th>A (Dwelling)</th>
<th>B (Other Structures)</th>
<th>C (Personal Property)</th>
<th>D (Loss of Use (ALE))</th>
<th>E - Additional Coverages</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Structure</td>
<td>Replacement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coverage (Declaration Page)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction Estimate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Limit of Coverage</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Payments Received</th>
<th>Date</th>
<th>Check #</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coverage</td>
<td>A</td>
<td>B</td>
<td>C</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td></td>
<td>Structure</td>
<td>ERC (OPT ID)</td>
<td>Other Structures</td>
</tr>
<tr>
<td>Coverage (Declarations Page)</td>
<td>$226,500.00</td>
<td>$113,250.00</td>
<td>$22,650.00</td>
</tr>
<tr>
<td>REPLACEMENT COSTS Estimates</td>
<td>$226,500.00</td>
<td>$235,547.89</td>
<td>$87,885.29</td>
</tr>
<tr>
<td>Limit of Coverage</td>
<td>$226,500.00</td>
<td>$113,250.00</td>
<td>$22,650.00</td>
</tr>
</tbody>
</table>

**Payments Received**

<table>
<thead>
<tr>
<th>Date</th>
<th>Check #</th>
<th>Purpose</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>11/10/18</td>
<td>668</td>
<td>ALE ADVANCE</td>
<td>$8,000.00</td>
</tr>
<tr>
<td>11/30/18</td>
<td>234</td>
<td>EVAC EXPENSES</td>
<td>$1,158.98</td>
</tr>
<tr>
<td>3/19/19</td>
<td>123</td>
<td>INS DWELLING EST</td>
<td>$11,325.00</td>
</tr>
<tr>
<td>3/30/19</td>
<td>234</td>
<td>75% CONTENTS</td>
<td>$127,575.00</td>
</tr>
<tr>
<td>7/14/20</td>
<td>589</td>
<td>ADDL DWELLING</td>
<td>$26,683.74</td>
</tr>
<tr>
<td>7/15/20</td>
<td>587</td>
<td>FINAL CONTENTS</td>
<td>$42,525.00</td>
</tr>
<tr>
<td>7/15/20</td>
<td>987</td>
<td>ONE YEAR ALE/FMV</td>
<td>$24,000.00</td>
</tr>
<tr>
<td>12/30/20</td>
<td>878</td>
<td>FINAL ALE</td>
<td>$12,828.35</td>
</tr>
</tbody>
</table>

**Total Payments**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$226,500.00</td>
</tr>
</tbody>
</table>

**Balance**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$-</td>
</tr>
</tbody>
</table>
Journaling and a good paper trail

• Your communications with insurer should:
  – Use good grammar, punctuation
  – Concise, bullet points, avoid rambling
  – Confirm you are cooperating w/their investigation
  – Tell them what you need/want and why
  – Document conversations, commitments, open items
  – Point out specific things they have/haven’t done that are holding up resolution of your claim
  – Politely remind them about your challenging situation
  – Give them a specific time frame to reply/comply
  – Follow up…follow up….follow up again…

Copyright 2021. United Policyholders. All rights reserved.
Negotiation - Best Practices

• Keep it professional
• No harm in asking for flexibility/concessions
• Use leverage
• Promptly respond to reasonable requests
• Confirm your willingness to cooperate, explain why you can’t fulfill an unreasonable request
• Avoid venting frustrations and emotions
Dear (name of adjuster),

Please provide an update on the dwelling portion of my claim. On (Date) I submitted a contractors estimate to you from (XYZ Contractor) in the amount of $xxx,xxx. There is a ($xxx,xxx) dollar difference between your original dwelling payment and this estimate.

Please send payment for the replacement cost amount of ($ difference between original amount and replacement cost amount) within 2 weeks.
The facts and your leverage
(Underinsured so please pay faster)

As you know, I paid for extended replacement cost *and* coverage for required code upgrades. The estimate from XYZ Contractor shows that even with (ERC ___%) and code upgrade coverage I am underinsured by at least $xxx,xxx.

I look forward to receiving my full dwelling coverage limits including all extended and additional benefits by the end of the month so I can make the decisions I need to make on how to get back home.
If you will not be issuing payment of full policy limits, please explain in detail why.

It is my understanding my first ACV payment was calculated using real estate appraisal method. If you do not plan on paying my policy limits based on my contractor’s replacement estimate, please confirm that you are willing to pay for a “scope of loss” to be prepared.
A Good Paper Trail Provides Leverage

• Document unreasonable delays, claim handling, regulation/law violations
• Clearly explain the balance of benefits owing and why you’re entitled to them
• Document rotating adjusters and why it’s a problem (3 in 6 months = status report)
  – Refer to your claim journal
  – Be as specific as possible
  – Cite to laws/regs that give you rights
  – Go up the chain of command
Your personal leverage

• Sudden tragedy turned your life upside down
• You’re doing your best with the MANY details
• Special circumstances (Senior Citizen, commuting worker, working parent, young kids, business owner, disabled/ill, etc.)
• You lost a life’s worth of possessions
• Good help is extra hard to find now, prices are much higher
• Records are all gone and painstaking to recreate
Your legal/political leverage

• Regulations related to claims, deadlines, etc.
• Statutes related to claims, coverage, deadlines, etc.
• The right to file a lawsuit/hire an attorney
  – If insurer breached duty of good faith/fair dealing
    (be reasonable)(duty to settle fairly)
  – Pay undisputed amounts promptly
  – Insurer $ interests on par with yours
  – Contingency fee option makes hiring a lawyer feasible
• Media exposure, pending legislation, UP survey
Go “up the chain” … to get attention and results

• If you are unable to resolve an issue with your adjuster, go above his/her head “up the chain” within the insurance company
• The higher you go…the greater your chances of success in resolving your dispute
• At the same time, open a complaint/RFA with your state Insurance oversight agency
• Vague threats to sue are rarely effective
If possible, meet in person with your adjuster and your contractor

- Your contractor should be able to stand behind his/her numbers
- Make sure you have as much detail on subcontractors as possible
- If your contractor cannot/won’t put the time in to prep a detailed scope and estimate w/sub-bids to compare against the insurers’ estimate(s), hire a Scope pro. Ask insurer to pay for it as a claim prep expense
Filing a complaint with the DOI boosts your leverage

• Filing a complaint elevates your situation / “squeaky wheel,” insurer can’t penalize you
  – 48% of UP survey respondents reported having a problem with their insurance company.
  – Of those respondents only 16% have filed a complaint with Department of Insurance.

• Include a summary to help DOI staff

• Insurers are subject to fines and penalties, Market Conduct Examinations.
EXAMPLES OF COMMON CLAIMS DISPUTES
Replacement Cost vs Actual Cash Value

• Understanding the difference between Replacement Cost and Actual Cost regarding Dwelling

• How insurance companies arrive at the figures

• ACV IS negotiable

https://uphelp.org/events/how-to-read-and-understand-your-insurance-policy-2/
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.
Excessive depreciation is a common claim problem

• Don’t accept excessive depreciation of your property by the insurance company.

• Depreciation guides can help you determine the value of your contents.


Copyright 2021. United Policyholders.
All rights reserved.
Resolving a dispute involving depreciation

- Negotiate depreciation and ACV hold-backs on a case-by-case basis to reflect the condition of each item.

- If your insurer applies a fixed percentage across all items, you can challenge this by either negotiating a much lower percentage (3-5%, for example).

- Make a specific request for what you feel is a fair resolution and back it up with documentation and your best arguments to support your position.

- Go up the chain of command at the insurance company, (www.uphelp.org/speakUP).

- File a complaint with the Department of Insurance.

- Mediation and/or Litigation.
“Reasonable” progress?

• What is reasonable?
• What are the issues YOU have encountered?
• Explain specifically what you are doing towards rebuilding or replacing your home
• Be prepared to do this monthly
• How does buying change the situation?

• Try to estimate a timeline and ask for a cash out—It’s a gamble but can provide a set amount
Examples

• Difficulty finding/retaining professionals
  – Architects, engineers, contractors

• Cost increases due to increased demand

• Housing Market issues

• COVID - 19

• How long did it take the carrier to pay the Coverage A benefits? This is a delay in the overall process and extends your ALE needs
Underinsurance

• Rebuilding estimates often exceed policy limits, especially due to increased material costs
Code upgrades

Are code upgrades included in RCV? Can the insurance company deny inclusion until "cost is incurred? What if purchasing a replacement home, not rebuilding?

Contents and Inventory

• Excessive depreciation
• Strategies for getting the balance of your contents money without doing the complete inventory or buying items / submitting receipts

Buying vs. Rebuilding

The process is almost identical for all the different options (rebuild/buy/codes).

The most important thing: KNOW HOW MUCH IT WOULD COST TO REBUILD THE HOUSE YOU LOST up to the policy limits.

If buying you will also need a CODE BID for the house you lost, NOT the new one!

If you were paid the full policy limits you will most likely not need an estimate.
• Some insurers want to deduct an amount for the land under the home you want to buy
• CA law prohibits that, but only expressly starting in Jan. 2021. Other states do not address.
• Lawsuits are pending that challenge insurers right to deduct land value
• We recommend pushing back:
  – Ask where it states in policy
  – You are NOT asking for $ for land! Just cost of lost home
  – New home including land is same price as old home excluding land so it’s not a windfall
Deep Breath
Mediation

Mediation is an informal, voluntary, non-binding process for conducting settlement negotiations between you and your insurance company.

Can be fast and inexpensive if your dispute is ripe for mediation and you’re prepared and empowered.

You must PREPARE.
Mediation “Pros”

• Inexpensive
• If you don’t like the result, you can walk away
• Efficient way of putting the dispute behind you and moving forward
• Educates both sides about the strengths and weaknesses of their positions
Mediation “Cons”

- Insurance company may not be seriously interested in settling, but uses mediation to gather evidence and test the strength of your legal case
- Mediator may inappropriately discourage/scare the policyholder to force a settlement
- Mediator may tell insurance company things you ask them to keep secret
- Insurance rep may take advantage of your inexperience with the mediation process and legal concepts
- You may leave the mediation feeling it was a waste of time and money
DEPT OF INS. MEDIATION

1-800-927-4357
www.insurance.ca.gov

MEDIATION PROGRAM
Residential Property and Earthquake Claims
Appraisal

• Most property insurance policies contain wording that allows disputes over the amount/value of a loss to be resolved by a process called "appraisal." Public adjusters often use appraisal for leverage and to settle.

• An insurance appraisal is a mini-arbitration of sorts. Each side picks an appraiser then there’s one umpire.

• An insurance appraisal can determine the scope and severity of a loss (what was damaged and how badly) and the value of the loss (how much repairs should cost). You wouldn’t use appraisal to determine fault for underinsurance, e.g.
Insurance Appraisal Simplified

STEP 1 ➔ A dispute arises over the VALUE and/or EXTENT of an insured loss

STEP 2 ➔ Each side (insurer and insured) picks an appraiser, the appraisers pick the umpire/neutral

STEP 3 ➔ The two appraisers try to reach agreement on some or all items in dispute

STEP 4 ➔ As to remaining issues, the appraisers and umpire review documents, photos, evidence

STEP 5 ➔ Deliberations/Voting

STEP 6 ➔ 2 out of 3 agree and write up and sign their decision OR 3 out of 3 agree (unanimous)

STEP 7 ➔ DECISION/“AWARD”

STEP 8 ➔ Deliver Decision/Award to carrier and insured to trigger payment or enforcement of the award

Coverage disputes generally cannot be resolved through appraisal

If parties can’t agree on an umpire, court will appoint

Rules vary state by state on appraiser qualifications, selection, hearing process and costs

Appraisal findings are generally called an “award”

Unconfirmed = Force/efficacy of a contract
Confirmed by a court = Enforceable judgment
Types of Professional Help

• Licensed Attorney (33%-40% std)
• Licensed Public Adjuster (7-15% std)
• Licensed Contractor
• Licensed or Unlicensed Construction Estimator/Consultant/Scope preparer
  – Fees range from free to $4k to % of project
  – Can they defend/negotiate on your behalf?
  – Is their work better than Xactimate, how/why?
Litigation

- Individual
  - E & O claim vs. agent/broker
  - Breach of contract/Breach of the covenant of good faith and fair dealing (“bad faith”)
- Multi-plaintiff/class action/Unfair practice/Fraud
  - Systematic underinsurance, improper software
  - Systemic fraud
  - Improper depreciation
  - Disparate treatment
  - Utility negligence/liability

Best to check w/an attorney at the 24 month mark if claim unresolved to avoid missing lawsuit deadline
Your California Wildfire Help Library
www.uphelp.org/2020Wildfires

- California Specific Help
- One Click Links to Sign UP for Events And Email Notifications
- Links to Pro-consumer Professional Help www.uphelp.org/findhelp
- Sample Letters & Claim Forms www.uphelp.org/samples
- Survivors Speak Tips www.uphelp.org/survivorsspeakek
- Upcoming Workshops And Resources www.uphelp.org/r2r

Copyright 2022. United Policyholders.
All rights reserved.
Your Colorado Wildfire Help Library

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
- Sample Letters & Claim Forms
  www.uphelp.org/samples
- Survivors Speak Tips
  www.uphelp.org/survivorsspeak
- Upcoming Workshops And Resources
  www.uphelp.org/r2r

Copyright 2022. United Policyholders. All rights reserved.
Your Oregon Wildfire Help Library
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

• Sample Letters & Claim Forms
www.uphelp.org/samples

• Survivors Speak Tips
www.uphelp.org/survivorsspeak

• Upcoming Workshops And Resources www.uphelp.org/r2r

Copyright 2022. United Policyholders.
All rights reserved.
Your Washington Wildfire Help Library
www.uphelp.org/WAWildfires

- Washington 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
- Sample Letters & Claim Forms www.uphelp.org/samples
- Survivors Speak Tips www.uphelp.org/survivorsspeak
- Upcoming Workshops And Resources www.uphelp.org/r2r

DISASTER 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.

Copyright 2022. United Policyholders. All rights reserved.
Helpful UP webinars

• Underinsurance
  – www.uphelp.org/underinsured2021

• How to read and understand your policy
  – www.uphelp.org/2020_policy

• Maximizing ALE
  – www.uphelp.org/webinar_ALE

• Buy v. Rebuild
  – http://www.uphelp.org/webinar_buy_rebuild
Guidance available in the UP Claim Help Library at www.uphelp.org/disputeresolution

– Speak UP: Going up the chain of command
– Insurance Appraisal Simplified
– A Policyholders Guide to Mediation
– Hiring Professional Help
– Sample Letters (www.uphelp.org/sample)
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/r2r
# Upcoming Roadmap to Recovery® events

www.uphelp.org/events

Register for upcoming events. View recordings of past events and related resources.

<table>
<thead>
<tr>
<th>UPCOMING EVENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Buy, Rebuild, or Cash Out</strong></td>
</tr>
<tr>
<td>- Thursday, January 13, 2022</td>
</tr>
<tr>
<td>- 5:30 p.m. PT</td>
</tr>
<tr>
<td>- Zoom</td>
</tr>
<tr>
<td>- 2021 CA wildfire survivors</td>
</tr>
</tbody>
</table>

| **Survivor to Survivor Forum** |
| - Tuesday, January 18, 2022 |
| - 7:00 p.m. PT / 8:00 p.m. MT |
| - Zoom - registration required |
| - All wildfire survivors |

| **Roadmap to Recovery Q&A** |
| - Wednesday, January 19, 2022 |
| - 5:30 p.m. PT |
| - Zoom - registration required |
| - 2021 CA wildfire survivors |

| **Resolving Claim Disputes** |
| - Thursday, January 20, 2022 |
| - 5:30 p.m. PT / 6:30 p.m. MT |
| - Zoom |
| - All 2020 wildfire survivors, 2018/2019 California wildfire survivors |

| **Your Money and Your Post-Wildfire Future Clinic for CA wildfire survivors** |
| - Tuesday, January 25, 2022 |
| - 1:00 p.m. PT |
| - Zoom - registration required |
| - California wildfire survivors |

| **Your Money and Your Post-Wildfire Future Clinic for CO wildfire survivors** |
| - Wednesday, January 26, 2022 |
| - 1:00 p.m. MT |
| - Zoom - registration required |
| - Colorado wildfire survivors |

Copyright 2022. United Policyholders. All rights reserved.
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
State regulatory agency for:

- Insurance industry
- State-chartered banks and credit unions
- Investments and securities
- Mortgage industry and other nondepository programs
How to reach an advocate:

- **Call**
  888-877-4894 (toll-free)

- **Email**
  dfr.insurancehelp@oregon.gov

- **Visit**
  dfr.oregon.gov
Colorado Division Of Insurance
For Free, Personal Assistance With Your Claims Or Underinsurance Issues
To File a Complaint Online:  www.doi.colorado.gov
By Email:  dora_insurance@state.co.us
Or Call:  (303)894-7499

Welcome to the Colorado Division of Insurance

Copyright 2022. United Policyholders.
All rights reserved.
www.insurance.wa.gov/ask-us-insurance-question

To File a Complaint Online:   www.insurance.wa.gov
Or Call Consumer Hotline:   800-562-6900
By Live Chat: www.insurance.wa.gov/chat-us
Laws and Regulations in Your State

https://uphelp.org/recovery/state-by-state-help/
What do I do with this information?
You can….

• Use these resources as a tool to get your claim paid promptly and fairly

• Politely and professionally remind your adjuster of these regulations and code sections if need be (quote in support of your claim request…)

• Provide proof of violations of the regulations which may allow the Commissioner to assess penalties on insurers

Note: Not meant to be a litigation springboard…
(c) In the event of a total loss of the insured structure, a policy issued or delivered in this state shall not contain a provision that limits or denies, on the basis that the insured has decided to rebuild at a new location or to purchase an already built home at a new location, payment of the building code upgrade cost or the replacement cost, including any extended replacement cost coverage, to the extent those costs are otherwise covered by the terms of the policy or any policy endorsement. However, the measure of indemnity shall not exceed the replacement cost, including the building code upgrade cost and any extended replacement cost coverage, if applicable, to repair, rebuild, or replace the insured structure at its original location.
(d) If losses are settled on the basis of a written scope and/or estimate prepared by or for the insurer, the insurer shall supply the claimant with a copy of each document upon which the settlement is based. The estimate prepared by or for the insurer shall be in accordance with applicable policy provisions, of an amount which will restore the damaged property to no less than its condition prior to the loss and which will allow for repairs to be made in a manner which meets accepted trade standards for good and workmanlike construction. The insurer shall take reasonable steps to verify that the repair or rebuilding costs utilized by the insurer or its claims agents are accurate and representative of costs in the local market area. If the claimant subsequently contends, based upon a written estimate which he or she obtains, that necessary repairs will exceed the written estimate prepared by or for the insurer, the insurer shall:

1. pay the difference between its written estimate and a higher estimate obtained by the claimant; or,

2. if requested by the claimant, promptly provide the claimant with the name of at least one repair individual or entity that will make the repairs for the amount of the written estimate. The insurer shall cause the damaged property to be restored to no less than its condition prior to the loss and which will allow for repairs in a manner which meets accepted trade standards for good and workmanlike construction at no additional cost to the claimant other than as stated in the policy or as otherwise allowed by these regulations; or,

3. reasonably adjust any written estimates prepared by the repair individual or entity of the insured's choice and provide a copy of the adjusted estimate to the claimant.
In an effort to assist survivors, displaced residents, and businesses affected by the current and recent wildfires throughout the state, and in recognition of Governor Gavin Newsom’s declared state of emergency on August 18, 2020, related to the July-August 2020 wildfires, I am calling on all property and casualty insurance companies to implement emergency expedited claims handling procedures and billing grace periods to assist residents and businesses to recover more quickly.

**Personal Property (Contents):** Insurers should provide an initial contents advance payment of at least 25% of policy limits for a total loss of the primary residence in a wildfire disaster without the completion of an inventory. Additional contents payments should be available upon proper proof provided by and upon request of the policyholder.
### Insurance Company Responses to Commissioner Lara’s 10/2/20 Notice: Personal Property Coverage 2020 August September Wildfire Total Loss Claims (As of 10-6-20)

<table>
<thead>
<tr>
<th>Insurance companies that agreed to offer at least the minimum amount of advance payment on contents coverage without an inventory</th>
<th>Continued from Column One --- Agreed to at least the minimum amount of contents without an inventory</th>
<th>Insurance Companies that Offered Less than the requested minimum amount of Contents without an inventory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aegis Security</td>
<td>Mercury Casualty</td>
<td>Allstate</td>
</tr>
<tr>
<td>AIG Property Casualty</td>
<td>Nationwide</td>
<td>ASI Select (Progressive)</td>
</tr>
<tr>
<td>AIG Specialty Insurance</td>
<td>North Pointe Insurance</td>
<td>Assurant Companies</td>
</tr>
<tr>
<td>American Family Connect P&amp;C</td>
<td>Oregon Mutual</td>
<td>Catlin Insurance</td>
</tr>
<tr>
<td>American Modern &amp; Affiliates</td>
<td>Pacific P&amp;C</td>
<td>CSE</td>
</tr>
<tr>
<td>American National P&amp;C</td>
<td>Pacific Specialty</td>
<td>Encompass</td>
</tr>
<tr>
<td>Amguard Ins. &amp; Azguard Ins.</td>
<td>Philadelphia Insurance</td>
<td>HDI Global Specialty SE</td>
</tr>
<tr>
<td>Amica Mutual</td>
<td>Praetorian Insurance</td>
<td>Heritage P&amp;C</td>
</tr>
<tr>
<td>Armed Forces</td>
<td>Privilege Underwriters Ins. Exchange (PURE)</td>
<td>Indian Harbor</td>
</tr>
<tr>
<td>California Auto Insurance Co.</td>
<td>QBE Insurance Corporation</td>
<td>Kemper</td>
</tr>
<tr>
<td>California Casualty</td>
<td>Regent Insurance</td>
<td>KW Specialty</td>
</tr>
<tr>
<td>CHUBB</td>
<td>Residence Mutual</td>
<td>Liberty Mutual/Safeco</td>
</tr>
<tr>
<td>Cincinnati Insurance Co.</td>
<td>Seaview Insurance</td>
<td>Metropolitan Direct P&amp;C</td>
</tr>
<tr>
<td>DB Insurance Company Ltd.</td>
<td>Stillwater Insurance</td>
<td>Pharmacists Mutual</td>
</tr>
<tr>
<td>Electric Insurance</td>
<td>Stonington Insurance</td>
<td>Response Indemnity</td>
</tr>
<tr>
<td>Farmers Group</td>
<td>Unigard Insurance</td>
<td>The Hartford</td>
</tr>
<tr>
<td>General Casualty Co of WI</td>
<td>Universal North American Ins.</td>
<td>Topa Insurance Group</td>
</tr>
<tr>
<td>Grange Insurance Assn.</td>
<td>USAA</td>
<td>Travelers</td>
</tr>
<tr>
<td>Homesite Ins. Co of California</td>
<td>Wawanesa</td>
<td></td>
</tr>
<tr>
<td>Horace Mann P&amp;C</td>
<td>Western Mutual</td>
<td></td>
</tr>
<tr>
<td>Interinsurance Exchange of the Automobile Club</td>
<td>Zurich North American</td>
<td>Insurance Companies that Did Not Yet Respond to the Request</td>
</tr>
<tr>
<td>Lexington Insurance Co.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---


Copyright 2021. United Policyholders. All rights reserved.
“When the amount claimed is adjusted because of... depreciation... 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... depreciation...

Any adjustments for... 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.”
Colorado Revised Statutes § 10-4-110.8 (11) (a): required initial advance of contents coverage without completing an inventory

Request and deposit the mandatory initial 30% of the policy limits for “C” that Colorado law requires all insurers to pay (write “partial settlement” on the check before depositing).

In accordance with C.R.S. 10-4-110.8 (11) (a), in the event of a total loss of an owner-occupied primary residence that was furnished at the time of loss, the insurer shall offer the policyholder a minimum thirty (30) percent of contents coverage without completing an inventory. In order to receive up to the full value of contents the policyholder must complete the inventory.
Colorado Revised Statutes § 10-4-110.8 (11) (c) (I) and (II): Contents claims deadlines

- 365 days after total loss claim to submit inventory
- 365 days from expiration of ALE coverage to replace property and receive recoverable depreciation

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.
Homeowners Insurance Reform Act of 2013 (HB 13-1225) Requires Insurers to ….

- Offer Extended Replacement Cost of at least 20% of dwelling coverage
- Offer Law and Ordinance Coverage of at least 10% of dwelling coverage
- Offer at least 24 months of ALE vs standard 12 month limit
- Consider a RC estimate from a licensed contractor or architect, subject to UW approval
- Provide a copy of policy within 3 days of request, 30 days for a certified copy
- Issue 30% of contents without an inventory if dwelling is a total loss
- Allow 365 days after ALE expires to replace contents and receive withheld depreciation

*Note: This is a partial list of relevant bulletins*
Equitable Payment of Claims Resulting from Natural Disasters –B 5.28

Homeowners’ Right to Obtain Additional or Enhanced Coverages –B5.35

Notice of the Provisions Pertaining to the Payment of Claims for the Repair of Damaged Property –B5.04

Actions to Protect Consumers with Property and Casualty Insurance Policies During the COVID-19 Public Health Emergency in Colorado –B5.38

More Info at: www.doi.colorado.gov

Note: This is a partial list of relevant Colorado DOI bulletins....
§10-3-1104(1)(h), C.R.S.

- **(h)** Unfair claim settlement practices: Committing or performing, either in willful violation of this part 11 or with such frequency as to indicate a tendency to engage in a general business practice, any of the following:
  - **(I)** Misrepresenting pertinent facts or insurance policy provisions relating to coverages at issue; or
  - **(II)** Failing to acknowledge and act reasonably promptly upon communications with respect to claims arising under insurance policies; or
  - **(III)** Failing to adopt and implement reasonable standards for the prompt investigation of claims arising under insurance policies; or
  - **(IV) Refusing to pay claims without conducting a reasonable investigation based upon all available information; or**
  - **(V)** Failing to affirm or deny coverage of claims within a reasonable time after proof of loss statements have been completed; or

*Note: This is a partial list of relevant regulations....*
§10-3-1104(1)(h), C.R.S.

- (VI) Not attempting in good faith to effectuate prompt, fair, and equitable settlements of claims in which liability has become reasonably clear; or
- (VII) Compelling insureds to institute litigation to recover amounts due under an insurance policy by offering substantially less than the amounts ultimately recovered in actions brought by such insureds; or
- (VIII) Attempting to settle a claim for less than the amount to which a reasonable man would have believed he was entitled by reference to written or printed advertising material accompanying or made part of an application; or
- (IX) Attempting to settle claims on the basis of an application which was altered without notice to, or knowledge or consent of, the insured; or
- (X) Making claims payments to insureds or beneficiaries not accompanied by statement setting forth the coverage under which the payments are being made; or

Note: This is a partial list of relevant regulations....
Bulletin B-5.4 Summary of § 10-4-120, Colorado Revised Statutes

Your insurance company cannot require you to have your property repaired by a specific individual or entity.

The law prohibits an insurance company or its agent from:

• Requiring that appraisals or repairs to the real or personal property be made or not be made by a specific repair business
• Representing to a claimant that the use of or the failure to use a particular repair business may result in nonpayment or delayed payment
• Requiring the beneficiary or claimant to travel an unreasonable distance to choose a repair business
• Misinforming a beneficiary or claimant to induce the use of a particular repair business and
• Requiring a third-party claimant to have repairs done by a particular repair business
What does the CO law require?

Bulletin B-5.4 Summary of § 10-4-120, Colorado Revised Statutes

The law requires an insurance company or its agent to:

• Inform the beneficiary or claimant that they may select any repair business of their choosing

• Supply the beneficiary or claimant with a copy of the estimate upon which a settlement is based, when partial losses are settled based on an estimate prepared by or for the insurance company

• Confirm that any estimate prepared by or for the insurer to repair damages that are visible or evident at the time of inspection is adequate to restore the real or personal property within a reasonable time to its condition before the loss, in accordance with applicable policy provisions

• Promptly pay the cost of the real or personal property repair less the deductible according to the terms of the insurance policy at no less that the prevailing competitive market price in the same geographic area

Disclose any ownership interest in, or affiliation with, a recommended repair business….


Copyright 2021. United Policyholders. All rights reserved.
Does CO have laws regarding 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.”

Quoted from Merlin Law Blog
OR Fair Claims Settlement Practices Regulations

OAR 836-080-0235

• (1) An insurer shall, not later than the 30th day after its receipt of properly executed proofs of loss from a first party claimant, advise the claimant of the acceptance or denial of the claim. An insurer shall not deny a claim on the grounds of a specific policy provision, condition or exclusion unless the denial includes reference to the provision, condition or exclusion. A claim denial must be in writing, with either a copy or the capability of reproducing its text included in the insurer's claim file.

• (3) If a claim is denied for reasons other than those described in section (1) of this rule and is made by any other means than in writing, an appropriate notation shall be made in the insurer's claim file.

• (4) If an insurer needs more time to determine whether the claim of a first party claimant should be accepted or denied, it shall so notify the claimant not later than the 30th day after receipt of the proofs of loss, giving the reason more time is needed. Forty-five days from the date of such initial notification and every 45 days thereafter while the investigation remains incomplete, the insurer shall notify the claimant in writing of the reason additional time is needed for investigation.

• (5) An insurer shall not fail to settle claims of first party claimants on the grounds that responsibility for payment should be assumed by others, except as may be provided otherwise by the provisions of the insurance policy issued by the insurer.

Note: This is a partial list of relevant regulations…
WA Fair Claims Settlement Practices Regulations

WAC 284-30-380

- (1) Within fifteen working days after receipt by the insurer of fully completed and executed proofs of loss, the insurer must notify the first party claimant whether the claim has been accepted or denied. The insurer must not deny a claim on the grounds of a specific policy provision, condition, or exclusion unless reference to the specific provision, condition, or exclusion is included in the denial. The denial must be given to the claimant in writing and the claim file of the insurer must contain a copy of the denial.

- (2) If a claim is denied for reasons other than those described in subsection (1) and is made by any other means than in writing, an appropriate notation must be made in the claim file of the insurer describing how, when, and to whom the notice was made.

- (3) If the insurer needs more time to determine whether a first party claim should be accepted or denied, it must notify the first party claimant within fifteen working days after receipt of the proofs of loss giving the reasons more time is needed. If after that time the investigation remains incomplete, the insurer must notify the first party claimant in writing stating the reason or reasons additional time is needed for investigation. This notification must be sent within forty-five days after the date of the initial notification and, if needed, additional notice must be provided every thirty days after that date explaining why the claim remains unresolved.

Note: This is a partial list of relevant regulations…
(4) Insurers must not fail to settle first party claims on the basis that responsibility for payment should be assumed by others except as may otherwise be provided by policy provisions.

(5) Insurers must not continue negotiations for settlement of a claim directly with a claimant who is neither an attorney nor represented by an attorney until the claimant's rights may be affected by a statute of limitations or a policy or contract time limit, without giving the claimant written notice that the time limit may be expiring and may affect the claimant's rights. This notice must be given to first party claimants thirty days and to third party claimants sixty days before the date on which any time limit may expire.

(6) The insurer must not make statements which indicate that the rights of a third party claimant may be impaired if a form or release is not completed within a specified period of time unless the statement is given for the purpose of notifying the third party claimant of the provision of a statute of limitations.

(7) Insurers are responsible for the accuracy of evaluations to determine actual cash value.

Note: This is a partial list of relevant regulations….