Deadlines and Decisions at the Two Year Anniversary
About United Policyholders (UP)

• A 501(c)3 consumer-focused non-profit with a 30-year track record assisting in disaster recovery

• A trusted information resource and respected voice for insurance consumers in all 50 states

• Not for profit…not for sale

• Funded by donations and grants

• Platinum Guide Star rating (charity verification)
Team UP

• Professional staff
• Government, Business, 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
– Upholding insurance consumer rights and protections

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California 2020 Wildfire Help Library
www.uphelp.org/2020Wildfires

• California 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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2020 Colorado Wildfire Help Library
www.uphelp.org/Colorado

- Colorado Specific Resources with Step-by-Step Guidance
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The Fine Print

• This workshop is intended to be general guidance only, not legal advice
• If you have a specific legal question, we recommend you consult an experienced attorney
• We do not endorse or warrant any of the sponsors or the speakers at our workshops
• We are not creating a professional/client relationship with any individual
Wildfire-Prepared Resilient Rebuilding

📅 Wednesday, June 29, 2022
5:00 p.m. PT
📍 Zoom - registration required
👥 2020 and 2021 California and Colorado wildfire survivors

Learn about construction products and strategies for rebuilding that can help you prepare for future wildfire risk.

RESOURCES
- Questions to ask a repair/rebuilding contractor
- Survivors Speak: The Rebuilding Process
- Rebuilding 101: A Guide to the Reconstruction Process
- 2022 6-29 Wildfire-Prepared Rebuilding
Today’s Presenters & Partners

UP staff
Amy Bach, Co-founder & Executive Director, Attorney

UP partners
Tony Cignarale, Deputy Commissioner; CA Dept of Insurance
Tracy Garceau, Senior Policy Analyst; CO Div of Insurance

Professional and Team UP volunteers
Nelson Waneka, Esquire; Levin, Sitcoff, Waneka (CO)
Kevin Mott, 2020 Calwood Fire, Boulder County, CO
Dan Veroff, Esquire; Merlin Law Group (CA)
Tony Cignarale

- Deputy Commissioner, California Dept. of Insurance since 2007
- 35 Years Insurance Experience
- Admitted to the State Bar in 1999
- Oversees Disaster Response, Consumer Hotline/ RFAs and Market Conduct Examinations
- Helped enact many of the laws in place that help disaster survivors collect insurance benefits timely
Dan Veroff

- Merlin Law Group, a national firm with offices in SF and LA
- Specializes in counseling and representing policyholders in claim disputes and litigation
- Member, UP Board of Directors
- "Super Lawyer – Rising Star" in insurance law
Tracy Garceau

- **Lead Insurance Analyst**, Consumer Services, DORA, Colorado Division of Insurance

- tracy.garceau@state.co.us

- 303.894.7803
Nelson A. Waneka

- Colorado attorney specializing in insurance recovery
- Extensive experience litigating delayed and denied insurance
- Instrumental in shaping Colorado insurance law through appeals in both state and federal courts

Levin Sitcoff, PC
naw@levinsitcoff.com
303.575.9390

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Deep breath
Today’s Topics

1. Deadlines & Decisions at the 2 year anniversary
   A. California Regulations
   B. Colorado Regulations

2. Keeping your claim organized

3. Loss of Use/ALE and creative ways to use your benefits and make them last until you can get back home

4. Troubleshooting and Q&A

5. Observing the anniversary
We recommend...

- Recognizing that disaster anniversaries tend to bring up emotions and renewed anxiety.
- Re-reading your policy and Declarations page and double-check the math: Were limits adjusted for extended coverage endorsements and inflation protection?
- **Requesting a complete claim summary** of all amounts paid to date. Correct any errors in payments or allocations (to Coverage A, B, C, etc.).
- Organizing and turn in receipts for reimbursement of **ALE benefits**.
- **Communicating with your insurer** in writing and get confirmation that there are no policy deadlines you need comply with at the two year anniversary.
A letter to your insurance adjuster should:

– Confirm you are cooperating
– Tell them what you need/want and why
– Ask what they need from you to resolve your claim
– Point out specific things they have/haven’t done that are holding up resolution of your claim
– Politely remind them about your situation
– Give them a specific time frame to reply/comply

Remember to follow up!
Negotiating via Paper Trail

- Document unreasonable delays, claim handling regulation/law violations
- Clearly explain the balance of benefits owing and why you’re entitled to them
- Document rotating adjusters and why it’s a problem (3 in 6 months = status report)
  - Refer to your claim diary
  - Be as specific as possible
  - Go up the chain of command
Negotiation - Best Practices

• Get it in WRITING!
• Keep it professional
• Be concise and specific
• Bold or bullet point your requests
• Use good grammar and punctuation
• Promptly respond to letters and reasonable requests
• Confirm your willingness to cooperate, explain why you can’t fulfill an unreasonable request
• Avoid venting frustrations and emotions to your adjuster
1. DEADLINES AND DECISIONS
To do before (Anniversary Date)

• Keep documenting your cooperation and diligence in a claim journal and in short written communications to your insurer. Where needed, seek deadline extensions by customizing and sending one or more of our sample letters. Most insurers will grant deadline extensions for good cause. If your insurer says no, contact the California Dept of Insurance or the Colorado Division of Insurance.

• If you are substantially underinsured, review our guidance and consult with an experienced policyholder attorney. Visit www.uphelp.org/underinsurance and uphelp.org/sponsors
Policy deadlines

- Vary by company and policy form
- Some are extended by operation of law
- 12 mo. suit limitation (non-declared disaster)
- All *can* be extended by insurer voluntarily
- Some will not be extended
- Clarify with your company and adjuster ASAP
CA Deadlines that should not matter yet

- ALE: you have 36 months if being reasonably diligent in trying to repair/replace your dwelling + extensions for good cause
- Collecting RCV: you have 36 months
- Filing a lawsuit alleging breach of contract or bad faith related to lowballing, delays, unfair claim handling (Declared disasters only)
CO Deadlines that should not matter yet

- Additional Living Expenses (ALE): survivors of the 2020 Colorado wildfires should check their policies and state department of insurance bulletins for specified timelines regarding ALE.

- Collecting Replacement Cost Value (RCV): you have 365 days following the end of your ALE period to recover depreciation.
Deadlines that may matter

• Submitting **proof of your losses**: What deadlines does your policy contain?
  • If one year, document your efforts and seek an extension agreement in writing.
  • If you were paid a % of your contents benefits w/out an inventory but are considering itemizing to collect 100%.

• Filing a lawsuit alleging breach of contract or bad faith related to lowballing, delays, unfair claim handling. (Check your policy)

• Lawsuit limitation for suing an insurer or captive agent for underinsuring your home.

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Proof of Loss

• Your proof of loss provision lives in the conditions sections of your insurance policy.
• It tells you how long you have to report your loss to your insurer. Normally within 60 days.
• Please check your state’s Insurance Commissioner website to see if this deadline has been extended.
• If no extensions have been granted and there is a one year deadline for your inventory/proofs of loss, get them in!
Sample Letter Requesting Extension of
Deadlines to Collect Full Policy Benefits - CALIFORNIA DISASTER

NOTE: This sample letter below must be customized to the facts of your individual situation and claim. All portions that are in parentheses and/or underlined must be completed or revised and anything in italics should be removed before you send it.

[Date]
[Name of adjuster or higher-ranking ins. co. employee]
[Name of Insurance Co.]
[Address]

Re: Claim Number: ___________
Date of Loss: ___________
Name of Insured: _______________________
Address of Insured Property: _______________________

Dear ___________,

We are continuing to do our best to document our loss and cooperate with your company to reach a fair and full settlement. Due to circumstances beyond our control, our rebuild completion has been delayed and we need an extension of time to collect the full replacement costs available under our policy, up to the policy limits.

Please extend our time limit by [_____] months (fill in the amount of time that you think it will reasonably take you to complete repair/replacement) as required by CA Insurance Code Section 2051.5 (2)(B).

[Add in facts that support your request and show that you have moved the rebuild along as fast as possible, yet need additional time. Reference official government documents that explain the delay or support your extension request.]

Thank you in advance for confirming that you’re granting this extension within 14 days from the date of this letter.

Sincerely,
Dear ________________,

We are continuing to do our best to document our loss and cooperate with your company to reach a fair and full settlement. We are writing to request the following extension(s):

1) The “Suit Against Us” clause: Please confirm that you will “toll” the “Suit Against Us” clause while our claim is open, and that you will not enforce the that clause until one year after you have informed us in writing that you have completed the claim adjustment process and/or closed our claim;

2) The one-year deadline to submit proof of our losses (Contents. Dwelling, other) Please confirm that you will grant us an extension of time to submit required proof.
You can elect to replace
(versus rebuild)

If you have Replacement value coverage on your dwelling, you can buy a replacement home instead of rebuilding.

California law now guarantees this right to those affected by wildfires after 2020.

Check your policy in Colorado.

Out of state adjusters don’t always know your state’s law.

http://www.uphelp.org/pubs/buy-or-rebuild
The Land Value Issue

- Some insurers want to deduct an amount for the land under the home you want to buy
- This is an unsettled area of the law
- We recommend pushing back:
  - Ask where it states in policy
  - You are NOT asking for $ for land! Just cost of lost home
  - New home including land is same price as old home excluding land so it’s not a windfall
Deep Breath
(f) Except where a claim has been settled by payment, every insurer shall provide written notice of any statute of limitation or other time period requirement upon which the insurer may rely to deny a claim. Such notice shall be given to the claimant not less than sixty (60) days prior to the expiration date; except, if notice of claim is first received by the insurer within that sixty days, then notice of the expiration date must be given to the claimant immediately. With respect to a first party claimant in a matter involving an uninsured motorist, this notice shall be given at least thirty (30) days prior to the expiration date; except, if notice of claim is first received by the insurer within that thirty days, then notice of the expiration date must be given to the claimant immediately. This subsection shall not apply to a claimant represented by counsel on the claim matter.
(d) If losses are settled on the basis of a written scope and/or estimate prepared by or for the insurer, the insurer shall supply the claimant with a copy of each document upon which the settlement is based. The estimate prepared by or for the insurer shall be in accordance with applicable policy provisions, of an amount which will restore the damaged property to no less than its condition prior to the loss and which will allow for repairs to be made in a manner which meets accepted trade standards for good and workmanlike construction. The insurer shall take reasonable steps to verify that the repair or rebuilding costs utilized by the insurer or its claims agents are accurate and representative of costs in the local market area. If the claimant subsequently contends, based upon a written estimate which he or she obtains, that necessary repairs will exceed the written estimate prepared by or for the insurer, the insurer shall:

(1) pay the difference between its written estimate and a higher estimate obtained by the claimant; or,

(2) if requested by the claimant, promptly provide the claimant with the name of at least one repair individual or entity that will make the repairs for the amount of the written estimate. The insurer shall cause the damaged property to be restored to no less than its condition prior to the loss and which will allow for repairs in a manner which meets accepted trade standards for good and workmanlike construction at no additional cost to the claimant other than as stated in the policy or as otherwise allowed by these regulations; or,

(3) reasonably adjust any written estimates prepared by the repair individual or entity of the insured's choice and provide a copy of the adjusted estimate to the claimant.
Complaints, Attorneys & Litigation

For claims relating to a state declared emergency, the time limit to bring suit is **24 months** from the date your claim is paid (or denied). *Cal Ins Code 2071.*

Your insurance company cannot:

- Retaliate against you for making complaint to the California Department of Insurance, *[CCR 2695.7]*
- Withhold payments until the complaint is withdrawn, *[CCR 2695.7]*
- Threaten or intimidate you to keep you from making a complaint, *[CCR 2695.7]*; or
- Unreasonably deny a claim, which in turn forces you to have to sue to recover benefits owed, or directly advise you against obtaining the services of an attorney. *[Cal Ins Code 790.03]*

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Collecting Full Replacement Cost

For claims relating to a state declared emergency, you have at least 36 months from the date that the first payment toward actual cash value is made to collect your full replacement cost. Cal Ins Code 2051.5(b)(1). Additional extensions of six months should be provided to policyholders for good cause. CA law also allows you to use your full replacement benefits, including any building code upgrade costs and any extended replacement cost coverage you may have to:

- rebuild your home at the current location,
- rebuild at a new location, or
- purchase an already built home at a new location. Cal Ins Code 2051.5(c).
(2) In the event of a covered loss relating to a state of emergency, as defined in Section 8558 of the Government Code, coverage for additional living expenses shall be for a period of no less than 24 months from the inception of the loss, but shall be subject to other policy provisions. An insurer shall grant an extension of up to 12 additional months, for a total of 36 months, if an insured acting in good faith and with reasonable diligence encounters a delay or delays in the reconstruction process that are the result of circumstances beyond the control of the insured. Circumstances beyond the control of the insured include, but are not limited to, unavoidable construction permit delays, lack of necessary construction materials, and lack of available contractors to perform the necessary work. Additional extensions of six months shall be provided to policyholders for good cause.
Additional Living Expenses

- For claims relating to a state declared emergency, insurers must offer Additional Living Expenses (ALE) for a period of at least 24 months. An insurer shall grant an extension of up to 12 additional months, for a total of 36 months, if an insured acting in good faith and with reasonable diligence encounters a delay or delays in the reconstruction process that are the result of circumstances beyond the control of the insured. Cal Ins Code 2051.5(b)(2). This coverage stops when you rebuild or relocate permanently. Additional extensions of 6 months must be granted for good cause.

- Your insurer must give you, upon request, a list of items normally classified as reimbursable ALE expenses. Cal Ins Code 2060. Typically, ALE is paid via an advance off of future payment to get you situated after the shock of the loss, then on an “as incurred” basis as you submit receipts and document expenses.
FROM: Commissioner Ricardo Lara

DATE: April 3, 2020

RE: Extension of Policyholder Deadlines that Impact Claims or Coverage Due to the current State of Emergency Caused by the Coronavirus (COVID-19) Outbreak

In addition, the Department has received complaints from consumers and local and state officials that certain residential property insurance companies are insisting that insureds (who suffered losses in the November 2018 wildfires) must continue to repair and rebuild their homes during the COVID-19 crisis to obtain full replacement cost and Additional Living Expense (ALE) benefits.

This Notice reminds all insurance companies that new laws that went into effect before the November 2018 wildfires mandate that insurers provide no less than 36 months, plus additional 6 month extensions for “good cause,” for insureds to collect full replacement cost and ALE for delays in the reconstruction process that are the result of circumstances beyond the control of the insured.¹ Under the referenced chaptered legislation, circumstances beyond the control of the insured include, but are not limited to, unavoidable construction permit delays, lack of necessary construction materials, and lack of available contractors to perform the necessary work.

Commissioner Lara and the California Department of Insurance have determined that the current COVID-19 pandemic is a circumstance beyond the control of the insured, thereby constituting “good cause” under the applicable laws.
Statute of Limitations

• Time limitation to file a lawsuit against your insurance company, if you believe that you did not receive the full benefits of your policy.

• In the event of a declared disaster, the CA Insurance code extends the time to 24 months.

• However, the time is stopped, or “tolled” during the adjustment of your claim.
Your carrier must give you notice (CA)

No less than 60 days before the statute of limitations expires, your insurer must advise you in writing.

The California Fair Claims Settlement Practices Regulations state that you must be notified of the following provisions concerning suits against the California FAIR Plan.

CONDITIONS

12. Suit Against Us. No action can be brought unless the policy provisions have been complied with and the action is started within one year after the date of loss.

If the loss or damage relates to a “state of emergency” as defined in Section 8558 of the Government Code, this time period shall be extended to two years. The two-year period referred to does not include the time we take to investigate your claim. The time from the date of loss August 16, 2020 to the date you reported your claim does count in computing the amount of time that has already expired. The two-year suit limitation period is again running as of the date of this letter.

We have now closed your claim and will conduct no further claims handling activities.
You Have *Many* Rights Under Colorado Law

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

- 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
- 365 days after ALE expires to recover depreciation
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 – 2 or 3 years depending

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.
Colorado Policy/Legal Deadlines

• Most policies give only 1 year to provide your “Proof or Statement of Loss” and “Contents Inventory”

• ALE (you have 12 months minimum, or possibly 24 months based upon your specific policy language in CO) but you must be reasonably diligent in trying to repair/replace your dwelling and demonstrate efforts with documentation

• Collecting RCV (you have 365 days following the end of your ALE period to recover depreciation)

• Filing a lawsuit alleging “bad faith” – 24 mth limitation

• Filing a lawsuit alleging “breach of contract” – 36 mth
Xactware not the last word in CO…

Bulletin No.
B-5.04

Attachment A to Bulletin B-5.4
Summary of § 10-4-120, Colorado Revised Statutes

The law prohibits an insurance company or its agent from

- Requiring that appraisals or repairs to the real or personal property be made or not be made by a specific repair business
- Representing to a claimant that the use of or the failure to use a particular repair business may result in nonpayment or delayed payment
- Coercing, intimidating, threatening, or inducing by incentive, a beneficiary or claimant to use a particular business for repairs except that an inducement by incentive does not include Warranty or Guaranty of repairs
- Contracting with a person to manage, handle, or arrange repair work for the insurer on the condition a business does claims work at a price established by the insurer and the person retains a percentage of any compensation paid by the insurer
- Using disincentives to discourage a beneficiary or claimant from using a repair business, not including warranty or guaranty repairs
- Soliciting or accepting a referral fee in exchange for referring the beneficiary or claimant to a repair business
- Requiring the beneficiary or claimant to travel an unreasonable distance to choose a repair business
- Misinforming a beneficiary or claimant to induce the use of a particular repair business and
- Requiring a third-party claimant to have repairs done by a particular repair business

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

- Sections 10-4-120(3)(c) and (f), C.R.S., requires insurers pay the prevailing competitive market price for the geographic area in which the loss occurred.

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Duty to Promptly Process Claim Regulations

Processing your claim under Section 3 CCR 702-5-1-14-4.

**60 Days:** A Colorado insurance carrier must decide to pay or deny a claim within 60 days of receipt of a valid and complete claim unless a reasonable dispute exists on the claim.

**Reasonable Dispute Includes:** (1) Information necessary to make a decision on the claim has not been submitted or obtained; (2) Conflicting information is submitted or obtained and additional investigation is necessary; (3) The insured is not in compliance with the terms and conditions of the policy; (4) Coverage under the policy for the loss claimed has not been determined; (5) Indicators are present in the application or submission of the claim and additional investigation is necessary; (6) Litigation is commenced on the claim; or (7) Negotiations or appraisals are in process to determine the value of a claim.

**A good faith offer** by the insurer to the insured within sixty (60) days after the receipt of a valid and complete claim satisfies the requirements under this regulation.
Unfair Claims Settlement Practices

CRS § 10-3-1104(1)(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
Unfair Claims Settlement Practices [continued]

CRS § 10-3-1104(1)(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:

... (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;
...[continued]

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Note: This is a partial list of relevant regulations....
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.
New Legislation in Colorado for Wildfires post 2020

While this law doesn’t retroactively apply to 2020 claims, it sets the standard of care that insurers should follow and an insurer’s refusal to honor the spirit of these provisions should be clearly documented as evidence of unreasonable conduct.
Deep Breath
2. KEEPING YOUR CLAIM ORGANIZED
Documentation is KEY!

- 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
- Make a “working copy” of your policy
  - “Can you show me where it says that in my policy?”
# Progress Tracker

<table>
<thead>
<tr>
<th>Date</th>
<th>Activity</th>
<th>Contact Person</th>
<th>Phone Number</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>7/20/20</td>
<td>Called Realtor in Chico</td>
<td>Realtor Name</td>
<td>(530) 444-4444</td>
<td>Set appointment to tour houses on Saturday</td>
</tr>
<tr>
<td>7/25/20</td>
<td>Toured 2 houses</td>
<td>Name</td>
<td>(530) 444-4444</td>
<td>Addresses of homes toured</td>
</tr>
<tr>
<td>7/28/20</td>
<td>Called Permit Center</td>
<td>Permit Contact</td>
<td>(530) 444-4444</td>
<td>Reviewed permit process and times to approval - approx 21 days</td>
</tr>
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“Reasonable” progress?

- What is reasonable?
- What are the issues YOU have encountered?
- Explain specifically what you are doing towards rebuilding or replacing your home
- Be prepared to do this monthly
- How does buying change the situation?

- Try to estimate a timeline and ask for a cash out –It’s a gamble but can provide a set amount
Examples

• Difficulty finding/retaining professionals
  – Architects, engineers, contractors
• Cost increases due to increased demand
• Housing Market issues
• COVID - 19
• How long did it take the carrier to pay the Coverage A benefits? This is a delay in the overall process and extends your ALE needs
Track your claim payments


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## Claim Guidance Library

*Home ➤ Claim Guidance ➤ Insurance Accounting Spreadsheet*

### Insurance Accounting Spreadsheet

This is a spreadsheet to help you keep track of your insurance payments. It includes columns that allow you to track expenses by type of coverage and payments received, as well as line item tracking of your coverage limits.

This document was donated by a Woolsey Fire survivor.

<table>
<thead>
<tr>
<th>Coverage</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E - Additional Coverages</th>
<th>Total</th>
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</thead>
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<tr>
<td>Coverage (Declarations Page)</td>
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<td>Construction Estimate</td>
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<td>Limit of Coverage</td>
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### Payments Received

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<th>Purpose</th>
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3. LOSS OF USE / ADDITIONAL LIVING EXPENSES (ALE)
ALE / Loss of Use

- Look at your declarations page AND read the fine print in your policy!
- Coverages and limits vary greatly
- You may have a dollar limit
- You may have a time limit
- You may have BOTH a dollar and time limit (*CO only time limit)
- You MAY not have either one
- These issues determine how your insurer handles your ALE claim and for how long
## Declarations Pages - How Much?

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

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dwelling</td>
<td>Other Structures</td>
<td>Personal Property</td>
<td>Loss of Use</td>
<td>Personal Liability (Personal Injury &amp; Property Damage)</td>
<td>Medical Payments to Others</td>
</tr>
<tr>
<td>$300,200</td>
<td>$30,100</td>
<td>$225,200</td>
<td>$120,100</td>
<td>Each Occurrence</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Each Person</td>
<td>Each Accident</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$1,000,000</td>
<td>$25,000</td>
</tr>
</tbody>
</table>

**Section I Only:**

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

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**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 BFUNS).
- 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

**Discounts/Benefits Applied:**
- 10% Fire/Burglar Alarm; AAA Membership; Multi-Policy

**Total Policy Premium**
Declarations Pages – LOOK DIFFERENT!

```
State Farm General Insurance Company
900 Old River Rd.
Bakersfield, CA 93311-9501

HOME LOCATION
SAN FRANCISCO CA 94111

RENEWAL CERTIFICATE
Homeowners Policy
MAY 31 2017 to MAY 31 2018

BILLING THROUGH SFPP

Coverages and Limits
Section I
A Dwelling $1,112,900
B Dwelling Extension Up To 124,290
C Personal Property C 834 675
D Loss of Use Actual Loss Sustained

Deductibles
All Losses 3,000

Section II
L Personal Liability $100,000
   Damage to Property of Others 500
   Medical Payments to Others 1000
(Each Person)

Loss Settlement Provisions (See Policy)
A1 Replacement Cost - Similar Construction
B1 Limited Replacement Cost - Coverage B

Location: Same as Mailing Address
SFPP No: 1072568102

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ALE vs. Fair Rental Value

- ALE – Actual additional costs incurred to maintain your standard of living
- FRV – A negotiated amount, based upon the fair rental value of the home you lost

- Check your policy to see which applies
- If you don’t have FRV, you can always ASK for it – the worst is “no”
How long will ALE be paid?

• Most policies specify “shortest time required to repair or replace the damaged premises, or;
• For your household to settle elsewhere.

COVERAGE C - LOSS OF USE

1. Additional Living Expense. When a Loss Insured causes the residence premises to become uninhabitable, we will cover the necessary increase in cost you incur to maintain your standard of living for up to 24 months. Our payment is limited to incurred costs for the shortest of: (a) the time required to repair or replace the premises; (b) the time required for your household to settle elsewhere; or (c) 24 months. This coverage is not reduced by the expiration of this policy.
What if you have to stretch your funds?

• Focus on housing (versus mileage, food)
• Ask for a cash out
• Ask to switch from ALE to FRV
• Can you build a “tiny home” or buy an RV to put on your property?
4. Q&A
Q1. Nick K., CA

Our rental home was damaged in a wildfire. Landlord is now asking us to vacate while repairs are ongoing and will likely be another 12 months.

Can landlord force us out? If so, will that terminate our ALE claim with our renters policy?
We relocated to [a different state]. State Farm is paying for our rental house, rental furniture and part of our utilities and mileage since moving here while we look to buy a house in a very tight market. Our 13th adjuster and his manager now say that they are denying mileage ALE and that it should not have been paid us since leaving [the state where we experienced the loss]. They say “based on your relocation to another state and out of the geographical area of your previous location additional mileage would no longer apply.” We believe they are wrong and see nothing in the policy to support their decision.

Does moving out of state affect mileage ALE? We believe we would have not incurred costs for driving to pursue buying a home if not for the fire.
Q3. Alice C., CO

Expiration of Replacement Period For Rental Property, if the homeowner chooses to “Buy” a replacement property instead of “Rebuild,” what is the tax consequence if the homeowner is not able to sell the land (where the fire disaster was) before the expiration of the replacement period under Involuntary Conversion?
Q4. Alice C., CO

The Insurance Company’s payout only covers the improvements (dwelling and landscaping, etc.), not the land value of the replacement property.

How does the Insurance Company determine the land value of the replacement property when you buy instead of rebuild?
Q5. Leticia C., CA

We have been switched to new adjusters 10 times. How can I get the adjuster to get itemized statements so we know the exact amounts of payments? We have asked, but not been successful.
Q6. Doug K., CA

How do we get paid when our insurance adjuster ignores time limits to respond to our written questions?
How can we move forward to settle our claim when we can't get responses to our questions to move forward?
Q7. Shirley S., CA

Do we get extended coverage if we don’t rebuild? Do we get our building code upgrade coverage? We need every dollar to rebuild.

Why are they asking for the code upgrades for the house we are buying?
Q9. Glyn, CA

We have not submitted our inventory of personal items lost and are being asked for a ball park on replacement costs. Just not ready on that.
Q9. Glyn, CA

We have discovered sweating and ‘mottling’ in some of our windows (dwelling) where heat has compromised seals but have not called out a contractor on that yet. What is deadline to file for these later discovered damages with our insurance company from a Federally declared disaster?
5. OBSERVING THE ANNIVERSARY
This is now your “new normal”

• Your loss and the recovery is now a major part of your life.
• Don’t shy away from seeking professional help…it can make all the difference.
• This is NOT the time to “tough it out” if you’re suffering from depression or anxiety-related symptoms.
• Goal is to incorporate this into your life and your family’s legacy.
• Make a “new normal” for you and your family.
Celebrate along the way!!!

- This is a LONG process.
- Make new memories.
- Celebrating your victories along the way will give you the emotional strength to keep on going.
Fire families have held groundbreaking parties…
...framing or “stud” parties
PEACE be with
This house and
with all who
live here.

纳尼
"比尔"
基斯纳

9/21
2008
Created art from salvaged materials

Art by James Servais
Upcoming Roadmap to Recovery® Events

Survivor to Survivor
Tuesday, July 19, 7:00 p.m. PT / 8:00 p.m. MT (www.uphelp.org/july19)

Rebuilding Resilient Q&A
Thursday, July 21, 5:00 p.m. PT / 6:00 p.m. MT (www.uphelp.org/july21)
Submit your question in advance: www.uphelp.org/r2rhelp2021

Buying a Replacement Home
Without Leaving Money on the Table
(for 2021 CA and CO wildfire survivors)
Wednesday, July 27, 5:00 p.m. PT / 6:00 p.m. MT (www.uphelp.org/july27)

www.uphelp.org/events
Register for upcoming events. View recordings of past events and related resources.
Ask an Expert Forum
www.uphelp.org/ask-an-expert

• Register. It’s free.
• Write in your questions.
• Get an answer from an expert in construction, insurance, laws and disaster recovery.
Wildfire resources and insurance information

FOR FREE, PERSONAL ASSISTANCE WITH YOUR CLAIMS OR UNDERINSURANCE ISSUES

CALL US AT: 1 800 927 4357

OR GO ONLINE: insurance.ca.gov
Colorado Division Of Insurance

For Free, Personal Assistance With Your Claims Or Underinsurance Issues

To File a Complaint Online:  www.doi.colorado.gov
By Email:  dora_insurance@state.co.us
Or Call:  (303)894-7499