Agenda

- Meeting Logistics
- Underinsurance
  - Division of Insurance (DOI) Initial Analysis
  - Boulder County Builders Insights
  - U.S. Small Business Administration (SBA) Loans
- Commitments from Insurance Companies
- Next Town Hall: June 2, 2022, 5 – 7 pm (MT)
- United Policyholders – Marshall Fire 6-Month Recovery Survey
Reminders

- Next Town Hall: **June 2, 2022, 5 – 7 pm (MT)**
- United Policyholders – **Marshall Fire 6-Month Recovery Survey**
- Information from FEMA – **Stay in Touch with FEMA About Your Insurance**

Underinsurance: DOI Initial Analysis

One of the more troubling issues has been the problem of underinsurance.

**Underinsurance**

When the amount of money a homeowner will receive from their insurance company is not enough to repair or replace the home.

To better understand the scope of underinsurance concerns, DOI collected initial claims data and plans to update analyses as additional claims are submitted.
The DOI’s initial survey and analysis focused on:

- Total Losses
- Policy Types
- Estimated Underinsurance
Underinsurance: DOI Initial Analysis

Total Losses - Homes reported and total incurred claim dollars, by community:

- **951 Total Loss Homes Reported**
  - Boulder County: 362
  - Louisville: 465
  - Superior: 124

- **$1,022,353,367 Total Incurred Claim Dollars by Community**
  - Boulder County: $305,243,755
  - Louisville: $465,966,889
  - Superior: $251,142,723
Policy Types - For the 951 total loss claims identified and analyzed:

- 8% had policies with guaranteed replacement coverage (similar quality, square footage, etc.) with no cap
- 83% had policies with extended benefits coverage (some add’l coverage if rebuilding exceeds policy limits).
- 9% had policies without extended benefits
Underinsurance: DOI Initial Analysis

Estimated Underinsurance
Dependent on anticipated rebuilding costs. Using rebuilding per sq. foot costs of $250, $300, $350:

- At $250, 344 (36%) policies are underinsured
- At $300, 523 (55%) are underinsured
- At $350, 639 (67%) are underinsured
Underinsurance: DOI Initial Analysis

Estimated Underinsurance - estimated average underinsurance per policy

- At $250, average underinsurance per policy is $98,967
- At $300, average underinsurance per policy is $164,855
- At $350, average underinsurance per policy is $242,670
Estimated Underinsurance - estimated total underinsurance amounts for 951 homes in data

- At $250, estimated total underinsurance is $34 million
- At $300, estimated total underinsurance is $86 million
- At $350, estimated total underinsurance is $155 million
Underinsurance: DOI Initial Analysis

As of the end of March, the U.S. Small Business Administration approved $91.2 million for impacted homeowners; funding will likely be used towards closing the gap between insurance and the costs of rebuilding.

The full press release can be found on our Marshall Fire Response website - doi.colorado.gov/marshall-fire-response, in the “Announcements and Updates” section.
Underinsurance: Boulder County Builders

Boulder Creek Neighborhoods

Remington Homes

Sheffield Homes
Hello & Welcome!
The Fun Part
Remington Homes is a 3rd generation, private, family owned home builder and land development company with over 50 years of experience. Over the past decade Remington has been involved in the development and construction of more than 6,000 homes in 27 communities across the Denver Metro area. Since 2016 Remington has constructed nearly 200 homes in the Town of Superior in the Downtown Superior and Coal Creek Crossing Communities and has a productive and positive working relationship with the local government and building authority.

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ADDRESS
5740 Olde Wadsworth Blvd.
Arvada
REMINGTON REBUILDS
OVERVIEW
1590-2271 sf
2-3 bedrooms
2-2.5 baths
home office
2-car garage

REMINGTON REBUILDS
Colorado Roots, Customer Driven

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Underinsurance: U.S. Small Business Administration Discussion

Yolanda Stokes
U.S. Small Business Administration
Commitments from Insurance Companies

On March 17, the DOI released a Consumer Advisory that outlined efforts to improve policyholders’ experiences. Specifically, DOI had five requests for homeowners’ insurance companies to help homeowners impacted by the disaster recover.
Commitments from Insurance Companies

1a. Repair, clean, replace hard surfaces, HVAC systems, attic insulation, & soft goods. *(100% of companies agreed)*

1b. Independent testing of habitability; ALE continued until remediation complete. *(92% of companies agreed)*

2. For total losses, a contents coverage (Coverage C) payout of no less than 60% without requiring inventory (for owner-occupied, primary residences) *(95% of companies agreed, remaining went up to 50% payouts)*
3. Provide options for streamlining inventory documentation for total losses for those eligible for additional replacement cost benefits from their policy. (98% of companies agreed)

4. Individual claims filed in the declared disaster area as defined by the State of Colorado Disaster Declaration (issued Dec. 30, 2021) will be treated as a single fire loss with one deductible. (89% of companies agreed)
Commitments from Insurance Companies

5. No future adverse underwriting actions will be taken based in whole or in part on a claim filed as a result of the Marshall Fire & Straight Line Winds event associated with the Colorado disaster declaration. (100% of companies agreed)
Commitments from Insurance Companies

More information available in the online advisory, including:

- Additional explanations and caveats
- List of which insurance companies have committed to these additional requests.
Questions and complaints about your insurance, company, agent or processes: Contact the DOI Consumer Services Team

- 303-894-7490 / DORA_Insurance@state.co.us / doi.colorado.gov

Next Town Hall: Thursday, June 2, 5 – 7 pm
- Register: doi.colorado.gov (link in yellow banner)