Insurance Claim Problem-Solving Q & A

Roadmap to Recovery(R) Webinar
California and Colorado 2020, 2021, 2022 Wildfires
October 26, 2022
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
  o Survivor to Survivor - previous catastrophic loss survivors paying it forward
  o 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
2021 California Wildfire Help Library
www.uphelp.org/2021CAwildfires

• 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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2021 Colorado 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
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2020 Colorado Wildfire Help Library
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- Upcoming Workshops And Resources www.uphelp.org/r2r

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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
If you’d like to download and follow the slide deck
https://uphelp.org/events/insurance-problem-solving-qa-for-2020-fires/

Insurance Problem-Solving Q&A for 2020 and 2021 fires

📅 Wednesday, October 26, 2022
5:00 p.m. PT / 6:00 p.m. MT
📍 Zoom - registration required
👥 All 2020 and 2021 wildfire survivors

UP staff members and professional panelists from CA and CO will respond to pre-submitted questions.
Deadlines and Decisions at the Two-Year Anniversary
(for 2020 CA and CO wildfire survivors)
Wednesday, July 13, 5:00 p.m. PT / 6:00 p.m. MT (www.uphelp.org/july13)

Resilient Rebuilding Q & A
Thursday July 21, 2022 (check Events section at www.uphelp.org)

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)
Today’s Presenters & Partners

UP staff
Amy Bach, Executive Director
Valerie Brown, Deputy Executive Director

Professional volunteers
Tony Cignarale, Deputy Commissioner, California Dept. of Insurance
Tracy Garceau, Lead Market Analyst, Colorado Division of Insurance
Dan Veroff, Esquire, Merlin Law Group (California)
Brad Levin, Esquire, Levin, Sitcoff, Waneka (Colorado)
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, Policyholder Attorney

• Specializes in counseling and representing policyholders in claim disputes and litigation

• Member, UP Board of Directors

• Merlin Law Group, a national firm with offices in SF and LA

• “Super Lawyer – Rising Star” in insurance law
Brad Levin, Policyholder Attorney

- Colorado attorney specializing in insurance recovery
- Extensive experience with insurance bad faith and insurance coverage disputes
- Instrumental in shaping Colorado insurance law through appeals in both state and federal courts

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Tracy Garceau

- Career insurance claim professional
- Lead Insurance Analyst, Consumer Services, DORA, Colorado Division of Insurance
- tracy.garceau@state.co.us
We paid $900 homeowners for 2022 coverage. Now being charged $1100 for 2023; the dwelling is listed as part of coverage. Cabin a total loss. State has hauled, scraped and said ready for rebuild. We will not rebuild, and only want to pay for liability since there are no dwellings or trees left on the property, only dirt. This seems so high. Is this normal?

References:  https://uphelp.org/claim-guidance-publications/updating-your-home-insurance-after-a-loss-staying-protected-without-wasting-money/, see also
Q2. Jeff F., CO

My insurer is urging me to use a third party to assemble my contents list. What are the advantages and disadvantages of using such a firm?

TG
I don't understand the difference between the Dwelling Coverage of $231,000 and the Replacement Cost of $595,913.73. Then there is the Home Protector Coverage to throw into the questions, how does that help?

DV, TC
Q4. Dale Z., CA

We lost our house in the Glass Fire. We lived in a hotel for 2 months, a house for 8 months, and Allstate paid the expenses. We asked if they would pay our living expenses from ALE if we moved into an investment rental property that we owned. Allstate said they would pay the expenses, based on Fair Rental Value of the house we were moving into. 14 months later, Allstate still has not paid ALE since we left the previous rental house. Allstate is now saying they do not pay ALE on a house that is owned by the insured and there are no “new” expenses being incurred. The expenses are not new - there has always been a mortgage and taxes. What is new is that we now have to pay the expenses that the previous tenant has been paying for the last 11 years in rent. We asked the tenants to leave, only because our Adjuster told us Allstate would compensate us for the rent that we would be losing, and we needed to live somewhere. The questions: Isn’t Allstate obligated to use ALE funds to pay the expenses necessary to maintain our normal standard of living? Should the Fair Rental Value be based on the house that was burned or the house that was moved into?

DV, TC
Q5. Daniel R., CO

Is it best to submit the complaint about underinsurance to the Department of Insurance once we are done with the rebuild and know how much it will actually cost us and total scope of underinsurance? And how do we claim Ordinance and Law (only 5k in our policy)?

TG, BL
How do I maximize upgrades on the remainder of my insurance policy? What do I tell the adjuster? My policy was canceled, it was a mobile home, I now have a stick built home. I will try to see if they will write me a new policy.

DV
Q7. Rex H., CO

Does CO law stipulate when and if sales tax is recovered from contents coverage? Does an insurer only pay it (up to total limits) when an item is replaced and a receipt is submitted?

TG
Q8. Daniel G., CA

Our insurer (State Farm) has paid our ALE for the past two years as we continue to rebuild the home we lost in the August 2020 Walbridge Fire (LNU Lightning Complex). We are now starting our 3rd year of temporary rental due to the many complex tree cleanup issues delaying our rural home rebuild. In recent months SF (or their third-party rental claim agency) has taken to automatically issuing denial of payment email notices to our landlord every 60 days, stating they intend to deny continued rental payments. We have provided them with a detailed list of daily activities and the progress on our myriad of cleanup and rebuild requirements, and then the day before our scheduled 60-day "eviction", we get a last-minute reversal and approval of the ALE rent payments, but only for 2 months at a time. We get no advance notice of the automatic pre-denial, nor have we gotten word ahead of the deadline date that they will comply (at last) and pay the rent on our temporary home. We expect to get our building permit approved this week, and we will sign with a GC/builder within days of that, and begin rebuilding this month (October). QUESTION: Will these new permit/contract/milestones/actions be enough to keep SF from automatically denying our ALE coverage every 60 days, keeping us in uncertainty, and then forcing us to prove why they should reinstate the ALE at the last minute? Can they end the ALE before the 3-year mark regardless? Will they? At some point soon, it seems like taking them to court for the $ won't be as economical as just walking away and giving in.

DV, TC
Can I submit for O & P acting as my own personal contractor, coordinating 3 independent trades, in the restoration of my home for smoke damage? Servpro was incapable of doing this and handed it over to me. USAA is requiring me to submit my Contracting Co name and license number. They are saying my 3 independent trades (insulation, painting, floor/carpet replacement) are not eligible for submission of my general contracting O & P coordination because they are single trade businesses. Is that true? Obviously, I do not have a company name or license as a general contractor, but I coordinated and managed these 3 independent trades......that took 4-6 mos of my time to manage.

BL, TG
USAA is saying if I do not have any active claim requests, they are going to close my claim. I have asked to keep the claim open, as I want to see if the change in weather & temperatures will have any effects on my windows and doors, or in any other way. They say it is not a problem to reopen the claim, but I am sure they will assign me a new adjuster that is again new to my particular claim. Can they close my claim, if I have requested that it remain open? Is the time period that the claim can remain open, 2 years from the date the claim was started?
It appears that we are too underinsured to rebuild or relocate. But, if we decided we want to rebuy, does the mortgage have to first be paid off? It seems like doing that will not leave us with enough to rebuy?
Q. 12, Wanda L., CO

3 strikes = loss of insurance. 2 bad hail storms now fire. How do I insure a new home?

TG
Q. 13, Suzanne I., CA

We have been approved for a month-to-month ALE extension, but we have not been able to receive our reimbursements in a timely manner. It used to be we would receive payment 3 weeks after submitting receipts; but now it's been 2 months and we have yet to receive any monies. Also, before we were extended (past 24 months) we had to pay for rent upfront, on the condition that if we were approved, we would be reimbursed; however, that was also 2 months ago and so far, we have not received reimbursement. We are hoping that we will be extended for ALE through December, or we will be responsible for paying that month's rent upfront again - until we get approval. We don't understand the lag time and we need those monies to rebuild! We are on our 4th adjuster and he is part of the State Farm "pilot" program - so, I believe he is not a State Farm employee, but a contract employee. Could this be the issue as to why we are not receiving timely reimbursements???? Thanks!!

TC, DV
Q. 14, Louie D., CO

What sort of materials and designs are insurance companies looking for regarding fire resistance? What funds are available regarding professional services such as architecture, structural engineering, surveying, other design, etc.? 

AB
We have about 220k of depreciation withheld from us by State Farm to ensure we rebuild. When and how do we get the funds released? We are going to rebuild and have a letter of intent with a builder that we submitted two months ago. Building permit won’t be approved until March 2023. Can I get the funds prior to that? Secondary question - they are holding back 50k for code enhancements and $100k inflation enhancements. They won’t tell us how to apply for these funds and say it is the builder that does it.

BL, TG
Q. 16, Lupe L., CA

We have not started building because we are in a potential debris flow area, so our foundation estimates have been outrageous and makes us overly underinsured. Can I get the additional rebuild funds up-front, at the start of the rebuild based on foundation cost alone?

TC, DV
How best to proceed with a situation where Goosehead, the insurance brokering company representative, verbally admits that the insurance agent who sold us the insurance policy (and who retired about a month after selling us the policy) had made errors in putting the policy together (incorrect square footage, no inclusion of improvements, inadequate consideration of current market valuation) and said that he would seek to get the insurance agent's Errors and Omissions insurance to pay us by going through Goosehead's "Claims Department." The Goosehead representative said he would get back to us, but we haven't heard back from him in two weeks. So far, Branch, the company that is administering the payment of our insurance benefits, seems to us to be quite prompt and forthcoming. We do not know if or how to facilitate the clarification and resolution with the insurance agent's payment of additional funds beyond those in the policy he sold us, which is probably 50% or less than what is needed for rebuilding.
Upcoming United Policyholders Events

How to Survive the Property Insurance Crisis (for CA homeowners)
Thursday, October 27, 4:00 p.m. PT (www.uphelp.org/oct27)

www.uphelp.org/events
Register for upcoming events. View recordings of past events and related resources

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“Survivors Speak” Tip Series

This section of our claim help library offers recovery guidance and strategies from people with personal experience recovering from a catastrophic loss, in their own words. While the label “disaster victims” is in common usage, many people whose homes have been damaged or destroyed prefer to be referred to as “survivors” because that term implies strength and a pro-active approach to getting out of a bad situation. Our Survivors Speak tips are part of United Policyholders’ extensive library of free information.

“We learned first-hand that the best way for us to heal from our devastation and loss was to help others recover.” — Karen Taylor-Burke, 42, of Leonardo, N.J., whose home was destroyed in October, 2012. She and her husband hope to be done rebuilding in the spring of 2015. [“Lessons Learned From Hurricane Sandy”, New York Times, 10/28/14]
CALIFORNIA
DEPARTMENT OF INSURANCE

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

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

Welcome to the Colorado Division of Insurance

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