



Navigating Your Dwelling Claim and Understanding Scope of Loss

February 17, 2022

Marshall Wildfire

Virtual Workshop/Webinar #3

www.uphelp.org

Navigating Your Dwelling Claim and Understanding Scope of Loss

Choose Language Here:
English or Spanish



 3
Participants


Chat


Share Screen


Record


Q&A


Interpretation

✓ Off

English

Spanish

Mute Original Audio

 Interpretation

February 9, 2022

Virtual Workshop/Webinar #2

Choose Language Here:
English or Spanish



Participants 3 Chat **Share Screen** Record Q&A Interpretation

Esta reunión cuenta con interpretación al español

Para activar la interpretación, vaya a la parte baja a la derecha de su pantalla y haga clic en el icono o símbolo global titulado Interpretación/Interpreting.

Haga clic y seleccione “español.” Automáticamente escuchará en español.

Gracias



If you'd like to follow the slide deck tonight

www.uphelp.org/events/navigating-your-dwelling-claim

EVENTS

[Home](#) » [Events](#) » [Navigating Your Dwelling Claim](#)

Navigating Your Dwelling Claim

 Thursday, February 17, 2022
6:00 p.m. MT

 Zoom - registration required

 2021 Marshall Fire survivors

[REGISTER](#)

This webinar will discuss how to understand and correct your insurance company "dwelling" estimate to accurately reflect what you lost. PLEASE NOTE THE DATE CHANGE FOR THIS EVENT.

RESOURCES

[Insurance Recovery Tips
for the Dwelling Part of
Your Claim](#)

[R2R#3
2022 2 17 Navigating
Your Dwelling
Claim FINAL](#)

www.uphelp.org/events

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

Copyright 2022. United Policyholders.
All rights reserved.

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
 - Fired UP Survivors - previous catastrophic loss survivors paying it forward
 - Consumer-oriented professionals
 - Damage and repair/rebuild cost estimators
 - Policyholder/Insurance Recovery Lawyers
 - Public Adjusters
 - Tax and Certified 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*

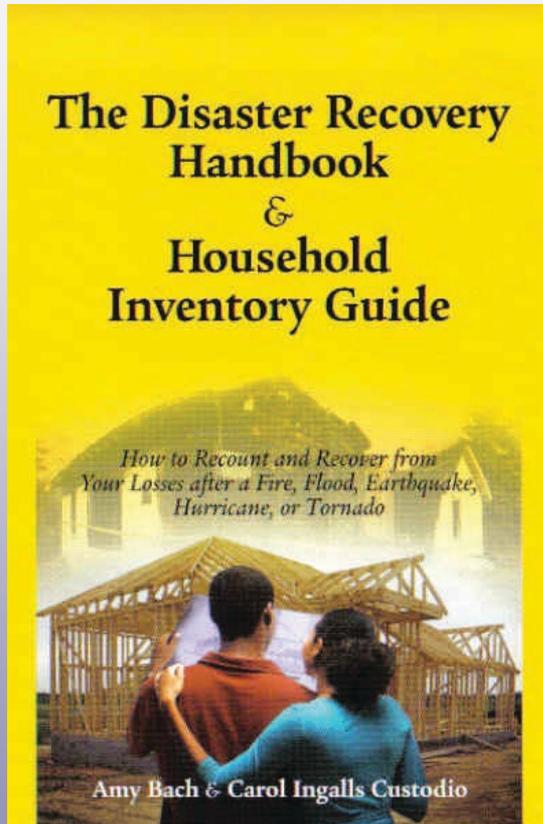
Roadmap to Preparedness

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

Advocacy and Action

- *Fighting for insurance consumer rights and protections*

R2R guidance and tools



“The Little Yellow Book”

Email info@uphelp.org to have
a copy mailed to you

Upcoming Roadmap to Recovery[®] Events

Taxing Matters for Wildfire-Impacted Households

Wednesday, February 23, 5:00 p.m. MT

Register: www.uphelp.org/feb23

Survivor to Survivor Forums

Non-technical/quality of life/emotional support

Tuesday, March 1, 8:00 p.m. MT (www.uphelp.org/mar1)

and

Tuesday, March 15, 8:00 p.m. MT (www.uphelp.org/mar15)

Roadmap to Recovery[®] Q&A

Wednesday, March 2, 6:00 p.m. MT

Register: www.uphelp.org/mar2 (submit your question: www.uphelp.org/r2rhhelp_marshall)

Dealing with Underinsurance

Wednesday, March 9, 6:00 p.m. MT

Register: www.uphelp.org/mar9

Navigating Your Contents Claim

Wednesday, March 30, 6:00 p.m. MT

Register: www.uphelp.org/mar30

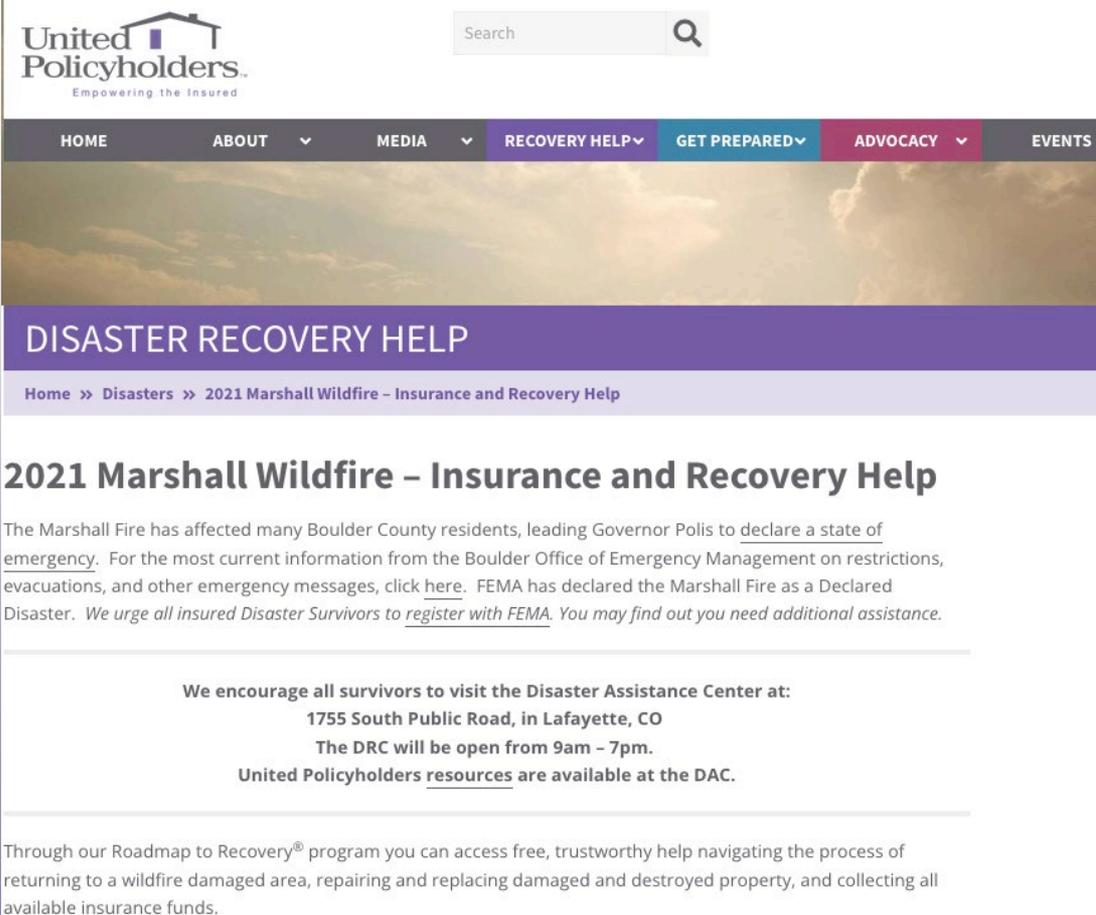
www.uphelp.org/events

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

Marshall Fire Help Library

www.uphelp.org/marshallfire/

- 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/events



The screenshot shows the United Policyholders website. The header includes the logo "United Policyholders. Empowering the Insured." and a search bar. The navigation menu has links for HOME, ABOUT, MEDIA, RECOVERY HELP, GET PREPARED, ADVOCACY, and EVENTS. The main content area features a purple banner for "DISASTER RECOVERY HELP" and a breadcrumb trail: Home » Disasters » 2021 Marshall Wildfire – Insurance and Recovery Help. The main heading is "2021 Marshall Wildfire – Insurance and Recovery Help". The text below states: "The Marshall Fire has affected many Boulder County residents, leading Governor Polis to declare a state of emergency. For the most current information from the Boulder Office of Emergency Management on restrictions, evacuations, and other emergency messages, click here. FEMA has declared the Marshall Fire as a Declared Disaster. We urge all insured Disaster Survivors to register with FEMA. You may find out you need additional assistance." Below this is a call to action: "We encourage all survivors to visit the Disaster Assistance Center at: 1755 South Public Road, in Lafayette, CO. The DRC will be open from 9am – 7pm. United Policyholders resources are available at the DAC." At the bottom, it says: "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."

The Fine Print

- This workshop is intended to be information and general guidance only, not legal advice.
- If you have a specific legal question, consult an experienced attorney.
- We do not endorse or warrant any of the sponsors listed at www.uphelp.org or volunteers that present at our events.



Today's Presenters

Amy Bach, Esq.

Co-Founder and Executive Director, United Policyholders

Sandra Watts

R2R Insurance Specialist, United Policyholders

Bob Hunnes, PE, LEED AP

Retired Construction Engineer

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

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 Technician & Microbial Remediation
- CPIA - Certified Property Insurance Appraiser & Umpire

Bob Hunnes, PE, LEED AP

- 2020 East Troublesome Fire survivor (Colorado)
- East Troublesome Fire Recovery Liaison, Grand County Builders Association
- Retired construction engineer



Credit: Tom Cole

Bob Hunnes

Today's topics

1. Best practices for keeping your insurance claim on track
2. What benefits are available in *your* policy to replace your dwelling?
3. What are your options for replacing a destroyed home?
4. How does the process of reaching agreement on the dwelling portion of your claim generally work?
5. What is a “Scope of Loss” and how is it different from an estimate?
6. Why calculating the “as was” cost to replace the home you had is so important
7. Calculating the “as was” cost to replace the home you had, correcting errors in an insurance adjuster’s estimate
8. Closing gaps between insurer and builder estimates, reaching agreement on dwelling replacement value

1. BEST PRACTICES FOR KEEPING YOUR INSURANCE CLAIM ON TRACK

Knowledge equals power AND...



The more you understand about your insurance benefits, your rights, and the value of your losses, the more benefits you will recover to rebuild your home and life **and** the smoother your claim will go...

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



Copyright 2022. United Policyholders.
All rights reserved.

When interacting with an adjuster
or insurance company rep

Two words describe the approach most likely
to get you what you need:

POLITE
ASSERTIVENESS

Speaking “UP”

- Present your requests clearly and in writing
- Explain what you need, when you need it, and why you are entitled to it
- 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
- Use your “working copy” of the policy
 - “Can you show me where it says that in my policy?”

A claim journal is *very* important

- Your claim journal will help you stay organized and keep moving forward
- It is very likely that the first adjuster assigned to your claim will be replaced and you'll be dealing with others over time
- Creating a written record prevents delays and frustration and is a paper trail of how the insurer is handling your claim

A good paper trail is essential to a fair claim settlement

- Tracks problems and progress
- Confirms you are cooperating
- Points out specific things insurer has/haven't done that are holding up resolution of your claim
- Reminds them about your stress and challenges as a disaster survivor
- Gives them reasonable, specific time frames to reply/comply
- Reminds them of the laws that compel their cooperation
- Gives you leverage in a mediation or lawsuit

2. WHAT BENEFITS ARE AVAILABLE IN *YOUR* POLICY TO REPLACE YOUR DWELLING?

Commonly available buckets

- Base Dwelling limits (see dec page)
- Other Structures limits “
- Additional coverages that may be available via riders, endorsements, internal policy language
 - Replacement cost coverage above ACV
 - Extended coverage/“ERC” (25, 50, 100%)
 - Building Code coverage (% of A or other)

Base limits plus endorsements plus policy wording = your max available benefits

Coverages and Limits of Insurance : Insurance is provided for the following coverages only when a limit is shown. The limit of liability for this structure (Coverage A - Dwelling) is based on an estimate of the cost to rebuild your home, including an approximate cost for labor and materials in your area, and specific information that you have provided about your home.

Section I				Section II		
A Dwelling	B Other Structures	C Personal Property	D Loss of Use	E Personal Liability (Personal Injury & Property Damage) Each Occurrence	F Medical Payments to Others Each Person Each Accident	
\$ 300,200	\$ 30,100	\$ 225,200	\$ 120,100	\$ 1,000,000	\$ 1,000	\$ 25,000

Section I Only:

Section II: Additional Residence Premises if any located (Number, Street, City, State)

P00C00
1st Mortgage Loan No. * 0057254674
2nd Mortgage Loan No.

This policy does not provide Earthquake Insurance.

This policy does not provide Flood Insurance.

Basic Policy Premium

Forms and Endorsements made part of this policy at time of issue.

Homeowners Policy - Special form - \$1000 deductible (HO-3).

Name Change Endorsement (60 1000 12 13)

Lender's Loss Payable Endorsement (438 BEUNS).

Limited Home Replacement Cost Endorsement - 150% of Cov A (HO-28).

Replacement Value Endorsement Personal Property (HO-29).

\$1000 deductible (HO-60).

Workers' Compensation & Employers' Liability - CA (HO-90).

Private Residence Employees - Class 0910.

Building Code Upgrade Limit - \$75,050.00

Premiums

Homeowners Declaration Page

AMCO INSURANCE COMPANY

HOMEOWNERS POLICY

50391-1100

AGENCY **INSURANCE SVCS CA**

POLICY NUMBER: **HA 00111111-111**
ACCOUNT NUMBER:

CONTINUATION DECLARATIONS

Policy Period
From **05-14-18** To **05-14-19**
1201 A.M. Standard Time
Effective Date of Change

The limit of liability for the structure (Coverage A) is based on the estimate of the cost to rebuild your home, including an allowance for labor and materials in your area, and specific information that you have provided about your home.

NAME INSURED AND ADDRESS
HOMEOWNER, JOE
1234 CREEK ROAD
ANYTOWN, CA 23456

The described residence premises covered hereunder is located at the above address unless otherwise stated herein. (Street, City, State, Zip Code)

PREVIOUS POLICY NUMBER **HA 00122222-222**
JOE'S MORTGAGE LLC ISAOA

11501-7729

COVERAGE AND LIMITS OF LIABILITY

SECTION I				SECTION II	
A. DWELLING	B. OTHER STRUCTURES	C. PERSONAL PROPERTY	D. LOSS OF USE <small>ACTUAL LOSSES SUSTAINED</small>	E. PERSONAL LIABILITY	F. MEDICAL PAY EACH PERSON
210,600	21,060	147,420	IN 12 MOS.	300,000	1,000

FOR LOSSES ARISING UNDER SECTION I, WE WILL PAY ONLY THAT PART OF THE LOSS IN EXCESS OF **\$500.**

COVERAGE	DESCRIPTION	PREMIUM	COVERAGES		DESCRIPTION	PREMIUM
BASIC COVERAGE						
HO3 01/00	Special Form	1,097.00	12747	12/01	Fungi/Bacteria	
HO90 05/02	Calif Work Comp		HO48	01/00	Oth Str Incr Lim	58.00
12559 02/07	Per Prop Repl		12567P	02/07	Replacement Cost	22.00
HO216 01/00	Prem Alarm Prot	22.00CR	11796	07/11	CA Res Prop Dis	
438BFUN 05/42	Lenders Loss Pay		10940	07/89	CA Ins Guarantee	
IN2004 03/04	Consumer Info		IN2264	03/06	Merit Rating	
IN2499 10/08	Important Notice		IN0000	04/09	Privacy Stmt	
IN0100 01/10	Important Notice		HO300CA	10/14	Spec Provisions	
IN2709 12/15	Important Notice		IN2710	01/16	Third Prty Dagnee	
IN2722 02/17	Important Notice					
TOTAL PREMIUM						1,155.00

Additional Residence Occupied By Insured

RETENTION CREDIT

Mortgage Loss Payee or Other Interest

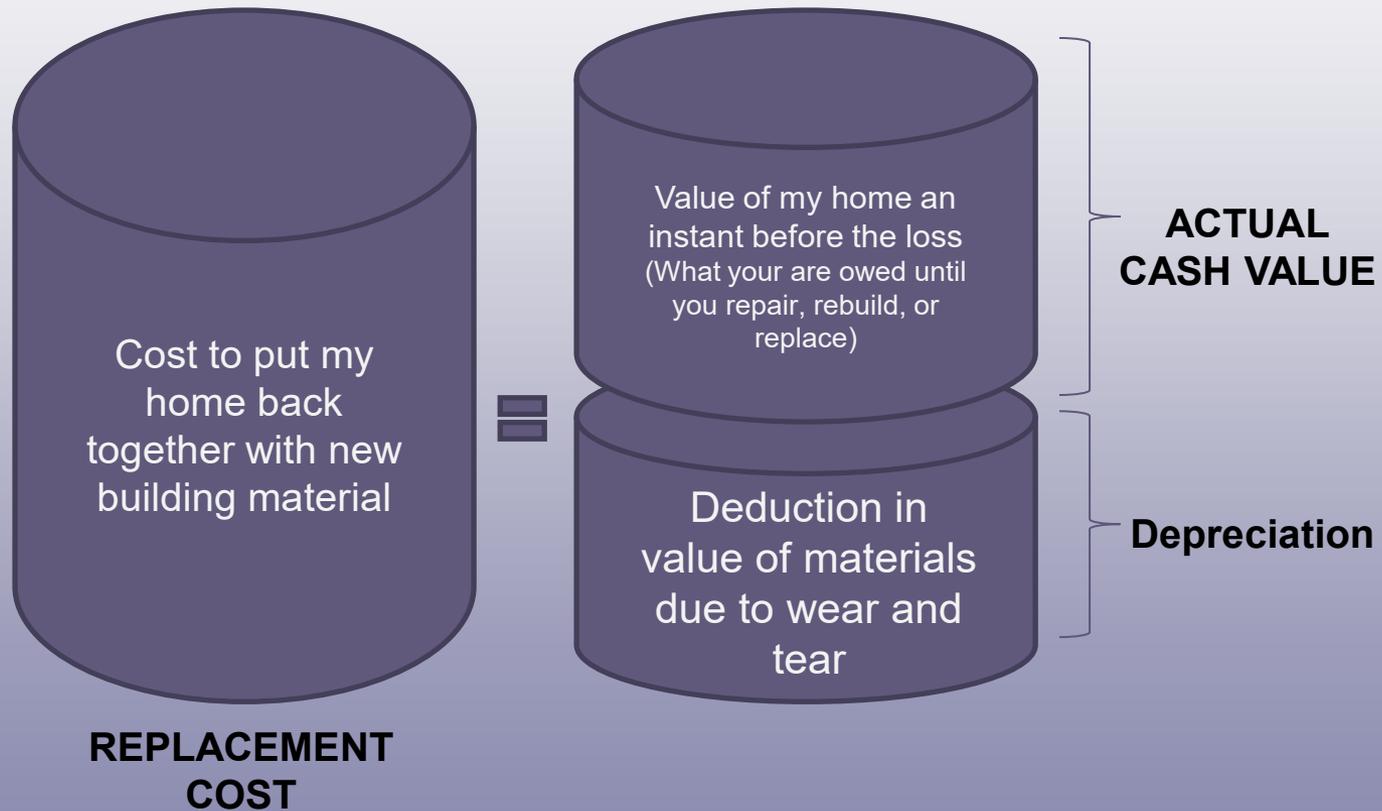
Loan Number **999967718**

STAR MORTGAGE LLC PO BOX 111 **1ST MORT**
45501-7729

16-C (02/01) (02/21)

DIRECT BILL 0000 18081 004743 INSURED COPY AMCO INSURANCE COMPANY Authorized Representative 7291/17346 47

Replacement Cost v. Actual Cash Value



Extended Replacement Coverage (ERC)

- Provides additional funds to replace your home when your Coverage A limits are inadequate to repair/replace your dwelling
- If you have this, it will be included in the Loss Settlement section, or added by Endorsement
- The naming varies, look for “extended” or “replacement”
- Limits vary from 10% to 200%
- Most policies apply extended benefits only to Coverage A
- Some policies apply ERC to Coverages A, B and C
- Under CO law, your insurer should have offered 20% of A

ERC examples

Option ID - Increased Dwelling Limit. We will settle losses to damaged building structures covered under **COVERAGE A - DWELLING** according to the **SECTION I - LOSS SETTLEMENT** provision shown in the **Declarations**.

If the amount you actually and necessarily spend to repair or replace damaged building structures exceeds the applicable limit of liability shown in the **Declarations**, we will pay the additional amounts not to exceed:

1. the Option ID limit of liability shown in the **Declarations** to repair or replace the Dwelling; or
2. 10% of the Option ID limit of liability to repair or replace building structures covered under **COVERAGE A - DWELLING, Dwelling Extension**.

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
Increase Dwlg Up to \$ 93,900	Option ID
Ordinance/Law 25%/\$ 117,375	Option OL

HO-28 (Ed. 01-05) LIMITED HOME REPLACEMENT COST ENDORSEMENT

In exchange for your agreement to insure the dwelling and other **building structures** shown in the Declarations in accordance with the following provisions and to pay the applicable premium we agree that the limit of liability under Coverage A – Dwelling and Coverage B – Other Structures is increased to 150% of the respective amounts shown in the Declarations if:

1. the dwelling and other **building structures** shown in the Declarations have been insured at the time this endorsement was added to the policy to 100% of their **replacement cost** as determined by us; and
2. each annual adjustment to the limits of liability resulting from the Adjustments to Coverage Limits provisions of Section I – Coverages, conditions has been accepted by you; and
3. you notify us within 90 days of the start of any additions or other physical changes which increase the value of such dwelling or other **building structures** on the **residence premises** by \$5,000 or more.

Coverage is limited to the amount reasonably necessary to repair or replace the dwelling and other **building structures**, but does not include any costs required to replace, rebuild, stabilize or otherwise restore or protect the land.

Special Exclusion. The coverage provided by this endorsement shall not apply to any loss caused by an **earthquake**.

This endorsement supersedes Section I – Conditions, 3.b (1), (2) and (3).

Code Upgrade coverage

- Unless your policy specifically provides this coverage, insurer will only pay for “as was”
- Pays for upgrades that would be required under current building codes/ordinances if you were to replace the home you lost “as was”
- Company adjusters are rarely familiar with local codes, it’s often up to you – the homeowner (or a professional you’ve hired) to research and include in your rebuild scope

Code Upgrade/Ordinance & Law

Option OL - Building Ordinance or Law.

1. Coverage Provided.

The total limit of insurance provided by this Building Ordinance or Law provision will not exceed an amount equal to the Option OL percentage shown in the **Declarations** of the Coverage A limit shown in the **Declarations** at the time of the loss, as adjusted by the inflation coverage provisions of the policy. This is an additional amount of insurance and applies only to the dwelling.

2. Damaged Portions of Dwelling.

When the dwelling covered under **COVERAGE A - DWELLING** is damaged by a Loss Insured we will pay for the increased cost to repair or rebuild the physically damaged portion of the dwelling caused by the enforcement of a building, zoning or land use ordinance or law if the enforcement is directly caused by the same Loss Insured and the requirement is in effect at the time the Loss Insured occurs.

3. Undamaged Portions of Damaged Dwelling.

When the dwelling covered under **COVERAGE A - DWELLING** is damaged by a Loss Insured we will also pay for:

Look for words
“additional amount
of insurance”



Sample Endorsement - Code

ADDITIONAL PROPERTY COVERAGES

Item 7. **Building Ordinance or Law Coverage** is deleted and replaced by the following:

7. **Building Ordinance or Law Coverage.** Damage to building or personal property we cover caused by a Building or Personal Property Loss We Cover will be settled on the basis of any ordinance or law that regulates the construction, repair or demolition of this property.

This coverage does not apply:

- a. to loss caused by the peril of *earthquake*;
- b. to loss to any undamaged portion of the building or personal property we cover;
- c. unless you choose to repair or rebuild your home at its present location.

We do not cover:

- a. the loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
- b. the costs to comply with any ordinance which requires any *insured* or other to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, *pollutants*.

This is not an additional amount of insurance.

SPECIAL LIMIT OF LIABILITY

In the event of a covered loss resulting from an Insurance Services Offices® declared catastrophe for the state in which the *residence premises* is located, the limit available for Building Ordinance or Law Coverage shall be increased by 100%.

Do you have ERC & Code Upgrade?

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
Increase Dwlg Up to \$ 93,900 Option ID
Ordinance/Law 25%/\$ 117,375 Option OL

MAYBE

COVERAGE AND LIMITS OF LIABILITY					
SECTION I			SECTION II		
A. DWELLING	B. OTHER STRUCTURES	C. PERSONAL PROPERTY	D. LOSS OF USE ACTUAL LOSSES SUSTAINED	E. PERSONAL LIABILITY	F. MEDICAL PAY EACH PERSON
210,600	21,060	147,420	IN 12 MOS.	300,000	1,000
FOR LOSSES ARISING UNDER SECTION I, WE WILL PAY ONLY THAT PART OF THE LOSS IN EXCESS OF					\$500.

COVERAGE	DESCRIPTION	PREMIUM	COVERAGES	DESCRIPTION	PREMIUM
HO3 01/00	Special Form	1,097.00	12747 12/01	Fungi/Bacteria	
HO90 05/02	Calif Work Comp		HO48 01/00	Oth Str Incr Lim	58.00
12559 02/07	Per Prop Repl		12567P 02/07	Replacement Cost	22.00
HO216 01/00	Prem Alarm Prot	22.00CR	11796 07/11	CA Res Prop Dis	
438BFUN 05/42	Lenders Loss Pay		10940 07/89	CA Ins Guarantee	
IN2004 03/04	Consumer Info		IN2264 03/06	Merit Rating	
IN2499 10/08	Important Notice		IN0000 04/09	Privacy Stmt	
IND100 01/10	Important Notice		HO300CA 10/14	Spec Provisions	
IN2709 12/15	Important Notice		IN2710 01/16	Thrd Prty Dsgnee	
IN2722 02/17	Important Notice				

YES

Policy Forms and Endorsements: The following forms and endorsements are applicable to your policy

LibertyGuard® Deluxe Homeowner Policy (HO 00 03 04 91)	Home Protector Plus (FMHO 2147 R3)
Backup of Sewer and Sump Pump Overflow Coverage (FMHO 2062 R1)	Green Upgrade and Recycling Coverage (FMHO 3353 1113)
Loss Assessment Coverage (FMHO 2516 1113)	Additional Residence Rented To Others (HO 24 70 04 91)
Credit Card, Fund Transfer Card, Forgery (HO 04 53 04 91)	Protective Devices (HO 04 16 04 91)
Amendmt Pol Definitions (FMHO-2934 7/04)	Amendatory Endorsement (FMHO-2510 5/03)
Amendatory Mold End (FMHO 3370 1112)	Seepage Exclusion End (FMHO 3391 1112)
No SecII/Limit I-Daycare (HO 04 96 04 91)	Special Provisions - CA (FMHO 3430 1113)
Workers Compensation Coverage (HO 24 90 01 93)	CA Prop Bill of Rights (FMHO 2942 0711)
CA Res Prop Disclosure (FMHO 4152 1112)	Inflation Protection (FMHO-2936 9/04)
Amendatory Endorsement (HO 04 01 06 93)	Lead Poisoning Exclusion (FMHO-2145 R1)
Education Coverage Endorsement (FMHO-2357)	

NO IDEA?!

Coverage B – Other Structures

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

This policy includes \$30,100 for other structures



Section I			
A	B	C	D
Dwelling	Other Structures	Personal Property	Loss of Use
\$ 300,200	\$ 30,100	\$ 225,200	\$ 120,100

Coverage B – Examples

2. **Dwelling Extension.** We cover other structures on the **residence premises**, separated from the dwelling by clear space. Structures connected to the dwelling by only a fence, utility line, or similar connection are considered to be other structures.

We do not cover other structures:

- a. not permanently attached to or otherwise forming a part of the realty;
- b. used in whole or in part for **business** purposes; or
- c. rented or held for rental to a person not a tenant of the dwelling, unless used solely as a private garage.

Coverage B (Separate Structures)

We insure **separate structures**.

We do not insure:

1. **separate structures** which are intended for use in **business** or which are actually used in whole or in part for **business** purposes by an **insured** or any other person;
2. **separate structures** used principally for the storage of **business property**; or
3. **separate structures** rented or held for rental to any person who is not a tenant of the **dwelling**, unless used solely as a private garage.

Remember the definitions?
Here's when you need them!
(Farmer's Smart HO)



34. **Separate structure** - means:

- a. those structures, including buildings and **building structures**, on the **residence premises** set apart from the **dwelling** by clear space or structures only connected to the **dwelling** by a fence, wall, sidewalk, walkway, driveway, patio, decking or utility line or similar connection; and
- b. all fences, walls not part of a building, sidewalks, walkways, driveways, pools, pool cages, piers, wharfs, boat docks and spas on the **residence premises**, whether or not abutting or connected to the **dwelling**.

Sample spreadsheet tracking max limits

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
Payments Received											
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

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

New CO DOI Bulletin No. B-5.44

Within ten (10) days of a policyholder's request, insurance companies shall provide a written explanation of the coverages and coverage limits applicable to the loss:

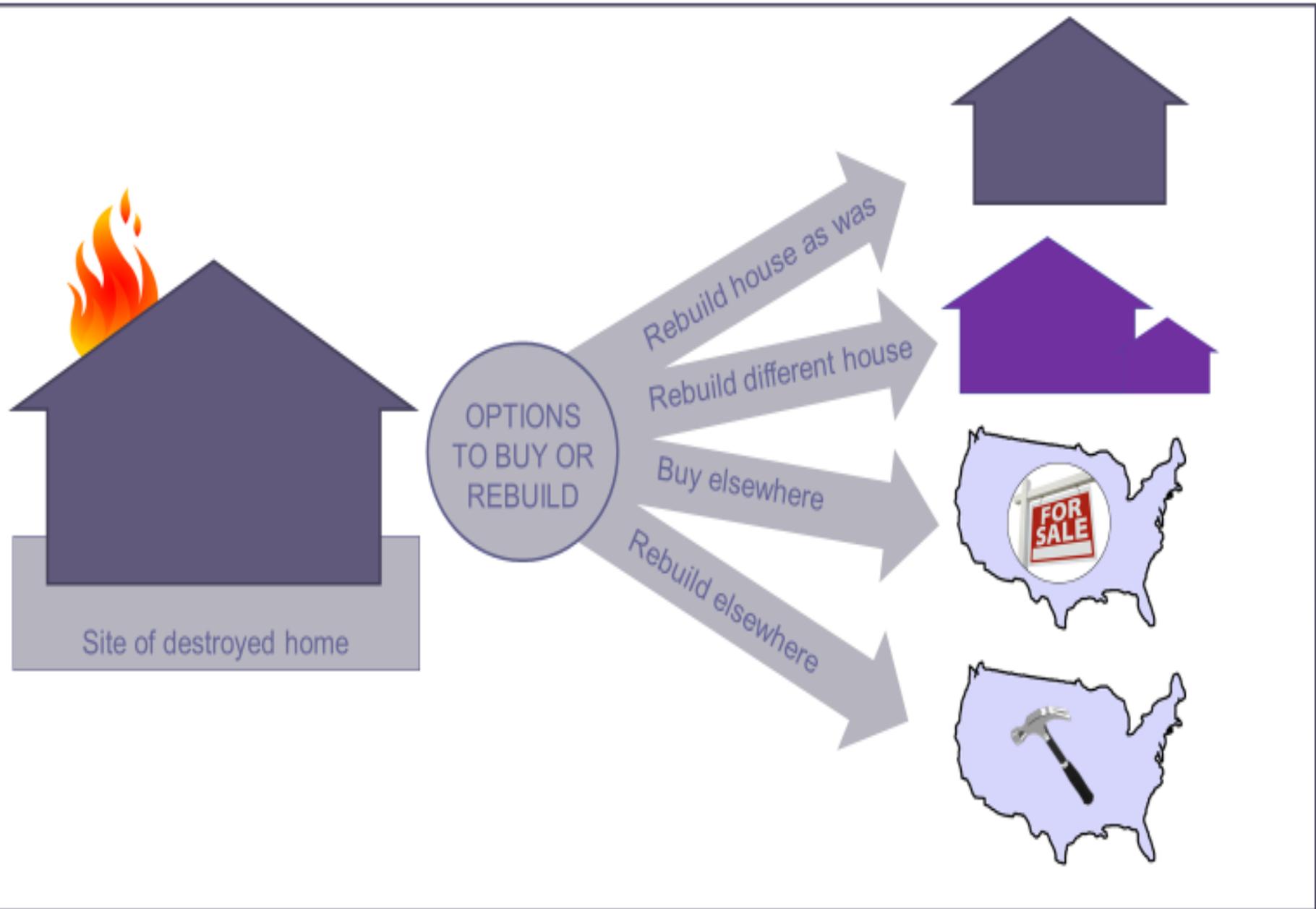
- A description of each property coverage, including any special limits or additional coverages, applicable to the loss
- Payment requirements or limitations under each applicable coverage;
- Documentation requirements for each applicable coverage; and
- Whether the additional applicable coverages are subject to or in addition to the applicable limit of coverage.

Deep breath



Copyright 2022. United Policyholders.
All rights reserved.

3. WHAT ARE YOUR OPTIONS FOR REPLACING A DESTROYED HOME?



A good place to start

- How much insurance do you have?
- Is it enough to replace the home you had?
- Do you WANT to replace the home you had?
- If you're underinsured, what are your options?
 - Build smaller/cheaper/creatively
 - Buy instead of rebuild
 - Loans, savings

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

Replacement cost to rebuild vs. Price of replacement home you want to buy

- Reach an agreement with your insurer on the hypothetical “as was” rebuild cost
- Find a home that costs at least as much as it would have cost to rebuild “as was”
- Present the real estate documentation to your insurer

Issues that may arise

- Insurer tries to deduct land value from what they'll pay toward purchased replacement home
- Hard to find a home that costs exactly what your hypothetical rebuild would cost
- Timing/Imperative to move fast in a competitive real estate market

4. HOW DOES THE PROCESS OF REACHING AGREEMENT ON THE DWELLING PORTION OF YOUR CLAIM GENERALLY WORK?

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

Common scenarios

- Generally, when RCV has been **established**, insurer depreciates to ACV then makes progress payments up to full RCV or policy limits, whichever is lower. Fund control, escrow, etc.
- “Established” should = agreed to as accurate “as was” home rebuild cost.
- Where home is clearly underinsured, insurer may pay full RCV up to policy limits right up front
- Variations on the above where ph replaces by buying. PH rights currently in flux in CO.

First Check = Starting Point



You may already have gotten a check for your dwelling claim



Think of this check as your starting point



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

The flow of insurance funds

Advances

ACV payments when values are set

RCV payments upon proof of expenditures, replacement, repairs completed

A typical adjuster's dwelling estimate...



Pages and pages of items and numbers



Hard to understand



Where do you start?



You might have a contractor's bid with a big gap between the two



Have you reached an impasse?



What do you do?

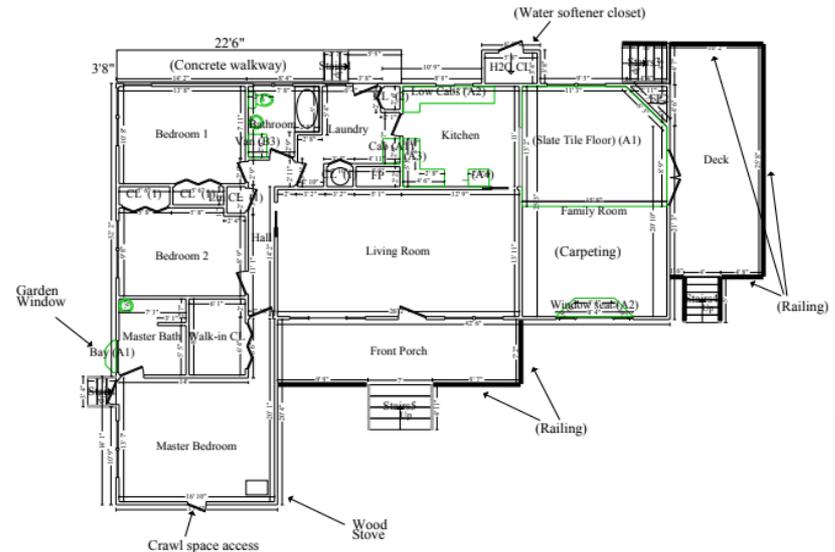
5. WHAT IS A “SCOPE OF LOSS” AND HOW IS IT DIFFERENT FROM AN ESTIMATE?

Scope vs. Estimate

- **Quantities** (how many sq. feet of carpeting, tiles, lumber...)
 - **Quality** (grade of carpet, ceramic v. granite...)
 - **Trades/Labor/Subs**
 - **Sizes, shapes, measurements**
 - **Broken out with specificity**
- **Quantities** (how many sq. feet of carpeting, tiles, lumber...)
 - **Quality** (grade of carpet, ceramic v. granite...)
 - **Trades/Labor/Subs**
 - **Sizes, shapes, measurements**
 - **Broken out with specificity**
 - **PRICES**

Scope Of Loss

DESCRIPTION	QTY	UNIT PRICE	TOTAL
Living Room			
Door	2' 9" X 6' 8"	Opens into KITCHEN	Height: 9'
Door	2' 9" X 6' 8"	Opens into HALL	
Door	3' X 6' 8"	Opens into FRONT_PORCH	
DOORS & WINDOWS			
63. Skylight - reflective tube - 13"	1.00 EA @	625.15 =	625.15
64. Skylight flashing kit - dome	1.00 EA @	107.15 =	107.15
65. Wood window - picture (fixed), 12-23 sf, High grade	1.00 EA @	715.10 =	715.10
66. Wood window - double hung, 13-19 sf, High grade	4.00 EA @	761.77 =	3,047.08
All LR windows were double hung, with stain grade grid and were double paned.			
67. Add on for grid (double or triple glazed windows)	76.00 SF @	2.35 =	178.60
68. Add on for "Low E" glass	76.00 SF @	1.71 =	129.96
69. Stain & finish wood window (per side) - Large	2.00 EA @	66.71 =	133.42
70. Stain & finish wood window (per side)	8.00 EA @	69.82 =	558.56
71. Exterior window flashing	58.00 LF @	2.72 =	157.76
72. Caulking - acrylic	58.00 LF @	1.75 =	101.50
73. Pocket door unit - panel	2.00 EA @	341.36 =	682.72
Stain grade, paneled pocket doors to the Kitchen and the Hall. Doors were solid core, not hollow.			
74. Exterior door - solid mahogany - paneled	1.00 EA @	1,128.48 =	1,128.48
Solid core exterior, paneled front door that was stained and had a window/lite. The door also had a side lite.			
75. Door lockset & deadbolt - exterior - High grade	1.00 EA @	123.69 =	123.69
76. Door threshold, wood	1.00 LF @	13.92 =	13.92
77. Door hinges (set of 3)	1.00 EA @	40.74 =	40.74
78. Door stop - wall or floor mounted	1.00 EA @	13.95 =	13.95
BERNARD-SAMPLE-SCOPE		2/12/2018	Page: 5



6. WHY CALCULATING THE “AS WAS” COST TO REPLACE THE HOME YOU HAD IS SO IMPORTANT

Recreating “As Was” = what you’re entitled to (up to your policy limits)

- These days insurance adjusters mostly use Xactimate to calculate your loss and offer a settlement
- Builders generally don’t use Xactimate – they use sub bids to create estimates
- VERY common for an adjuster’s dwelling valuation estimate to be out of sync with a builder’s estimate

Insurer owes to restore you to pre-loss condition, (up to policy limits)

- “As was” replacement cost is what insurer owes for like kind and quality, up to policy limits
- Plus the cost of code upgrades (if covered, and up to policy limits)
- No matter which option you choose (rebuilding “as was”, or a different size/style of home than the one you lost, or you want to buy...
- **You need to reach agreement on what the insurer owes for the “as was”**
- An agreed Scope of Loss is super useful in reaching that agreement

Problems often arise if you try to negotiate a settlement on the new home you want to build instead of the one you had

- Your adjuster/insurance company likely to balk if the proposed new home contains greater square footage and/or different features than the destroyed home
- Once you agree on the ***hypothetical*** cost of replacing what you had, you've got the basis for reaching agreement on what the insurer is obligated to pay - even if you are building or buying something different

An agreed-upon Scope of Loss

Makes it feasible to compare an adjusters
Xactimate estimate with an estimate
prepared by a professional builder and
identify differences that need to be resolved

Makes it possible to do an “apples to apples”
side by side of quantities, qualities, trades,
etc. THEN compare and reconcile the cost
differences between the two

7. CALCULATING THE “AS WAS” COST TO REPLACE THE HOME YOU HAD, CORRECTING ERRORS IN AN INSURANCE ADJUSTER’S ESTIMATE

Review the insurer's dwelling valuation

- Check the floor plan, room dimensions, etc.
- Verify the details (8 ft ceilings vs. vaulted or 12 ft ceilings)
- Identify missing elements
- Identify underpriced items (concrete @ \$200/yard for Grand County, actual lumber costs)

Be pro-active re: the reasonable replacement value of your dwelling

- Correct errors in company adjuster's Xactimate estimate
- GC and sub bids based on original or reconstructed plans of original dwelling
- Hire a construction cost estimator
- Photographs (pre/post, family, friends,...)
- Public records, Google Earth
- Home purchase documents
- Virtual real estate listings (Zillow, etc.)
- UPHelp.org library/Survivors Speak
- Hire a public adjuster

Xactimate vs. Reality

- Real life builders don't use Xactimate, they use sub bids
- Hard to compare unit pricing (Xactware) with project-based pricing
- Start by reviewing the insurer's dwelling valuation or Xactimate estimate

What Is Xactimate?

- Xactimate is a estimating software program used by 90% of the insurance repair industry to quantify property damage and claim settlements.
- Xactimate was developed and geared towards Insurance claims and the property damage industry is largely controlled by INSURANCE COMPANIES.
- Insurance Companies have put in place layers of control systems over the years for the sole purpose of SAVING MONEY.
- Xactimate is only a estimating tool requiring accurate input of the homeowner's detailed Scope of Loss.
- Xactimate can not interpret the increased costs associated with catastrophic losses such as; the timeframe to repair or rebuild, environmental conditions, seasonal / weather conditions, jobsite access, sub-contractor and material availability, planning and building department delays, to name a few.
- Items not typically included in an Xactimate estimate: the costs for Jobsite Security, a Builders Risk Policy, and a Performance Bond.

Colorado insurance code

Bulletin No. B-5.04

Attachment A to Bulletin B-5.4

Summary of § 10-4-120, Colorado Revised Statutes

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
- Coercing, intimidating, threatening, or inducing by incentive, a beneficiary or claimant to use a particular business for repairs except that an inducement by incentive does not include Warranty or Guaranty of repairs
- Contracting with a person to manage, handle, or arrange repair work for the insurer on the condition a business does claims work at a price established by the insurer and the person retains a percentage of any compensation paid by the insurer
- Using disincentives to discourage a beneficiary or claimant from using a repair business, not including warranty or guaranty repairs
- Soliciting or accepting a referral fee in exchange for referring the beneficiary or claimant to a repair business
- 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

- Use of estimating software programs is common in determining the cost of rebuilding a dwelling. The insurer should consider other factors that may not be included in the estimating program. For example, the slope and building grade of the land, the specific attributes of the insured home and availability of labor and materials. These factors will generally impact the actual cost to rebuild. Insurers should also adjust pricing to reflect the specific region the insured property is located, taking into account local conditions that may affect costs. An insurer's refusal to consider additional information related to the cost to rebuild a particular dwelling may constitute a violation of § 10-3-1104 (1) (h) (IV), C.R.S.
- Sections 10-4-120(3)(c) and (f), C.R.S., requires insurers pay the prevailing competitive market price for the geographic area in which the loss occurred.

B-5.28

Start with the Scope (Xactimate or other)



Your goal is to “fix” the adjuster’s estimate to accurately reflect what you lost



DON'T worry about the numbers, at the beginning



First focus on the details

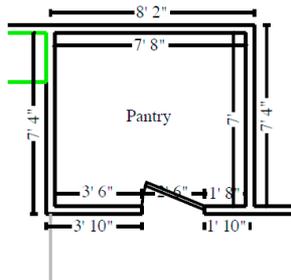


This is THE MOST IMPORTANT thing!

Things that matter...

- Ceilings (materials, soffits, beams, panels, vaults, coffered, domed, etc.)
- Special conditions (rounded corners, arches, alcoves, etc.)
- Cabinets, countertops, built-ins, closets, etc.
- Doors, trim, baseboards, mantels, ornamentals
- Drywall, texture, paint and flooring materials
- Lighting, windows, switches, window coverings
- Attached appliances and special items

Scope of Loss



Pantry

Height: 10' 6"

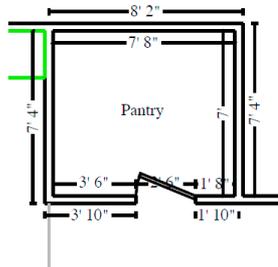
308.48 SF Walls	53.84 SF Ceiling
362.32 SF Walls & Ceiling	53.84 SF Floor
5.98 SY Flooring	29.38 LF Floor Perimeter
29.38 LF Ceil. Perimeter	

DESCRIPTION

QTY

41. R&R Underlayment - 1/2" particle board	53.84 SF
42. Floor preparation for resilient flooring	53.84 SF
43. Vinyl plank flooring - Premium grade Kardeen vinyl flooring	53.84 SF
44. Add for glued down application over wood substrate	53.84 SF
45. R&R Baseboard - 8" hardwood - 2 piece	29.38 LF
46. R&R Shelving - full height unit - Standard grade	11.00 LF
47. Drywall patch / small repair, ready for paint	1.00 EA
48. Texture drywall - smooth / skim coat	308.48 SF
49. Interior door, 8' - Detach & reset	1.00 EA
50. Mask and prep for paint - paper and tape (per LF)	29.38 LF
51. Seal & paint baseboard, oversized - two coats	29.38 LF
52. Paint casing - oversized - one coat	16.00 LF

Make corrections!



Pantry

308.48 SF Walls
 362.32 SF Walls & Ceiling
 5.98 SY Flooring
 29.38 LF Ceil. Perimeter

53.84 SF Ceiling
 53.84 SF Floor
 29.38 LF Floor Perimeter

Height: 10' 6"

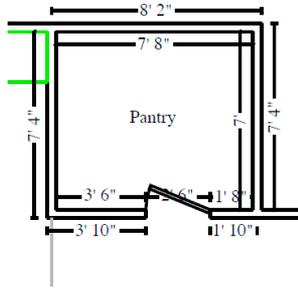
12'

DESCRIPTION

QTY

41. R&R Underlayment - 1/2" particle board	53.84 SF
42. Floor preparation for resilient flooring	53.84 SF
43. Vinyl plank flooring - Premium grade Kardeen vinyl flooring	53.84 SF
44. Add for glued down application over wood substrate	53.84 SF
45. R&R Baseboard - 8" hardwood - 2 piece — 12" base	29.38 LF
46. R&R Shelving - full height unit - Standard grade	11.00 LF
47. Drywall patch / small repair, ready for paint	1.00 EA
48. Texture drywall - smooth / skim coat	308.48 SF
49. Interior door, 8' - Detach & reset — remove	1.00 EA
50. Mask and prep for paint - paper and tape (per LF)	29.38 LF
51. Seal & paint baseboard, oversized - two coats	29.38 LF
52. Paint casing - oversized - one coat	16.00 LF

Estimate



Pantry

Height: 10' 6"

308.48 SF Walls	53.84 SF Ceiling
362.32 SF Walls & Ceiling	53.84 SF Floor
5.98 SY Flooring	29.38 LF Floor Perimeter
29.38 LF Ceil. Perimeter	

DESCRIPTION	QTY	REMOVE	REPLACE	TAX	O&P	TOTAL
41. R&R Underlayment - 1/2" particle board	53.84 SF	0.76	1.79	2.98	28.06	168.33
42. Floor preparation for resilient flooring	53.84 SF	0.00	0.87	0.46	9.46	56.76
43. Vinyl plank flooring - Premium grade Kardeen vinyl flooring	53.84 SF	0.00	12.50	22.38	139.08	834.46
44. Add for glued down application over wood substrate	53.84 SF	0.00	0.39	0.73	4.34	26.07
45. R&R Baseboard - 8" hardwood - 2 piece	29.38 LF	0.68	12.50	17.11	80.88	485.22

Trade Summary

Recap by Category

O&P Items	Total	%
APPLIANCES	2,009.20	0.85%
CABINERY	33,015.15	13.99%
CLEANING	3,179.86	1.35%
CONTENT MANIPULATION	573.28	0.24%
GENERAL DEMOLITION	8,682.15	3.68%
DOORS	773.27	0.33%
DRYWALL	17,528.92	7.43%
ELECTRICAL	14,725.85	6.24%
FLOOR COVERING - CARPET	368.20	0.16%
FLOOR COVERING - VINYL	4,003.91	1.70%
FLOOR COVERING - WOOD	31,463.74	13.34%
PERMITS AND FEES	9,500.00	4.03%
FINISH CARPENTRY / TRIMWORK	16,093.69	6.82%
FINISH HARDWARE	262.18	0.11%
FIRE PROTECTION SYSTEMS	4,000.00	1.70%
FRAMING & ROUGH CARPENTRY	243.30	0.10%
HEAT, VENT & AIR CONDITIONING	3,000.00	1.27%
INSULATION	7,249.44	3.07%
LABOR ONLY	6,000.00	2.54%
LIGHT FIXTURES	1,907.83	0.81%
PLUMBING	8,592.72	3.64%
PAINTING	18,456.48	7.82%
TEMPORARY REPAIRS	260.00	0.11%
WINDOW TREATMENT	165.85	0.07%
O&P Items Subtotal	192,055.02	81.40%
Permits and Fees	38.54	0.02%
Material Sales Tax	4,516.93	1.91%
Overhead	19,661.34	8.33%
Profit	19,661.34	8.33%
Total	235,933.17	100.00%

Deep breath



Copyright 2022. United Policyholders.
All rights reserved.

8. CLOSING GAPS BETWEEN INSURER AND BUILDER ESTIMATES, REACHING AGREEMENT ON DWELLING REPLACEMENT VALUE

The *dollars* are in the *details*

It is very important to provide your adjuster with as many pre-loss details as possible. If there's a gap between the Insurer's numbers and yours, isolate why there's a gap

- Is scope complete? (no rooms missing)
- Are details for interior finishes correct? (wall & floor coverings, light fixtures, appliances, ceiling treatments, windows, door hardware, etc.)
- Are prices accurate? (lumber, concrete)
- Are categories missing? (supervision, travel/housing for subs coming out of area)

Be accurate and don't exaggerate or "pad"

How can I close the gap?

When the insurance company's dwelling valuation is LESS THAN what a builder is estimating to be the actual cost to repair or replace your home:

- Set up a face-to-face meeting between your builder and insurance adjuster to reconcile pricing/scope differences.
- Given how busy builders are, it may be hard to get one to create a sufficiently detailed estimate, let alone a scope that can be compared apples to apples w/insurer's
- Consider hiring your own expert to create an independent scope of loss for your destroyed home

Dispute resolution options

- Speak “UP”: provide documentation to your insurer on “as was” replacement cost valuation, try an in-person meeting (adjuster and builder) or estimating consultant, assert your rights
- Request help from CO DOI
- Appraisal, Litigation, Mediation

Survivor wisdom

“The loss of your home is a deeply emotional loss. Emotion is the enemy of a good business deal. When dealing with contractors, suppliers, insurers, banks, and other businesses, the more you resist emotional decisions the better it will turn out. Do not let businesses profit off of your emotions.”

Ken Klein, UP Volunteer/San Diego wildfire survivor

Guidance available in the UP Claim Help Library at www.uphelp.org

- The scoop on “scope” of loss
- Guidelines for reviewing adjuster’s and contractor’s estimates
- Xactimate Demystified
- Questions to ask before hiring a contractor
- Samples: Trade summary breakdown, room by room estimate, commonly required code upgrades

Survivors Speak Publications

www.uphelp.org/survivorsspeak

- ❖ The Bottom Line on Recovering From a Disaster
- ❖ Choosing to Make Lemonade Out of Lemons
- ❖ Things I Wish I Had Known
- ❖ Don't take NO for an answer if your position is strong
- ❖ Observations from a Teenage Wildfire Survivor
- ❖ Negotiating With Your Insurance Company
- ❖ Estimating Your Loss
- ❖ Adjuster Stories\Partial Loss Remediation Tips
- ❖ Coping With Underinsurance

Time is on your side

Statistics show...

- The longer a claim stays open the more money the insurer pays
- Ask for advances and extensions when needed
- Fully and accurately documenting and valuing major losses takes time

Stay informed

- Encourage friends to email info@uphelp.org
 - To be added to our mailing list for notices of future events and updated guidance
- www.uphelp.org/MarshallFire
- Follow us on social media
 - Facebook.com/uphelp
 - Instagram: united_policyholders

Upcoming Roadmap to Recovery[®] Events

Taxing Matters for Wildfire-Impacted Households

Wednesday, February 23, 5:00 p.m. MT

Register: www.uphelp.org/feb23

Survivor to Survivor Forums

Tuesday, March 1, 8:00 p.m. MT (www.uphelp.org/mar1)

and

Tuesday, March 15, 8:00 p.m. MT (www.uphelp.org/mar15)

Roadmap to Recovery[®] Q&A

Wednesday, March 2, 6:00 p.m. MT

Register: www.uphelp.org/mar2 (submit your question: www.uphelp.org/r2rhelph_marshall)

Dealing with Underinsurance

Wednesday, March 9, 6:00 p.m. MT

Register: www.uphelp.org/mar9

Navigating Your Contents Claim

Wednesday, March 30, 6:00 p.m. MT

Register: www.uphelp.org/mar30

www.uphelp.org/events

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

Sources of support and help

- www.uphelp.org
- www.doi.colorado.gov
- Previous wildfire survivors/Team UP
- Your insurance policy and company
- Reputable professionals (construction, claim, legal, air quality)
- Case Managers
- Your elected officials (local, state, federal)
- FEMA (Register!!!), SBA

Thank you to our Donors and Funders



**COMMUNITY
FOUNDATION
BOULDER COUNTY**

INSPIRING IDEAS. IGNITING ACTION.®

COLORADO REGULATIONS & BULLETINS

Copyright 2022. United Policyholders.
All rights reserved.

You have *many* rights under CO law

The Colorado Homeowners Insurance Reform Act of 2013 (found in Colorado Revised Statutes 10-4-110.8)

- Upon request, you are entitled to a copy of your policy within 3 days, or a certified copy within 30 days
- The insurer must consider an estimate from a licensed contractor or licensed architect submitted by the policyholder as the basis for establishing the replacement cost
- Policyholders who suffer a total loss to a furnished dwelling must be offered at least 30% of their contents limit without requiring an inventory
- If you receive the depreciated value of contents, the insurer must provide the methodology used for determining the depreciated value of the insured contents
- 365 days minimum to submit a Contents inventory

Rights under CO law (continued)

- 365 days minimum Additional Living Expenses in every policy. (Insurer must offer 24 months at the point of sale)
- 365 days after the expiration of Additional Living Expenses benefits to replace and recover full replacement cost.
- Colorado law on the statute of limitations trumps insurance policy suit limitations
- Law and Ordinance coverage must have been made available for at least 10% of Coverage A
- Extended Replacement Cost coverage must have been made available for at least 20% of Coverage A
- The text of all endorsements, summary disclosure forms, and homeowner's insurance policies must not exceed the tenth-grade reading level, as measured by the Flesch-Kincaid grade level formula, or must not score less than fifty as measured by the Flesch reading ease formula.

CO DOI Emergency Regulation 22-E-01

Tolling certain time limits of policyholder benefits in the event of catastrophic disaster

...“to protect homeowner policyholders who have suffered a loss during a catastrophic disaster...from insurers that cause unreasonable delays in claim handling, which may further delay rebuilding property. Such delays may be further exacerbated by labor and material shortages. Further, this regulation identifies specific acts or practices that may constitute unfair claim settlement practices...Insurers shall:

- Toll the ALE time limits for the duration of the time required to repair or replace the damaged property...
- Toll the policy time limits for the policyholder to complete the repair or replacement of the damaged part of the property necessary for issuance of the replacement cost value payment.”...

➤ [Emergency Regulation 22-E-01 Concerning Tolling Certain Time Limits of Policyholder Benefits.pdf - Google Drive](https://drive.google.com/file/d/1K7XhVsLVk4ufP2CLjSRnZEO4Yqeco08S/view)
<https://drive.google.com/file/d/1K7XhVsLVk4ufP2CLjSRnZEO4Yqeco08S/view>

CO DOI Bulletin B-5.28 Revised 09-07-2017

Equitable Payment of Claims Resulting from Natural Disasters

“...While some insurance contracts offer more, all homeowner’s insurance replacement cost policies include at least twelve (12) months of Additional Living Expense coverage.”

“...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...”

“...Insurers should also adjust pricing to reflect the specific region the insured property is located, taking into account local conditions that may affect costs.”

- [B-5.28 Equitable Payment of Claims Resulting from Natural Disasters - Google Drive](https://drive.google.com/file/d/0BwMmWVFE3YMsMi1pcUIPQ1pINzg/view?resourcekey=0-Tdn5DcvGKYpUZQ59VO2ptQ)
<https://drive.google.com/file/d/0BwMmWVFE3YMsMi1pcUIPQ1pINzg/view?resourcekey=0-Tdn5DcvGKYpUZQ59VO2ptQ>

CO DOI Bulletin B-5.42 Issued 10-25-2021

Concerning Extension of Policyholder Benefits in the Event of a Catastrophic Disaster

“...This Bulletin is intended for all insurers issuing homeowner insurance policies in Colorado that have total loss claims resulting from any catastrophic disaster, as defined in Section 10-2-103(1), C.R.S. This Bulletin solely applies to policy timelines that restrict the recovery of Additional Living Expenses (ALE) and Replacement Cost benefits...”

“...In the event of a catastrophic disaster, an insurer shall act in good faith and shall consider any adverse circumstances beyond the insured’s control that may require maintaining and extending certain policyholder benefits beyond those afforded by the timelines provided in the underlying insurance policy...”

“...If the insurer has caused delays in providing the initial estimate of damages and/or the actual cash value payment, the Division directs the insurer to act in good faith and toll the time period that the policyholder can recover ALE benefits and collect recoverable depreciation by a time period equivalent to the delayed action by the insurer.

- [New Bulletin B-5.42 Concerning Extension of Policyholder Benefits in the Event of a Catastrophic Disaster.pdf - Google Drive](https://drive.google.com/file/d/1EK7Kf54-RibhB5HzW6vl4uzTAWJJ7udU/view)
<https://drive.google.com/file/d/1EK7Kf54-RibhB5HzW6vl4uzTAWJJ7udU/view>

CO DOI Bulletin B-5.43 Issued 01-03-2022

“...In the event a fire damaged home suffers additional damage from frozen pipes, water or other weather-related damage, the Division directs insurers to consider this damage related to the fire and treat such losses as one claim, subject to one deductible...”

“...When handling the smoke, soot, ash, or water damage claims, the Division directs insurers to consider the related long-lasting effects on electronics, furniture and other property when estimating the total damage. Merely cleaning the walls and property will not necessarily return the property to pre-loss condition. Companies must consider their policyholders’ concerns about faulty wiring, inoperable electronics, and soft material contamination. Health related issues, including respiratory difficulties, directly caused by exposure to smoke, soot, ash, or mold are damage and loss, and insurers shall consider reasonable substantiation to make appropriate coverage decisions...”

“...Additionally, due to the housing shortage and other challenges, we anticipate that meeting the housing needs for the displaced policyholders will be difficult. The Division directs insurers to consider all available options for both short- and longer term housing, including Airbnb, VRBO and individual rooms for rent. The Division encourages insurers to allow agreed upon monthly housing allowances for those policyholders who move in with relatives or friends during the claim and rebuilding period...”

- [B-5.43 Concerning Policyholder Benefits in the Immediate Aftermath of the Marshall and Middle Fork Fires.pdf - Google Drive](https://drive.google.com/file/d/116YN4rpL-aPbx3tTgnarjIXWFvOaPX87/view)<https://drive.google.com/file/d/116YN4rpL-aPbx3tTgnarjIXWFvOaPX87/view>

CO DOI Town Hall FAQs ALE

Revised 01-08-22

“...Is there an ALE benefit limit?

- If your home was your primary residence, Colorado law requires that your homeowner’s policy cover at least 12 months of ALE. Your policy may provide more coverage so it’s important to understand the benefits available in your policy.
- If the home that was destroyed was not your primary residence (e.g., you are a landlord or it was a secondary home that you rent temporarily,), State law does not require your policy to include ALE coverage. There may be loss of use coverage and you will need to review your policy and talk with your insurance company.
- **There cannot be a dollar limit for your ALE coverage for your primary home...”**

“...If I end up staying with a friend who doesn’t charge me rent, would there be any requirement for the insurance company to reimburse ALE based on an average cost?

ALE is for the increased costs you incur while you cannot be in your home. If your friend is not charging you rent, you would not be incurring increased costs while you are out of your home for your housing. However, if you are paying your friend or family rent, or for an increase in their utilities, you should submit this for consideration...”

➤ [Town Hall FAQs - Additional Living Expenses - 1.8.22.pdf - Google Drive](https://drive.google.com/file/d/16MT_ZhUi3AaUaUjM4Y86-KqNAt2ZNAaF/view)https://drive.google.com/file/d/16MT_ZhUi3AaUaUjM4Y86-KqNAt2ZNAaF/view