2021 Marshall Fire

Navigating Your Contents Claim

DATE:  March 30, 2022
Virtual Workshop/Webinar #6
www.uphelp.org
2021 Marshall Fire

Navigating Your Contents Claim
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 ícono o símbolo global titulado Interpretación/Interpreting.

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

Gracias
About United Policyholders (UP)

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

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

Roadmap to Recovery®
- Guidance on insurance, restoring assets and getting back home after a catastrophic loss

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

Advocacy and Action
- Fighting for insurance consumer rights and protections
2021 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

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R2R Guidance and Tools

“The Little Yellow Book”

Email info@uphelp.org if you need a copy mailed to you

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The Fine Print

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

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

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

Valerie Brown
Deputy Executive Director, United Policyholders

Lois & Jon Pratt
2020 East Troublesome Fire Survivor

Chris Rockers
The Claims Group
Valerie Brown

- Deputy Executive Director
- 15 years experience in disaster recovery
- Officer, Disaster Leadership Team
- Officer and Board Member, National Aging in Place Council
- Board Member, San Diego VOAD
- Secretary, NorCal VOAD
- Member, Boulder County Long Term Recovery Group
- Home Ignition Zone Instructor

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Chris Rockers

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

The Claims Group
Phone: (303) 926-4959
www.cgclaims.com
Lois & Jon Pratt

- Total loss, 2020 East Troublesome Fire (Grand County)
- Used Roadmap to Recovery virtual events and UP resources
- Survivors Speak Contributor, “Getting an Insurer to Pay Penalty Interest”
- Provided their inventory list as sample for Marshall survivors
Goal of today’s presentation: Help you collect the full amount your insurer owes you for every personal property item that was damaged or destroyed (up to your policy limits) in the least time-consuming and painless manner possible.

Basic strategy:

• Document/list and value every item.
• Produce available receipts, photographs and other evidence.
• If needed, get extensions of time by making a written request.
Insurance is a vehicle to get you back where you were before your loss

• But it won’t drive itself.

• Be pro-active to restore your assets, collect all available insurance funds, assert your rights, and ask for what you need.

• No need to reinvent the wheel, help is available.
Guiding principles

• Focus on documenting the full extent and value of your losses.
• Give your adjuster/insurer a chance to do the right thing, but don’t be a pushover.
• Leverage and negotiation are key.
• Two words describe the best demeanor you can adopt during this process… POLITE ASSERTIVENESS.
• Get help when you need it.
Recovery is a marathon, not a sprint.
Think of your insurance claim as a business transaction

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

• Adjusters vary in personality & experience.
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.
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.
Speak “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?”
Give your insurance company a chance to do the right thing, BUT, Don’t be a Pushover
Colorado Revised Statutes § 10-4-110.8 (11) (c) (I) and (II): Contents claims deadlines

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

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

- Allow the policyholder 365 days after a total loss claim to submit an inventory of lost or damaged property; and,
- Allow the policyholder 365 days from the expiration of the Additional Living Expense coverage to replace property and receive recoverable depreciation.
Homeowners Insurance Reform Act of 2013 (HB 13-1225) Requires Insurers to ….

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

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

“…While some insurance contracts offer more, all homeowner’s insurance replacement cost policies include at least twelve (12) months of Additional Living Expense coverage.” Note: This applies to primary homeowners

“…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/0BwMmWVFE3YMsi1pcU1PQ1pINzg/view?resourcekey=0-Tdn5DcvGKYpUZQ59VO2ptQ
“…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 Drivehttps://drive.google.com/file/d/116YN4rpL-aPbx3tTgnarjlXWFvOaPX87/view

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Deep Breath
1. Know Your Policy and Your Insurance Company

• Read your complete policy, looking for limits on specific contents items, riders or schedules with increased coverage (typically artwork, jewelry, computers, cameras, etc.).

• Be organized – save all receipts, scan, keep track of all insurance contents claim communications.

• Network with other survivors with the same insurance company and see if they have had more success in negotiating less stringent requirements.
Personal Property/Contents Coverage

• Covers personal property owned by the insured while it is anywhere in the world
• If you imagine taking the roof off and shaking your house, what falls out is personal property (but also includes property outside).
• Check your policy for any “off premises” coverage and/or limits.
• May cover guest’s property if destroyed at your home
• Many items subject to specific coverage limits
COVERAGE C - Personal Property

We cover personal property owned or used by an "insured" while it is anywhere in the world. At your request, we will cover personal property owned by:

1. Others while the property is on the part of the "residence premises" occupied by an "insured";
2. A guest or a "residence employee," while the property is in any residence occupied by an "insured."

Our limit of liability for personal property usually located at an "insured's" residence, other than the "residence premises," is 10% of the limit of liability for Coverage C, or $1000, whichever is greater. Personal property in a newly acquired principal residence is not subject to this limitation for the 30 days from the time you begin to move the property there.
# Know Your Policy Limits

## Personal Property Coverage

### SAMPLE HOMEOWNER POLICY DEPARTMENT PAGE 1

**Policy Number:**

**Policy Period:** 03/10/2007 to 03/10/2008 12:01 AM Local Time

**NAME AND MAILING ADDRESS OF INSURED**

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>DWELLING</td>
<td>SEPARATE STRUCTURES</td>
<td>PERSONAL PROPERTY</td>
<td>LOSS OF USE</td>
</tr>
<tr>
<td>$500,000</td>
<td>$50,000</td>
<td>$350,000</td>
<td>2 Months</td>
</tr>
</tbody>
</table>

**AGENT NAME AND ADDRESS**

<table>
<thead>
<tr>
<th>E</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>PERSONAL LIABILITY</td>
<td>MEDICAL PAYMENTS TO OTHERS</td>
</tr>
<tr>
<td>$XXX,XXX</td>
<td>$X,XXX</td>
</tr>
</tbody>
</table>

**Loss Deductible for Section 1:** $1,000

**Earthquake Deductible:** See Message Below

**COVERAGE FORMS**

<table>
<thead>
<tr>
<th>FORM NUMBERS</th>
<th>PREMIUMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Form – Homeowners Policy</td>
<td>WG HO 300 (7/91)</td>
</tr>
<tr>
<td>Replacement Cost Composite</td>
<td>WG HO 301 (7/91)</td>
</tr>
<tr>
<td>Increased Limit for Coverage E &amp; F</td>
<td>Section II</td>
</tr>
<tr>
<td>Mold, Fungus, Wet Rot, Dry Rot, or Bacteria</td>
<td>WG HO 303 (05/02)</td>
</tr>
<tr>
<td>Mortgage Payment Supplement</td>
<td>MP 606 (3/84)</td>
</tr>
<tr>
<td>Lender’s Loss Payment Endorsement</td>
<td>4388FU NS (5/42)</td>
</tr>
</tbody>
</table>

**Important – Earthquake Coverage is Not Included – Contact Your Agent For Further Information.**

The Policy Does Not Include Building Code Upgrade Coverage.

**Extended Replacement Cost Coverage Does Not Exceed 200% of Limit “A” – Dwelling.**

Coverage Includes Personal Property Replacement Cost.
**CONTINUATION DECLARATIONS**

The limit of liability for the structure (Coverage A) is based on the 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.

**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. (No. Street, City, State, Zip Code)

**PREVIOUS POLICY NUMBER**  
HA 0012222-222  
JOE'S MORTGAGE LLC  
ISA OA  
11501-7729

**SECTION I**

<table>
<thead>
<tr>
<th>A. DWELLING</th>
<th>B. OTHER STRUCTURES</th>
<th>C. PERSONAL PROPERTY</th>
<th>D. LOSS OF USE</th>
<th>E. PERSONAL LIABILITY</th>
<th>F. MEDICAL PAY EACH PERSON</th>
</tr>
</thead>
<tbody>
<tr>
<td>210,600</td>
<td>21,060</td>
<td>147,420</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

**COVERAGE AND LIMITS OF LIABILITY**

<table>
<thead>
<tr>
<th>COVERAGE</th>
<th>DESCRIPTION</th>
<th>PREMIUM</th>
<th>COVERAGE</th>
<th>DESCRIPTION</th>
<th>PREMIUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>HO3</td>
<td>Special Form</td>
<td>1,097.00</td>
<td>12747</td>
<td>Fungi/Bacteria</td>
<td></td>
</tr>
<tr>
<td>HO90</td>
<td>Calif Work Comp</td>
<td></td>
<td>12568P</td>
<td>Oth Str Incr Lim</td>
<td>58.00</td>
</tr>
<tr>
<td>12659</td>
<td>Per Prop Repl</td>
<td></td>
<td>11736</td>
<td>Replacement Cost</td>
<td>22.00</td>
</tr>
<tr>
<td>HO218</td>
<td>Prem Alarm Prot</td>
<td>22.00CR</td>
<td>10340</td>
<td>CA Res Prop Dis</td>
<td></td>
</tr>
<tr>
<td>438BFUN</td>
<td>Lenders Loss Pay</td>
<td></td>
<td>07/11</td>
<td>CA Ins Guarantee</td>
<td></td>
</tr>
<tr>
<td>IN2004</td>
<td>Consumer Info</td>
<td></td>
<td>22/07</td>
<td>Ment Rating</td>
<td></td>
</tr>
<tr>
<td>IN499</td>
<td>Important Notice</td>
<td></td>
<td>03/06</td>
<td>Privacy Stmt</td>
<td></td>
</tr>
<tr>
<td>IN0100</td>
<td>Important Notice</td>
<td></td>
<td>03/04</td>
<td>Spec Provisions</td>
<td></td>
</tr>
<tr>
<td>IN2709</td>
<td>Important Notice</td>
<td></td>
<td>04/03</td>
<td>Thrd Pty Dsginee</td>
<td></td>
</tr>
<tr>
<td>IN2722</td>
<td>Important Notice</td>
<td></td>
<td>01/14</td>
<td>01/16</td>
<td></td>
</tr>
</tbody>
</table>

TOTAL PREMIUM: 1,155.00
Coverages & Property

SECTION I

<table>
<thead>
<tr>
<th>Description</th>
<th>Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Dwelling</td>
<td>$469,500</td>
</tr>
<tr>
<td>B Dwelling Extension up to</td>
<td>$46,950</td>
</tr>
<tr>
<td>C Personal Property</td>
<td>$352,125</td>
</tr>
<tr>
<td>C Loss of Use</td>
<td></td>
</tr>
</tbody>
</table>

SECTION II

<table>
<thead>
<tr>
<th>Description</th>
<th>Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>L Personal Liability (Each Occurrence) Damage to Property of Others</td>
<td>$100,000</td>
</tr>
<tr>
<td>M Medical Payments to Others (Each Person)</td>
<td>$500</td>
</tr>
<tr>
<td>M Medical Payments to Others (Each Person)</td>
<td>$1,000</td>
</tr>
</tbody>
</table>

Loss Settlement Provision (See Policy)

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

Form, Options, & Endorsements

Homeowners Policy
Homewrap Policy
Amendatory Endorsement
Jewelry and Fur $1,500 Each Article/2,500 Aggregate
Firearms $2,500 Each Article/5,000 Aggregate

Policy Premium Discounts Applied:
- Home
- Auto
- Claim Record

Policy Number: 57-L8-111-1111
Policy Period: Effective Date MAY 12, 2017 Expiration Date MAY 12, 2018
The policy period begins and ends at 12:00 am standard time at the residence premises.
## Personal Property – Special Sub Limits

### Special Limits and Additional Coverages

**Coverage Level:** Travelers Protect

<table>
<thead>
<tr>
<th>Personal Property – Special Limits of Liability</th>
<th>Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Money, bank notes, coins, stored value cards</td>
<td>$250</td>
</tr>
<tr>
<td>b. Securities, accounts, passports, tickets, stamps</td>
<td>$1,500</td>
</tr>
<tr>
<td>c. Comic books and trading cards</td>
<td>$1,000</td>
</tr>
<tr>
<td>d. Collectibles, figurines, glassware, marble, porcelains, statuary</td>
<td>$1,000</td>
</tr>
<tr>
<td>e. Theft of jewelry, watches, precious stone</td>
<td>$1,500</td>
</tr>
<tr>
<td>f. Theft of furs</td>
<td>$1,500</td>
</tr>
<tr>
<td>g. Theft of silverware, goldware, pewterware</td>
<td>$1,500</td>
</tr>
<tr>
<td>h. Theft of firearms and related equipment</td>
<td>$1,500</td>
</tr>
<tr>
<td>i. Theft of tools and their accessories</td>
<td>$1,500</td>
</tr>
<tr>
<td>j. Theft of rugs, tapestries and wall hangings</td>
<td>$1,500</td>
</tr>
<tr>
<td>k. Business property on the residence premises</td>
<td>$3,000</td>
</tr>
<tr>
<td>l. Business property away from the residence premises</td>
<td>$1,500</td>
</tr>
<tr>
<td>m. Trailers or semitrailers not used with watercraft</td>
<td>$1,500</td>
</tr>
<tr>
<td>n. Motor vehicle parts or equipment not attached to motor vehicle</td>
<td>$500</td>
</tr>
<tr>
<td>o. Electronic apparatus while in or upon a motor vehicle or watercraft</td>
<td>$1,500</td>
</tr>
</tbody>
</table>

*The Special Limits of Liability do not increase your Coverage C – Personal Property Limit.*

### 3. Special Limits Of Liability

The special limit for each category shown below is the total limit for each loss for all property in that category. These special limits do not increase the Coverage C limit of liability.

- **a.** $200 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum other than platinumware, coins, medals, scrip, stored value cards and smart cards.

- **b.** $1,500 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps. This dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.

  This limit includes the cost to research, replace or restore the information from the lost or damaged material.

- **g.** $2,500 for loss by theft of firearms;

- **h.** $2,500 for loss by theft of silverware and goldware;
Items that are usually not covered

• Items that are specifically insured elsewhere (i.e., jewelry, art with its own coverage)
• Animals, birds, and fish
• Property of sub-tenants/roommates
• Motor vehicles (exceptions for certain vehicles not registered for use on roads and/or for handicapped assistance.)
• Recreational vehicles
2. Options for completing your Contents/Personal Property Claim

A. Prepare a detailed list (inventory) that describes and values everything you lost and submit it to your insurance company – later sending receipts as you replace items; and/or

B. Ask in writing for a full/partial policy limits payout and a waiver for all/part of the inventory itemization requirement; or
   A. Refer to DORA Notices and Bulletins.
   B. 100% waiver worth requesting especially if significantly underinsured

C. Hire professional help.
Depreciation is negotiable

• The more depreciation your insurer applies - the less you collect up front.

• There is no official standard for how much insurers can depreciate your property.

• It can be hard to pin down an adjuster on how they calculated depreciation, but these calculations affect your pocketbook. Challenge the numbers if they seem unfair.

• Be aware of items that should not be depreciated (antiques, fine art, jewelry, etc.).

• Ask, in writing, that your insurer give you a copy of the depreciation schedule/method they used.
Fair Depreciation

Most policies allow an insurance company to depreciate property to reflect the condition it was in at the time of the loss.

Consider **both age and condition** of the property. Depreciation should only apply to property normally subject to repair and replacement during the useful life of the property. You have the right to know how your insurance company calculated depreciation and how they calculated their settlement offer.

No “official” depreciation schedule, insurance companies vary on these calculations, so you should advocate for fair valuation of your property.
Q10 Did your insurer require you to submit a detailed itemized home inventory?

Answered: 953  Skipped: 380

<table>
<thead>
<tr>
<th>ANSWER CHOICES</th>
<th>RESPONSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>No, they offered less than full policy benefits in exchange for not requiring itemization</td>
<td>25.29%</td>
</tr>
<tr>
<td>No, they paid 100% of policy limits without requiring inventory</td>
<td>24.55%</td>
</tr>
<tr>
<td>Yes, they strictly enforced the policy requirement to detail and itemize</td>
<td>28.44%</td>
</tr>
<tr>
<td>Yes, but they allowed me to &quot;bulk list&quot; some items (e.g. books,...</td>
<td>21.72%</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
</tr>
</tbody>
</table>
3. Documenting and valuing your Personal Property

• If the insurer insists on a detailed inventory, gather available receipts, photos, available records and get help from the adjuster assigned to your claim to build a complete and accurate list of everything that was damaged or destroyed.

• **Trust but verify** the adjuster's valuations on your possessions by getting prices/estimates from objective sources (stores, experts...). Fight back if your adjuster tries to unfairly depreciate your property.

• Use UP’s free tools:
  - [www.uphelp.org/contents](http://www.uphelp.org/contents) for claim inventory and claim tips
  - [www.uphelp.org/guide/contents-claim-help](http://www.uphelp.org/guide/contents-claim-help) for samples files and more!
Home Inventory and Contents Claim Tips

**Goals:** Collect the value of every personal property item that was damaged or destroyed (up to your policy limits) in the least time-consuming and painful way possible.

**Basic strategy:** Document/list and value every item. Produce available receipts, photographs and other evidence. Get extensions of time if you need them by making a written request that proposes a reasonable amount of extra time.

**Timesavers:**
- Use UP’s Home Inventory Spreadsheet
- Go to a large store and use a wedding gift registry scanner to list and value items you had
- Family and friends can help you remember and complete your inventory.
- Use the Internet to set a value for every lost item what it will cost to replace it.
- Negotiate a “cash out” settlement at or just below your contents policy limits to avoid the painstaking task of reconstructing a complete inventory list.

Download the following publications to learn about strategies from experts and other disaster survivors on completing a home inventory and negotiating the contents portion of your claim:

- **Example of a completed home inventory - 2003 Cedar Fire Survivor has donated her contents claim form to UP**
- **UP Home Inventory Worksheets (Excel)** - Complete and save on the computer.
- **Contents Claim Tips**
- **Depreciation Basics**
- **Speak UP: How to communicate with your insurance company**
- **Sample Letter Requesting Copy of Policy**
- **Sample Letter Asking for the Waiver of the Contents Itemization Requirement**
- **Sample Letter Asking for a Personal Property Claim Settlement**

[Download all sample files]
Step One: Start with a List

- Start your list room by room, by topic, by category, whatever works for you to fill in the inventory.

- Use UP's **Home Inventory Spreadsheet** or the lists in the *Disaster Recovery Handbook and Household Inventory Guide* to help you remember.

- Use family and friends to help you complete your inventory. They may have photographs to share or be willing to list a room for you.

- Go to stores with a gift registry scanner to list and value items you had. Or use the internet to build your list – many stores with gift registry scanners also have online registries.

- Celebrate every success, no matter how small. Creating an inventory is a massive task.
Step Two: Add to your list

- Keep a running ‘list’ with you.
  - pen and paper
  - “note” in your smartphone

- Check with your bank or credit card companies for records of previous purchases. Some stores keep purchase records for several years, including: Costco, Home Depot, Amazon. Always ask stores you frequently shop.

- Try visualizing the room you are working on - walk around it in your mind, opening drawers and cabinets, and “looking inside”. It can be helpful to visualize with your eyes closed and speak out loud to record what you are “seeing” OR have someone taking notes.
Step Three: Estimate Quantities

- Books and CDs are generally in stacks or on shelves. Estimate how many feet of shelving you had. Ask a friend to or go to a store and measure a foot of shelving (measure hardback and paperback separately) and book width (take your tape measure), find an average price by type, and then calculate roughly how many books/CDs were on each shelf.

- Do the same for clothing – if your closet was 6 ft. wide and 2 ft. contained hanging shirts, go to a friend’s closet or a store rack, arrange them as closely as you normally do, and count the number per foot.

- Knowing rough dimensions can help you estimate how much of something was contained within a closet, drawer, cabinet, or storage container.
Step Four: Pricing

Included in the “duties after a loss” is listing the replacement cost of damaged personal property.

- Use a gift registry online to value items on your list. DO NOT USE SALE PRICES – by the time you replace an item, the sale may be long gone.

- Contact your credit card companies and banks for copies of old statements.
  - But remember, you’re looking for the cost to replace – this may not be the price it was purchased at.

- Divide and conquer – take advantage of people who offer to help. Ask them to price a page/room/list and create backup documentation for replacement costs (PDF).

- Work together with other survivors.
4. Learn the Lingo

- Replacement Cost (RC)
- Actual Cash Value (ACV)
- Depreciation (or holdback)
Replacement Cost (RC)

• RC is the price that it would *actually* cost to repair or replace a damaged or destroyed item right now with a new item.
  – i.e. a new couch, mattress, or shirt

• Most homeowners policies, but not all, are *REPLACEMENT COST* (RC) policies.
Actual Cash Value (ACV)

• ACV is the pre-loss value of an item
  – the price a willing buyer would have paid you immediately before the loss
  – The item is depreciated to what its value was an instant before the loss. (“Craigslist” price)

• Some policies limit payouts to ACV and that’s all they pay

• Actual Cash Value is also usually defined by the following formula:  \( ACV = RC - \text{Depreciation} \)
Depreciation

• “Depreciation” is the loss in value of an item due to age and condition (wear and tear).

• You may also see the terms “Holdback”, “Withheld”, “Recoverable Depreciation”, “Non-recoverable Depreciation”.

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Replacement Cost vs. Actual Cash Value

Cost to buy a new couch

Value of my couch an instant before the fire (What you are owed until you repair or replace)

Deduction in value due to wear and tear

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

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

COVERAGE B - PERSONAL PROPERTY

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

   (1) until repair or replacement is completed, we will pay only the cost to repair or replace less depreciation;

   (2) after repair or replacement is completed, we will pay the difference between the cost to repair or replace less depreciation and the cost you have actually and necessarily spent to repair or replace the property; and

   (3) if property is not repaired or replaced within two years after the date of loss, we will pay only the cost to repair or replace less depreciation.

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

   (1) antiques, fine arts, paintings, statuary and similar articles which by their inherent nature cannot be replaced with new articles;

   (2) articles whose age or history contribute substantially to their value including, but not limited to, memorabilia, souvenirs and collectors items; and

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

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

   (1) antiques, fine arts, paintings, statuary and similar articles which by their inherent nature cannot be replaced with new articles;

   (2) articles whose age or history contribute substantially to their value including, but not limited to, memorabilia, souvenirs and collectors items; and

   (3) property not useful for its intended purpose.

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

(1) our cost to replace at the time of loss;

(2) the full cost of repair;

(3) any special limit of liability described in the policy; or

(4) any applicable Coverage B limit of liability.
Renters Policy

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

Optional Coverages

<table>
<thead>
<tr>
<th>Optional Coverages</th>
<th>Endorsement Limit</th>
<th>Premium Included*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Property Replacement Cost Loss Settlement</td>
<td>HQ-290 MA (05-17)</td>
<td></td>
</tr>
</tbody>
</table>

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

- Look for a Replacement Cost Endorsement on your declarations page and attached to your policy
Is there a time limit to submit your inventory?

YES – 365 days after total loss claim

Colorado Revised Statutes § 10-4-110.8 (11) (c) (I) and (II) – 365 days after total loss claim to submit inventory
Is there a time limit to collect RC benefits?

YES – 365 days from expiration of ALE

Colorado Revised Statutes § 10-4-110.8 (11) (c) (I) and (II) – 365 days from expiration of ALE coverage to replace property and receive recoverable depreciation
5. More on Depreciation – Why it matters

• Coming up with cash to buy replacement items can be hard, especially if your insurer has heavily depreciated your property.

• Your insurer typically “depreciates” the value of your damaged/lost property to account for its used condition and age.

• For all items that are covered for Replacement Cost Value, unless insurer relaxes or waives the requirement, you often actually replace and submit proof to recover withheld/held back benefits.
Depreciation is negotiable

• The more depreciation your insurer applies - the less you collect up front.

• There is no *official standard* for how much insurers can depreciate your property.

• It can be hard to pin down an adjuster on how they calculated depreciation, but these calculations affect your pocketbook. Challenge the numbers if they seem unfair.

• Be aware of items that should not be depreciated (antiques, fine art, jewelry, etc.).

• Ask, in writing, that your insurer give you a copy of the depreciation schedule/method they used.
Age isn’t everything!

• Condition can be more important than age, so your inventory should list age AND condition.
• Even if an item was old, it may have been in good to excellent condition. You can argue that depreciation should be based upon the “Remaining Life Expectancy” of an item, not the age of the item.
• Only you know the condition of the items that were destroyed.
Age & Condition

Based On Age And Condition:

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

Family with kids and pets. Five year old sofa, maybe 80%.
Be aware of excessive depreciation

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

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

• Visit www.uphelp.org/samples for consumer-oriented depreciation guides.
6. Protect yourself

*Never intentionally claim items you did not have.*

- People often believe that they need to “pad” their claim in order to get a fair settlement.
- They feel their adjuster will lowball pricing so they “go high” by inflating the value, quality or quantity of damaged or destroyed items to counter the lowballing.
- Innocent mistakes are very common on claim related inventories and forms and do not amount to insurance fraud.
- Insurance fraud (intentional misrepresentation) is a felony.
  - Claiming items you did not have can jeopardize your entire claim and subject you to severe legal penalties.
- If your insurance adjuster or company believes you are substantially “padding” or inflating your claim, the path to a fair and prompt settlement will be fraught with delays and obstacles.
Be organized

• Save all receipts (recommend scanning or photocopying and emailing, so you have a copy for your records).
• Document and track all insurance contents claim communications.
• Track all contents payments. (https://www.uphelp.org/pubs/insurance-accounting-spreadsheet)
• Open a separate bank account when replacing items if possible.
Be strategic

You’re unlikely to replace everything you lost and it’s a hassle to have to keep providing receipts over time, so try to maximize your ACV payments by arguing for lower depreciation, especially on the big ticket items and identifying the true replacement cost of items at standard, not discount retailers.

Some total loss claims work on their contents lists over a year or two, and that’s OK. Your insurance claims has many moving parts, so prioritize and take your time – get your temporary housing situation settled while you work on your dwelling and contents claims.
Be politely assertive

Your insurance company cashed your premium payment checks in return for promising you three things: 1) Peace of mind, 2) Loss reimbursement and 3) Prompt claim service. Your contract with your insurer entitles you to all three of these things. Your rights under the contract are protected under the laws of your state.

The best way to stay on track is to keep good notes in your claim diary of what’s been agreed to and what’s still being worked out.
Do what’s best for you and your family

- No one but you can assess your tolerance for this process.
- Some may need/desire to recover every dollar in their contents coverage to be made whole.
- Some may settle for less, knowing they are leaving money on the table.
- Choose the best path for your family and your finances.
Stay informed – Sign UP

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

- Encourage friends to sign up: www.uphelp.org/signup
- To request a copy of today’s slides or video, email: info@uphelp.org
Stay connected to other disaster survivors – S2S Forums

• Great source of information about:
  – Insurance and rebuilding
  – Negotiation and financial strategies
  – Referrals and warnings re: professionals
• Important source of emotional support
  – No one else understands your challenges and emotions like another survivor

Find upcoming Survivor 2 Survivor Forums and register at: http://www.uphelp.org/events
Survivors Speak Publications

www.uphelp.org/survivorsspeak

- The Bottom Line on Recovering From a Disaster
- Strategies for Preparing Your Home Inventory
- Things I Wish I Had Known
- Don't take NO for an answer if your position is strong
- Negotiating With Your Insurance Company
- Estimating Your Loss
- Adjuster Stories\Partial Loss Remediation Tips\n- Getting an Insurer to Pay Penalty Interest (Colorado)
Register for upcoming events. View recordings of past events and related resources.
Previous webinars in the 2021 Marshall Wildfire R2R series

Dealing with Underinsurance
https://uphelp.org/events/dealing-with-underinsurance/

Taxing Matters for Wildfire-Impacted Households
https://uphelp.org/events/taxing-matters-for-wildfire-impacted-households/

Navigating Your Dwelling Claim
https://uphelp.org/events/navigating-your-dwelling-claim/

How to Read and Understand Your Policy
https://uphelp.org/events/how-to-read-and-understand-your-policy-2/

Wildfire Recovery Insurance Orientation
https://uphelp.org/events/wildfire-recovery-insurance-orientation/
Colorado Division of Insurance
Our Mission is Consumer Protection

Assistance available Monday-Friday
8:00 a.m. to 5:00 p.m. MT
Phone: 303-894-7499 | Toll free outside the Denver Metro Area: 800-930-3745
Email: dora_insurance@state.co.us
PENALTIES FOR FAILURE TO PROMPTLY ADDRESS PROPERTY AND CASUALTY FIRST PARTY CLAIMS

...If an insurer fails to make a decision and/or pay benefits due under the policy within sixty (60) days after a valid and complete claim has been received, and there is not a reasonable dispute between the parties, and the insured has complied with the terms and conditions of the policy of insurance...

Commissioner of Insurance may impose the following penalties to be paid by the insurer to the insured:.... (continued..)
Amended Regulation 5-1-14 continued….

... Commissioner of Insurance may impose the following penalties to be paid by the insurer to the insured...

If the claim is more than $100.00, the penalty shall be 8 percent annual interest on the amount of benefits due, computed from the latest of the time a valid and complete claim is received, the reasonable dispute was resolved, or the insured complied with the terms and conditions of the policy, until the time the benefits due are paid by the insurer...

Thank you to our Donors and Funders
§ 10-3-1104(1)(h), C.R.S.

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

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

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§ 10-3-1104(1)(h), C.R.S.

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

Note: This is a partial list of relevant regulations….
Concerning the Communication of Certain Coverage Limits by Homeowners’ Insurance Companies to Policyholders that Experienced a Loss Resulting from the Boulder County Fires

...Within ten (10) days of a policyholder’s request, insurance companies shall provide policyholders with a written explanation of the coverages and coverage limits applicable to the loss. This information is meant to supplement the information contained in the declarations page (the declarations page of the policy informs the policyholder of the coverage limits for each coverage under the policy). This explanation must include the following information:

- A description of each property coverage, including any special limits or additional coverages, applicable to the loss and consistent with the requirements in C.R.S. § 10-4-110.8(7)(a).
- 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.

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• The Division instructs carriers to provide information to their policyholders who have experienced a total loss about the Boulder County Debris Removal Program and its impact on their coverage limits.

• **Due to the extent of the destruction for policyholders who experienced a total loss, the Division requests carriers to maximize the payout on additional coverages without requiring the policyholder to incur the actual costs before reimbursement.**

• If applicable, policyholders must be notified that any payments issued under coverages requiring policyholders to incur costs could be subject to repayment should the policyholder elect to relocate and not rebuild…