

Division of Insurance Town Hall:
**Marshall Fire and Underinsurance
Discussion, Part 1**

May 19, 2022

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**

All available on the Division of Insurance Marshall Fire Response Website – doi.colorado.gov/marshall-fire-response

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.

Underinsurance: DOI Initial Analysis

The DOI's initial survey and analysis focused on:

Total Losses

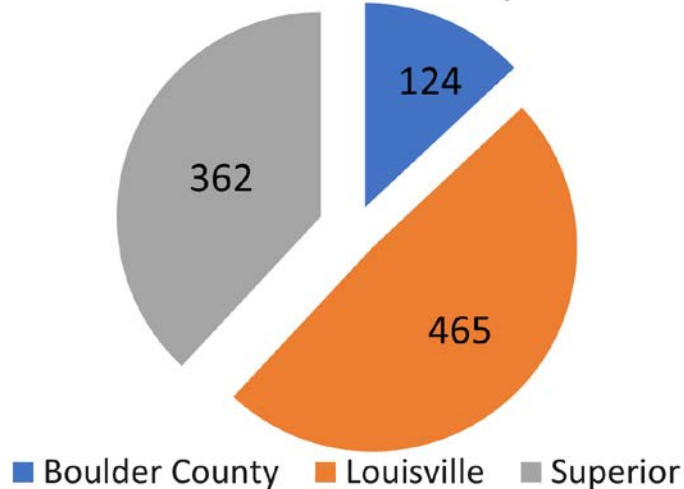
Policy Types

Estimated Underinsurance

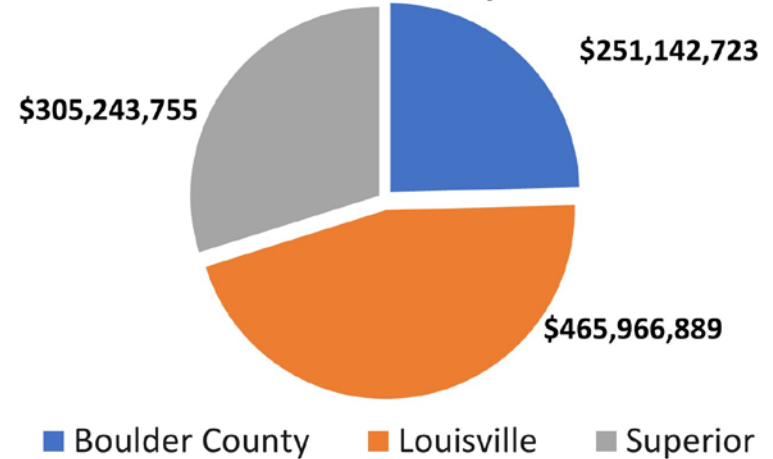
Underinsurance: DOI Initial Analysis

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

951 Total Loss Homes Reported



\$1,022,353,367 Total Incurred Claim Dollars by Community

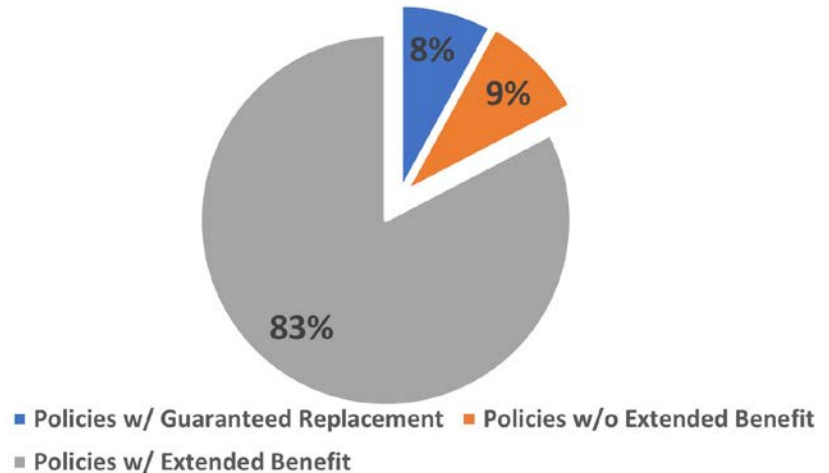


Underinsurance: DOI Initial Analysis

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

Percentage of 951 Total Loss Claims

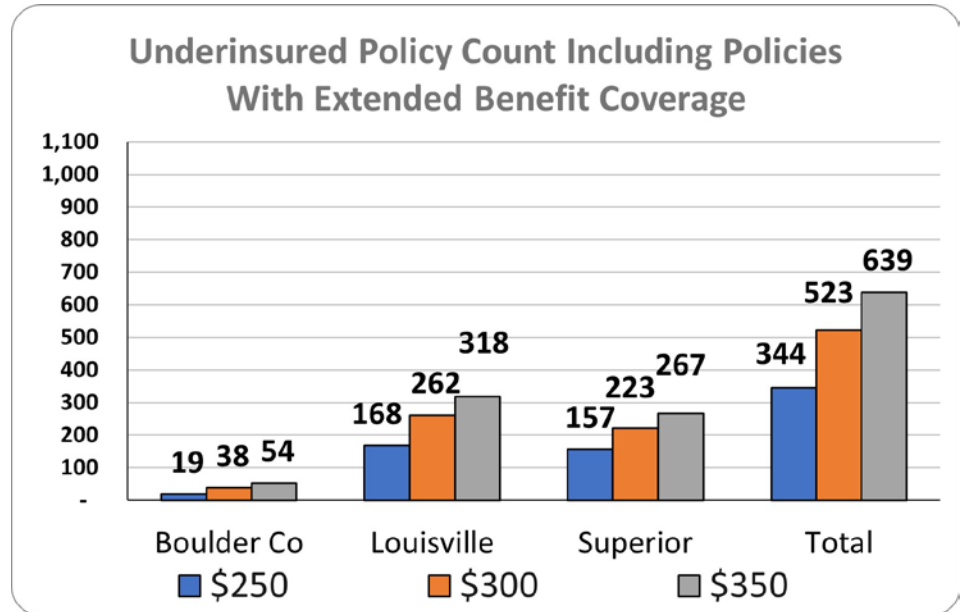


Underinsurance: DOI Initial Analysis

Estimated Underinsurance

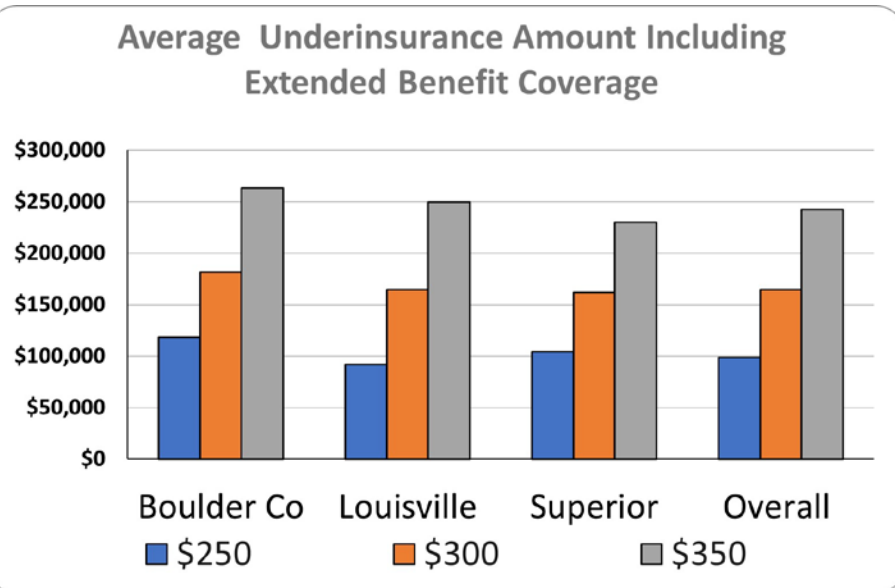
Dependent on anticipated rebuilding costs. Using rebuilding per sq. foot costs of \$250, \$300, \$350:

- 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

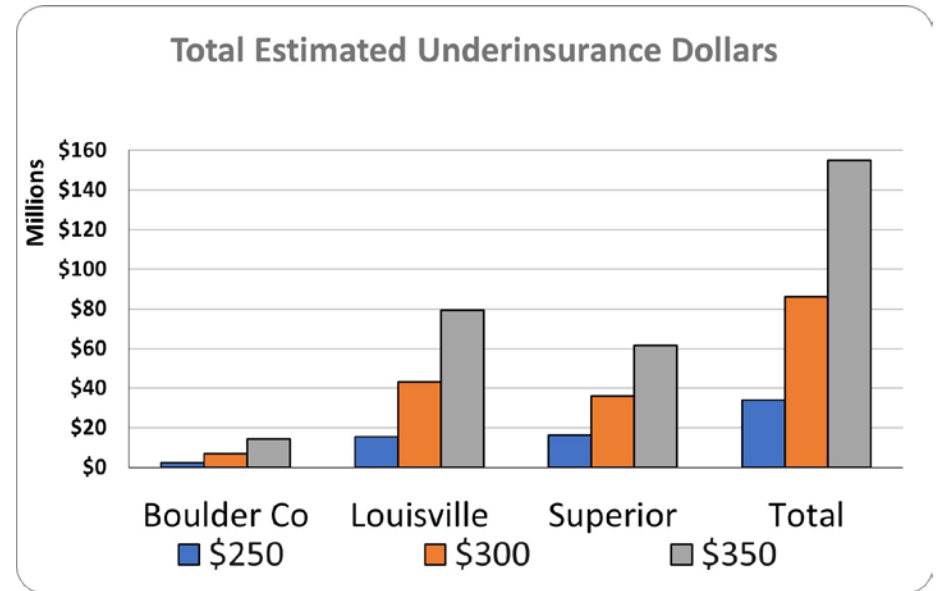


- At \$250, average underinsurance per policy is \$98,967
- At \$300, average underinsurance per policy is \$164,855
- At \$350, average underinsurance per policy is \$242,670

Underinsurance: DOI Initial Analysis

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



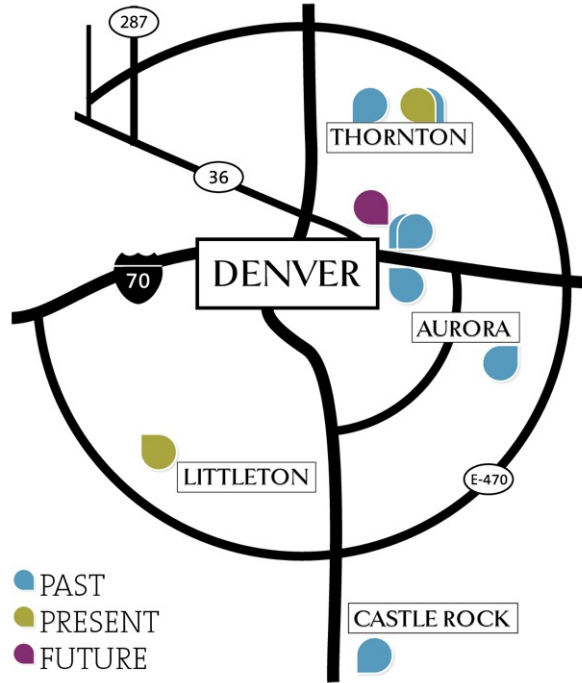
BOULDER CREEK
NEIGHBORHOODS®



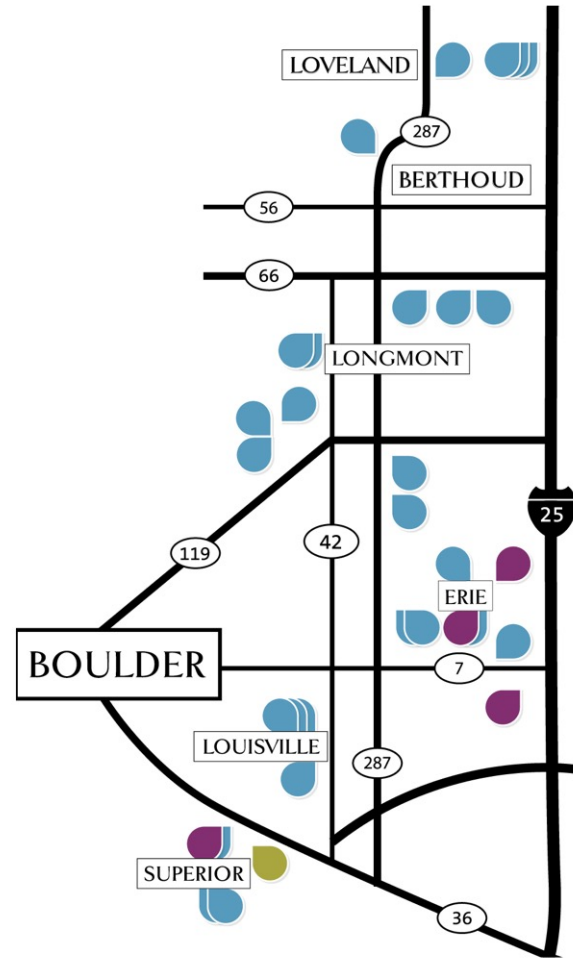
Hello & Welcome!



Our Past, Present, & Future



- PAST
- PRESENT
- FUTURE

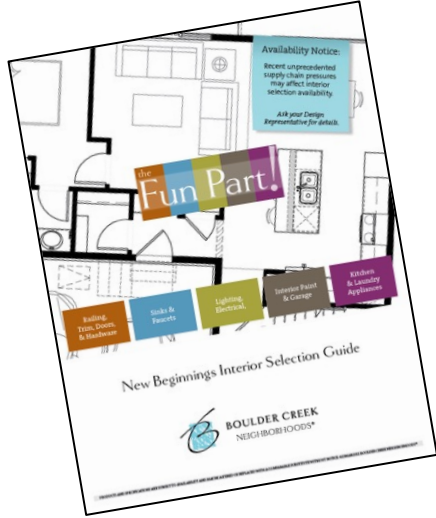


New BEGINNINGS





The Fun Part



INTERIOR DOORS

GROUP ONE		GROUP TWO		PANTRY
Cheyenne	Riverside	Lincoln Park	Logan	Full Lite Frosted

RAILING

TRIMMED HALF WALL	IRON BALLUSTERS WITH STAINED HANDRAIL
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APPLIANCE SUITES

KITCHENAID® - SLIDE-IN RANGE - STAINLESS

<p>ELECTRIC: KSEB900ESS</p> <p>COOKTOP: (1) 12" 9" 6" Element (3) 10" Element (3) 6" Elements</p>	<p>GAS: KSGB900ESS</p> <p>COOKTOP: (1) 36,000 BTU Burner (1) 30,000 BTU Burner (1) 9,200 BTU Burner (1) 6,000 BTU Burner (1) 5,000 BTU Burner</p>
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BATH FLOOR

HEATED PRIMARY BATH FLOOR

WATERPROOFING:
DITRA is made of polyethylene, which provides waterproofing and protects floors from moisture damage. This is a critical component in preventing mold and mildew especially in wet areas.

CEMENT:
Cement is released from the floor, and can rob your tile of its adhesive. Adequately sized channels are needed to allow the cement to escape.

SUPPORT:
Support structure is needed to support the tile, providing an adequate base for the tile to sit on. An open rib allows the tile to move and eliminates stress, preventing cracking and of the tiled surface.

DR COVERINGS OVER DITRA®
See Tab: [unreadable]

DR COVERINGS OVER DITRA®
Select Design Representative when flooring selection is made. For more information, including technical data sheets, contact your local design representative. For technical data sheets, including technical data sheets, contact your local design representative. For more information, including technical data sheets, contact your local design representative. For more information, including technical data sheets, contact your local design representative.

KITCHEN SINKS

CAIRN® - DUAL BASIN

KOHLER.
Neocor®
Large/Medium Double-Basin
Left Bottom Basin Rack
33-1/2" W x 18-3/16" D x 9-1/2" H

Matte Color Choices:

- Black (shown)
- Grey
- White
- Brown
- Graphite
- Taupe

VAULT® - DUAL BASIN

KOHLER.
Stainless Steel - 18-Gauge
Medium/Large Dual Basin
Smart Divide
Left Bottom Basin Rack
33" W x 22" D x 9 5/8" H

CAPE DORY® - SINGLE BASIN

KOHLER.
Cast Iron
Acid-Resistant Enamel Finish
Single Basin
33" W x 22" D x 9 5/8" H

KITCHEN FAUCETS

PURIST® - PULL DOWN

KOHLER.

TOURNANT® - FULL DOWN

KOHLER.

ABOUT REMINGTON

REMINGTON HOMES

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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5740 Olde Wadsworth Blvd.
Arvada



Remington
HOMES

REMINGTON HOMES

REMINGTON REBUILDS



MARSHALL FIRE SUPPORT



Remington
HOMES

REMINGTON REBUILDS

OVERVIEW

1590-2271 sf

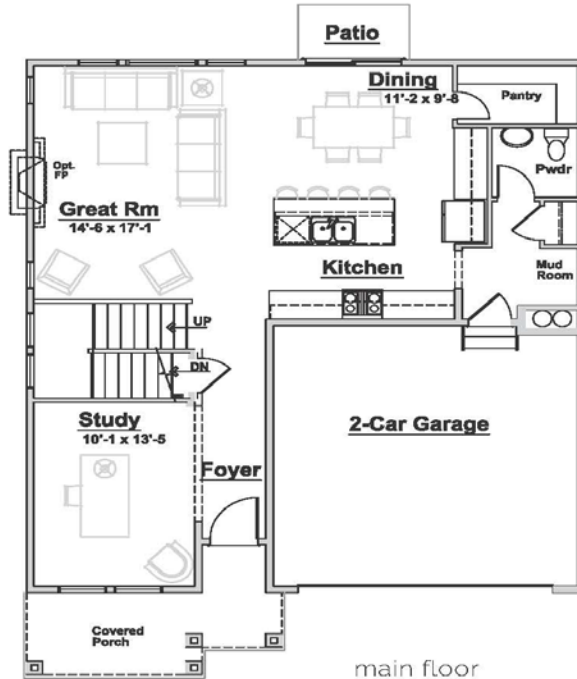
2-3 bedrooms

2-2.5 baths

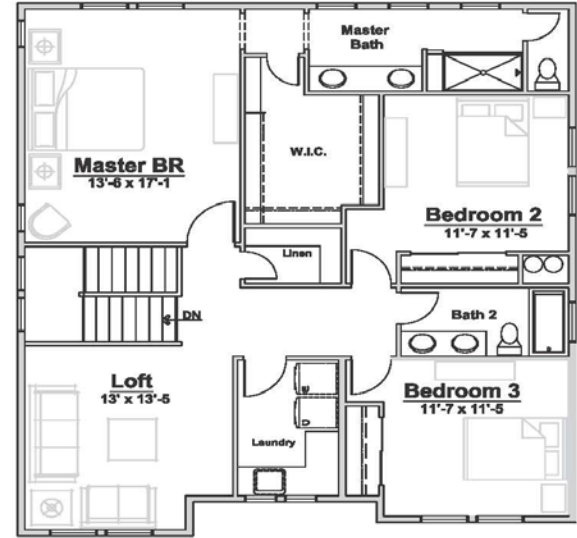
home office

2-car garage

MARSHALL FIRE SUPPORT



main floor



upper floor



Sheffield
Homes

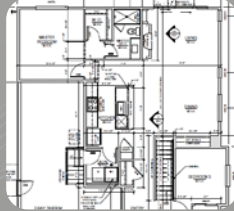
Colorado Roots,
Customer Driven

David Lewis
dlewis@sheffieldhomes.com
(720) 660-1083

Nicole O'Neill
noneill@sheffieldhomes.com
[m](#)
(720) 830-2495



Lot
Prep



Plan
Selecti
on

Sheffield Homes Material Specifications

TABLE OF CONTENTS:

Table of Contents	_____
Foundation and Basements	_____
Concrete Footwork	_____
Framing	_____
Exterior Siding, Fascia and Trim	_____
Roofing and Gutters	_____
Garage Doors	_____
Windows and Patio Doors	_____
Fireplace	_____
Exterior Doors	_____
Masonry	_____
MISC	_____
Plumbing	_____
Bath Accessories	_____
Plumbing Fixtures - Laundry Room	_____

Spec
Sheet
Collabora
tion



Budget
Creatio
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Custo
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Selecti
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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. Smoke, soot, & ash – clean/replace
1b. Habitability testing/extend ALE

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. Sixty percent (60%) contents payout on total losses

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)**

Commitments from Insurance Companies



3. Streamline inventories

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. Single deductible

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 adverse
underwriting

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.

Insurance Company Responses						
Companies	1a) Smoke, soot, ash - clean / replace	1b) Habitability testing / extend ALE	2) 60% contents payout on total losses	3) Streamline inventories	4) Single deductible	5) No Adverse Underwriting
Acuity	YC	Y	Y	Y	N	Y
AIG Prop.& Casualty	Y	Y	Y	Y	Y	Y
Allied Prop. & Casualty	YC	YC	Y	YC	YC	YC
Allstate Fire & Casualty	Y	Y	Y	Y	Y	Y



Colorado Division of Insurance

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)