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
February 9, 2022
Virtual Workshop/Webinar #2
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
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

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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](http://www.uphelp.org/mar1))
and
Tuesday, March 15, 8:00 p.m. MT ([www.uphelp.org/mar15](http://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/r2rhlp_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](http://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

DISASTER RECOVERY HELP

2021 Marshall Wildfire – Insurance and Recovery Help
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.

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.

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.

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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

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Sandra Watts

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

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Bob Hunnes, PE, LEED AP

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

Covages 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.

<table>
<thead>
<tr>
<th>Section I</th>
<th>Section II</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A</strong> Dwelling</td>
<td><strong>Section II</strong></td>
</tr>
<tr>
<td>$300,200</td>
<td><strong>E</strong> Personal Liability (Each Occurrence)</td>
</tr>
<tr>
<td>$30,100</td>
<td>- $1,000,000</td>
</tr>
<tr>
<td>$225,200</td>
<td><strong>F</strong> Medical Payments to Others</td>
</tr>
<tr>
<td>$120,100</td>
<td>- Each Person: $1,000</td>
</tr>
<tr>
<td></td>
<td>- Each Accident: $25,000</td>
</tr>
</tbody>
</table>

Section I Only:

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

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 BEINS).

**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
Homeowners Declaration Page

AMCO INSURANCE COMPANY

CONTINUATION DECLARATIONS
The limit of liability for the coverage (Coverage A) is based on the actual cost of the insured property at the time of loss. This limit is for your protection, and you should adjust for inflation and improvements in your area, and specific information that you have provided about your property.

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

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

PREVIOUS POLICY NUMBER
HA 0142222222

JOE’S MORTGAGE LLC ISADA

COVERAGE AND LIMITS OF LIABILITY

FOR LOSSES ARISING UNDER SECTION I, WE WILL PAY ONLY THAT PART OF THE LOSS IN EXCESS OF

SECTION I
A. DWELLING
   216,000
   21,000
   14,400
   300,000
   4,000
   $600.

SECTION II
D. PERSONAL PROPERTY
   22,000R
   2,000
   1,000
   0
   0
   0

E. PERSONAL LIABILITY
   1,000
   0
   0
   0
   0
   0

F. MEDICAL PAY
   1,000
   0
   0
   0
   0
   0

TOTAL PREMIUM
1,185.00

ADDITIONAL RISK
Mortgage Loss, Payee or Other Interested

INMORT 201-301

INMORT 4501-7729

AMCO INSURANCE COMPANY

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Replacement Cost v. Actual Cash Value

Cost to put my home back together with new building material

Value of my home an instant before the loss (What you are owed until you repair, rebuild, or replace)

Deduction in value of materials due to wear and tear

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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
Homeowners Policy Endorsement
Amendatory Endorsement
Jewelry and Furs $1,500 Each Article/$2,500 Aggregate
Firearms $2,500 Each Article/$5,000 Aggregate
Increase Dwg Up to $ 93,900
Ordinance/Law 25%/$ 117,375
EP-7955.CA
EE-3422
EE-3247
Option JF
Option FA
Option ID
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
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 OLI 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.


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

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?

**YES**

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

- LibertyGuard® Deluxe Homeowner Policy (HO 00 03 04 91)
- Backup of Sewer and Sump Pump Overflow Coverage (FMHO 2062 R1)
- Loss Assessment Coverage (FMHO 2516 1113)
- Credit Card, Fund Transfer Card, Forgery (HO 04 53 04 91)
- Amendmt Pol Definitions (FMHO-2934 7/04)
- Amendatory Mold End (FMHO 3370 1112)
- No Secl/Limit I-Daycare (HO 04 96 04 91)
- Workers Compensation Coverage (HO 24 90 01 93)
- CA Res Prop Disclosure (FMHO 4152 1112)
- Amendatory Endorsement (HO 04 01 06 93)
- Education Coverage Endorsement (FMHO-2357)

- Home Protector Plus (FMHO 2147 R3)
- Green Upgrade and Recycling Coverage (FMHO 3353 1113)
- Additional Residence Rented To Others (HO 24 70 04 91)
- Protective Devices (HO 04 16 04 91)
- Amendatory Endorsement (FMHO-2510 5/03)
- Seepage Exclusion End (FMHO 3391 1112)
- Special Provisions - CA (FMHO 3430 1113)
- CA Prop Bill of Rights (FMHO 2942 0711)
- Inflation Protection (FMHO-2936 9/04)
- Lead Poisoning Exclusion (FMHO-2145 R1)

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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

<table>
<thead>
<tr>
<th></th>
<th>A Dwelling</th>
<th>B Other Structures</th>
<th>C Personal Property</th>
<th>D Loss of Use</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$300,200</td>
<td>$30,100</td>
<td>$225,200</td>
<td>$120,100</td>
</tr>
</tbody>
</table>
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:
- not permanently attached to or otherwise forming a part of the realty;
- used in whole or in part for business purposes; or
- 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.

34. Separate structure - means:
- 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
- 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

<table>
<thead>
<tr>
<th>Coverage</th>
<th>A - Dwelling Structure</th>
<th>A - Dwelling ERC (OPT ID)</th>
<th>B - Other Structures</th>
<th>C - Personal Property</th>
<th>D - Loss of Use (ALE)</th>
<th>E - Ordinance or Law</th>
<th>E - Debris Removal*</th>
<th>E - Trees, Shrubs &amp; Plants</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coverage ( Declarations Page</td>
<td>$ 226,500.00</td>
<td>$ 113,250.00</td>
<td>$ 22,650.00</td>
<td>$ 170,100.00</td>
<td>$ 90,800.00</td>
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<td>$ 11,325.00</td>
<td>$ 11,325.00</td>
<td>$ 645,950.00</td>
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<td>REPLACEMENT COSTS Estimates</td>
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<td>$ 235,547.89</td>
<td>$ 87,885.29</td>
<td>$ 210,569.23</td>
<td>$ 45,987.33</td>
<td>$ 188,562.04</td>
<td>$ 31,780.65</td>
<td>$ 19,719.94</td>
<td>$ 1,046,552.37</td>
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<tr>
<td>Limit of Coverage</td>
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<td>$ 113,250.00</td>
<td>$ 22,650.00</td>
<td>$ 170,100.00</td>
<td>$ 45,987.33</td>
<td>$ -</td>
<td>$ 11,325.00</td>
<td>$ 11,325.00</td>
<td>$ 601,137.33</td>
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</table>

### Payments Received

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<tr>
<th>Date</th>
<th>Check #</th>
<th>Purpose</th>
<th>A - Dwelling Structure</th>
<th>A - Dwelling ERC (OPT ID)</th>
<th>B - Other Structures</th>
<th>C - Personal Property</th>
<th>D - Loss of Use (ALE)</th>
<th>E - Ordinance or Law</th>
<th>E - Debris Removal*</th>
<th>E - Trees, Shrubs &amp; Plants</th>
<th>Total</th>
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<td>ALE ADVANCE</td>
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<td>$ 1,158.98</td>
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<tr>
<td>3/19/19</td>
<td>123</td>
<td>INS DWELLING EST</td>
<td>$ 207,201.34</td>
<td>$ 11,325.00</td>
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<td></td>
<td>$ 229,851.34</td>
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<tr>
<td>3/30/19</td>
<td>234</td>
<td>75% CONTENTS</td>
<td>$ 127,575.00</td>
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<td>ADDL DWELLING</td>
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<td>$ 57,307.40</td>
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<td>ONE YEAR ALE/FMV</td>
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<td>$ 24,000.00</td>
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<td>12/30/20</td>
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<td>FINAL ALE</td>
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<td>Total Payments</td>
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<td>$ 226,500.00</td>
<td>$ 26,683.74</td>
<td>$ 22,650.00</td>
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<td>$ -</td>
<td>$ 11,325.00</td>
<td>$ 97,891.26</td>
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**Sample Insurance Accounting spreadsheet**

- [https://www.uphelp.org/pubs/insurance-accounting-spreadsheet](https://www.uphelp.org/pubs/insurance-accounting-spreadsheet)

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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
3. WHAT ARE YOUR OPTIONS FOR REPLACING A DESTROYED HOME?
OPTIONS TO BUY OR REBUILD

- Rebuild house as was
- Rebuild different house
- Buy elsewhere
- Rebuild elsewhere

Site of destroyed home

For sale sign

Hammer and nail

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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?
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

Living Room

Door
2' 9" X 6' 8"
Opens into KITCHEN

Door
2' 9" X 6' 8"
Opens into HALL

Door
3' X 6' 8"
Opens into FRONT PORCH

DESCRIPTION | QTY | UNIT PRICE | TOTAL
-------------|-----|------------|------
DOORS & WINDOWS
63. Skylight - reflective tube - 13" | 1.00 EA @ | 625.15 | 625.15
64. Skylight flashing kit - done | 1.00 EA @ | 107.15 | 107.15
65. Wood window - picture (fixed), 12-24 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 paneled.

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, panelled pocket doors to the Kitchen and the Hall. Doors were solid core, not hollow.

74. Exterior door - solid mahogany - panelled | 1.00 EA @ | 1,128.48 | 1,128.48

Solid core exterior, panelled front door that was stained and had a window. 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

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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.
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.
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

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>QTY</th>
</tr>
</thead>
<tbody>
<tr>
<td>308.48 SF Walls</td>
<td></td>
</tr>
<tr>
<td>362.32 SF Walls &amp; Ceiling</td>
<td></td>
</tr>
<tr>
<td>5.98 SY Flooring</td>
<td></td>
</tr>
<tr>
<td>29.38 LF Ceil. Perimeter</td>
<td></td>
</tr>
<tr>
<td>53.84 SF Ceiling</td>
<td></td>
</tr>
<tr>
<td>53.84 SF Floor</td>
<td></td>
</tr>
<tr>
<td>29.38 LF Floor Perimeter</td>
<td></td>
</tr>
</tbody>
</table>

### DESCRIPTION

- 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: 53.84 SF
- 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

---

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### 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**

### Description

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

- **Height: 10' 6"**
- **12" base**

- **remove**

---

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### Estimate

**Pantry**  
Height: **10' 6"**

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

| 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 |

---

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### Recap by Category

<table>
<thead>
<tr>
<th>O&amp;P Items</th>
<th>Total</th>
<th>%</th>
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</thead>
<tbody>
<tr>
<td>APPLIANCES</td>
<td>2,009.20</td>
<td>0.85%</td>
</tr>
<tr>
<td>CABINERY</td>
<td>33,015.15</td>
<td>13.99%</td>
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<tr>
<td>CLEANING</td>
<td>3,179.86</td>
<td>1.35%</td>
</tr>
<tr>
<td>CONTENT MANIPULATION</td>
<td>573.28</td>
<td>0.24%</td>
</tr>
<tr>
<td>GENERAL DEMOLITION</td>
<td>8,682.15</td>
<td>3.68%</td>
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<tr>
<td>DOORS</td>
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<td>0.33%</td>
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<tr>
<td>DRYWALL</td>
<td>17,528.92</td>
<td>7.43%</td>
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<tr>
<td>ELECTRICAL</td>
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<tr>
<td>FLOOR COVERING - CARPET</td>
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<tr>
<td>FLOOR COVERING - VINYL</td>
<td>4,003.91</td>
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<tr>
<td>FLOOR COVERING - WOOD</td>
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<tr>
<td>PERMITS AND FEES</td>
<td>9,500.00</td>
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<tr>
<td>FINISH CARPENTRY / TRIMWORK</td>
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<td>FINISH HARDWARE</td>
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<tr>
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<td>LABOR ONLY</td>
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<tr>
<td>LIGHT FIXTURES</td>
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<tr>
<td>PLUMBING</td>
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<tr>
<td>PAINTING</td>
<td>18,456.48</td>
<td>7.82%</td>
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<tr>
<td>TEMPORARY REPAIRS</td>
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<td>WINDOW TREATMENT</td>
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<td><strong>O&amp;P Items Subtotal</strong></td>
<td><strong>192,055.02</strong></td>
<td><strong>81.40%</strong></td>
</tr>
<tr>
<td>Permits and Fees</td>
<td>38.54</td>
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<tr>
<td>Material Sales Tax</td>
<td>4,516.93</td>
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<tr>
<td>Overhead</td>
<td>19,661.34</td>
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<tr>
<td>Profit</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>235,933.17</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>
Deep breath
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

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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/r2rhelpp_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.

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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.

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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.
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
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
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.

https://drive.google.com/file/d/1EK7Kf54RibhB5HzW6vl4uzTAWJJ7udU/view
“…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/116YN4rpLaPbx3tTgnarjIXWFvOaPX87/view
“…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…”