



# Finances of Rebuilding

Roadmap to Recovery® Webinar

2023 Maui Wildfires

Saturday, November 16, 2024

Tuesday, November 19, 2024

# You can download and follow the slide deck here

United Policyholders  
Empowering the insured

LOG OUT MY QUESTIONS ASK AN EXPERT FORUMS Search

HOME ABOUT MEDIA RECOVERY HELP GET PREPARED ADVOCACY COMMUNITY EVENTS SUPPORT UP

Home » Events » Finances of Rebuilding

## Finances of Rebuilding

Tuesday, November 19, 2024  
5:30 pm HT

Zoom - Registration required

2023 Hawaii Wildfire survivors

[REGISTER HERE](#)

This workshop will cover rebuilding financing, fund control/progress payments during rebuilding, options for underinsurance, builders risk insurance, and mortgage-related decision-making.

### RESOURCES

- [What to Do With Checks from Your Insurance Company](#)
- [Questions to ask a repair/rebuilding contractor](#)
- [Rebuilding 101: A Guide to the Reconstruction Process](#)
- [Disaster Response Flyer for Homeowners and Renters](#)
- [Finances of Rebuilding Slide Deck](#)

<https://uphelp.org/wp-content/uploads/2024/11/R2R-Finances-of-Rebuilding-Master-deck.pdf>

# 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
  - Team UP - 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<sup>®</sup>

- *Guidance on insurance, restoring assets and getting back home after a catastrophic loss*

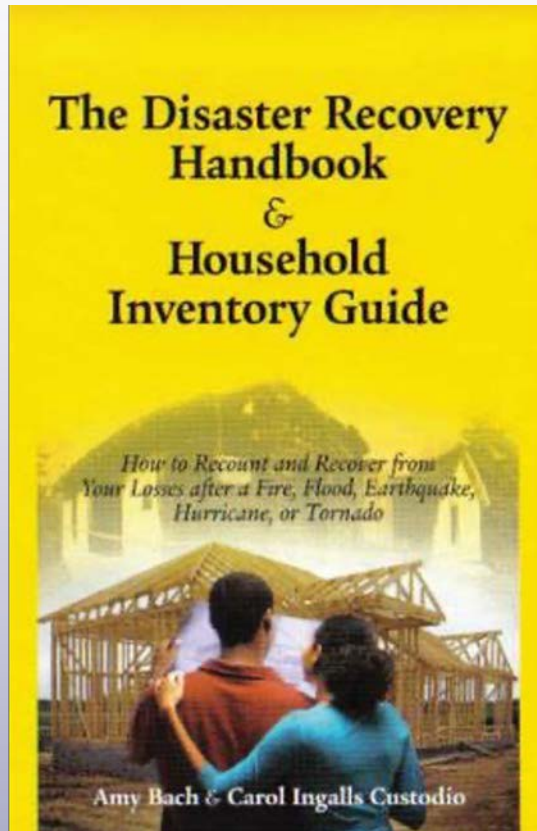
## Roadmap to Preparedness

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

## Advocacy and Action

- *Fighting for insurance consumer rights and protections*

# R2R Guidance and Tools



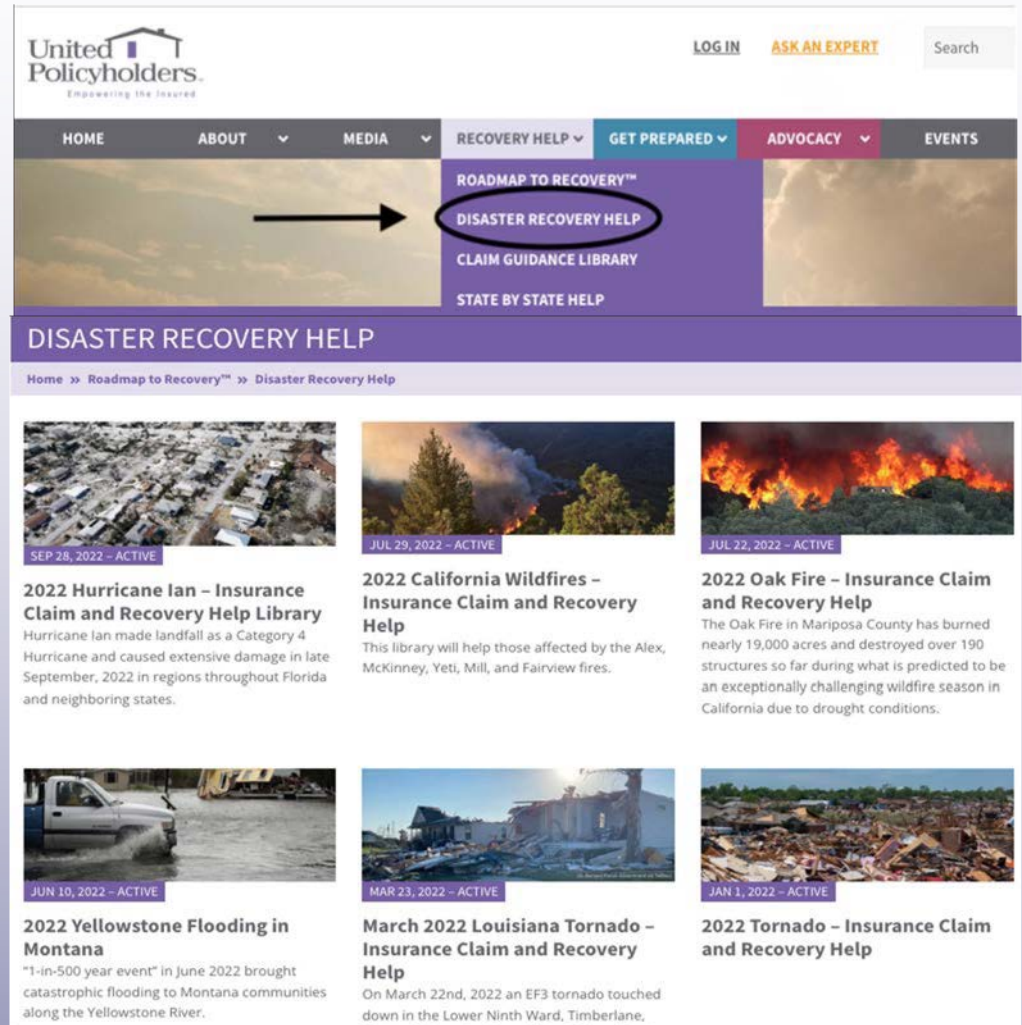
## “The Little Yellow Book”

Email [info@uphelp.org](mailto:info@uphelp.org)  
if you would like a  
copy mailed to you.

# Disaster Insurance Help Libraries

[uphelp.org/recovery/disaster-recovery-help](https://uphelp.org/recovery/disaster-recovery-help)

- State 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](https://www.uphelp.org/findhelp)
- Sample Letters & Claim Forms  
[www.uphelp.org/samples](https://www.uphelp.org/samples)
- Survivors Speak Tips  
[www.uphelp.org/survivorspeak](https://www.uphelp.org/survivorspeak)
- Upcoming Workshops and Resources  
[www.uphelp.org/events](https://www.uphelp.org/events)



The screenshot shows the United Policyholders website. The top navigation bar includes 'HOME', 'ABOUT', 'MEDIA', 'RECOVERY HELP', 'GET PREPARED', 'ADVOCACY', and 'EVENTS'. The 'RECOVERY HELP' dropdown menu is open, showing 'ROADMAP TO RECOVERY™', 'DISASTER RECOVERY HELP' (circled in red), 'CLAIM GUIDANCE LIBRARY', and 'STATE BY STATE HELP'. Below the navigation bar, the 'DISASTER RECOVERY HELP' section is displayed, featuring six disaster recovery help libraries:

- 2022 Hurricane Ian – Insurance Claim and Recovery Help Library** (SEP 28, 2022 – ACTIVE): Hurricane Ian made landfall as a Category 4 Hurricane and caused extensive damage in late September, 2022 in regions throughout Florida and neighboring states.
- 2022 California Wildfires – Insurance Claim and Recovery Help** (JUL 29, 2022 – ACTIVE): This library will help those affected by the Alex, McKinney, Yeti, Mill, and Fairview fires.
- 2022 Oak Fire – Insurance Claim and Recovery Help** (JUL 22, 2022 – ACTIVE): The Oak Fire in Mariposa County has burned nearly 19,000 acres and destroyed over 190 structures so far during what is predicted to be an exceptionally challenging wildfire season in California due to drought conditions.
- 2022 Yellowstone Flooding in Montana** (JUN 10, 2022 – ACTIVE): "1-in-500 year event" in June 2022 brought catastrophic flooding to Montana communities along the Yellowstone River.
- March 2022 Louisiana Tornado – Insurance Claim and Recovery Help** (MAR 23, 2022 – ACTIVE): On March 22nd, 2022 an EF3 tornado touched down in the Lower Ninth Ward, Timberlane.
- 2022 Tornado – Insurance Claim and Recovery Help** (JAN 1, 2022 – ACTIVE):

# 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](http://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

Brandy Cajudoy, Construction Committee Chair, Ho'ōla iā Mauiakama  
Disaster Long Term Recovery Group

Susheel Kumar, SBA

Maria Linz, Hawai'i Community Lending

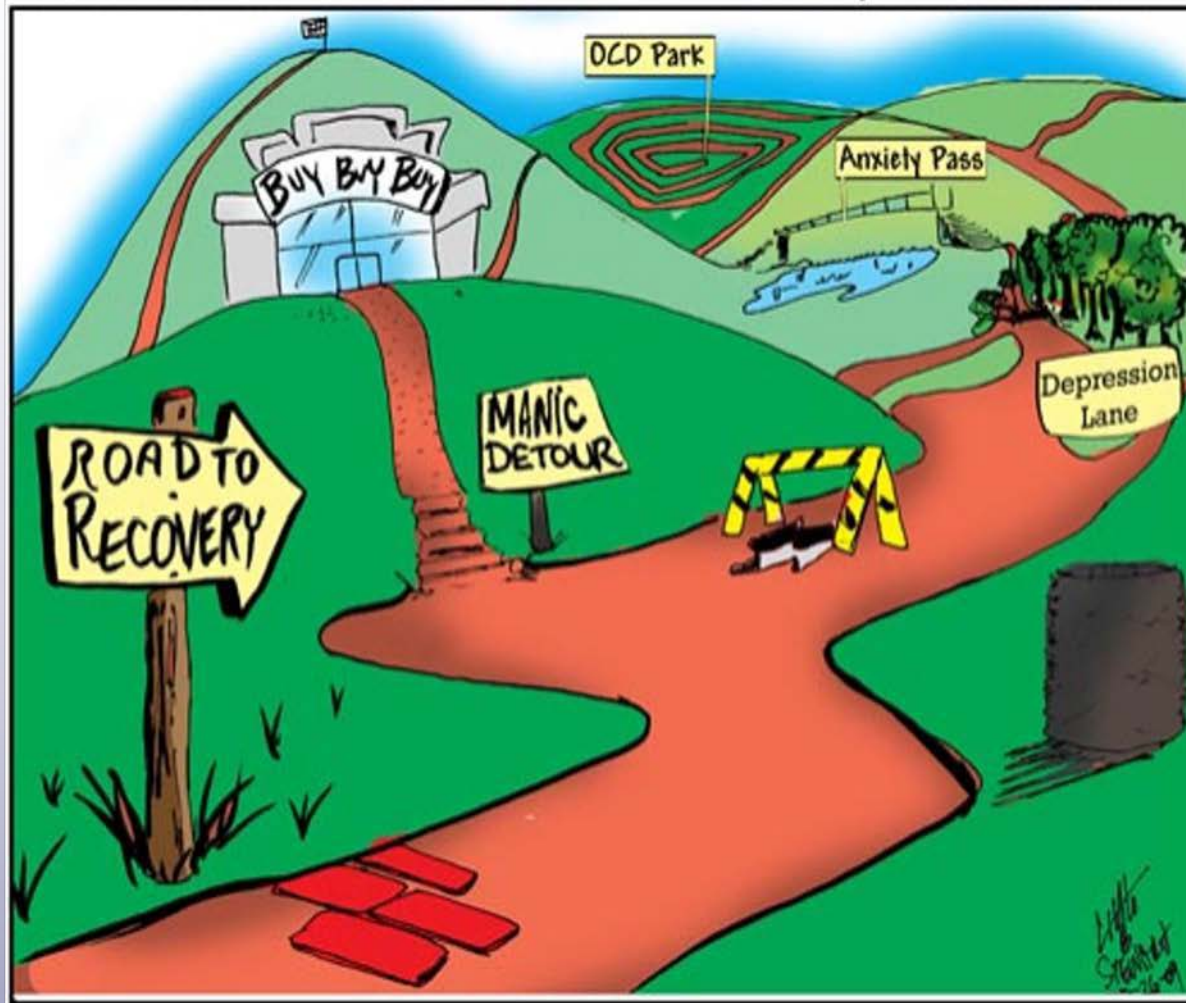
Barbara Nitis, SBA

Sherry Peterson, Equal Justice Fellow, Maui Wildfire Recovery,  
United Policyholders

# Today's Topics

1. Mortgage-related decision making
2. Loan options for financing your rebuild
3. Paying for construction with insurance funds
4. Construction quality control
5. Builders Risk & Umbrella insurance policies

# Recovery is a marathon, not a sprint



# 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 do not 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

# 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.

# Track your claim payments



<https://uphelp.org/claim-guidance-publications/insurance-accounting-spreadsheet/>

- HOME
- ABOUT ▾
- MEDIA ▾
- RECOVERY HELP ▾
- GET PREPARED ▾
- ADVOCACY ▾
- EVENTS
- SUPPORT UP



## CLAIM GUIDANCE LIBRARY

Home » Claim Guidance » Insurance Accounting Spreadsheet

Homeowners

← SHARE    PRINT    PDF

### 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.

Coverage	A		B	C	D	E - Additional Coverages			Total
	Dwelling		Other Structures	Personal Property	Loss of Use (ALE)	Ordinance of Law	Debris Removal	Trees, Shrubs & Plants	
	Structure	Replacement							
	100%								
Coverage (Declarations Page)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Estimate	\$ -	\$ -							\$ -
Limit of Coverage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payments Received									
Date	Check #	Purpose							
									\$ -
									\$ -

# 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?”

# Keep up that paper trail

It should...

- Confirm you are cooperating
- Tell the insurer 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 personal situation
- Give them a specific time frame to reply/comply



# MORTGAGE-RELATED DECISION MAKING

# Fannie Mae & HUD Counselor Help



The screenshot shows the Fannie Mae website header with navigation links: Homebuyers, Owners & Renters; Business Partners; About Us; Careers; Contact Us; and Translate. Below the header is the Fannie Mae logo and a search bar. The main content area features a breadcrumb trail: Home / Managing Financial Uncertainty / Recovering from a Disaster / Five Steps to Help You Work with Insurance After a Disaster. The page title is 'Five Steps to Help You Work with Insurance After a Disaster'. The introductory text reads: 'If you've experienced a disaster that impacted your home, it can be difficult to know what to do or whom to reach out to for help. If you have homeowners insurance, you should reach out to them as soon as possible to file a claim and get the help and repairs you need.'

**Call 855-HERE2HELP to talk to a counselor today >**

Experienced, HUD-approved housing counselors can help you talk with your landlord, navigate insurance claims, find temporary housing, and identify and apply for aid. Counseling is available in multiple languages and at no cost to you.

# Insurance Proceeds & Your Mortgage

What to expect:

- Funds held should be in an interest-bearing account
- Lender will review the final repair plan and monitor the repairs

If your mortgage was current when disaster occurred:

- Insurance proceeds up to a certain \$ amount can be released in one payment
- Proceeds greater than that \$ will generally be released in thirds and will require an inspection to release additional funds
- Remote inspections are allowed

# Know what's available to you

- Try to get as much paid up front as you can from your insurance company
  - Your lender should release any amount of insurance proceeds paid that is greater than your principal loan balance
  - Communication with your lender and contractor is critical
  - Talk to an expert (CPA, financial advisor, mortgage professional) about refinancing, tax implications
- Getting Your Mortgage Company To Release Insurance Proceeds  
<https://uphelp.org/claim-guidance-publications/getting-your-mortgage-company-to-release-insurance-proceeds/>

# Things to avoid when working w/your lender, servicer to release funds

- Paying off a low interest rate mortgage w/out a specific plan to rebuild/repair your home
- Launching a construction project w/out a game plan
- Not having paperwork in order (adjusters estimate, rebuild project)
- Rushing to hire a builder w/out due diligence
- Time and materials w/out a detailed budget *may not* be acceptable to lender
- Unrealistic or incomplete rebuild estimates that will require multiple change orders (fees, code upgrades, trades, etc.)

# Tracking down an authorized signer

BURCOS 3RSystems, LLC

## Mortgage Servicing Companies – Loss Draft Processors

Although Countrywide Mortgage (Balboa) handles most of their own loss draft processing and Sterling National Corporation (previously known as Z C Sterling) handles a good percentage, most of the loss draft processing done throughout the USA is handled by Atlanta, GA based Assurant Specialty Property (ASP) which is a subsidiary of Assurant, Inc. (AIZ). This niche market earns ASP a lot of money, much of which, at least in my opinion and the opinion of probably every contractor in the country who has ever had to deal with them, is undeserved.

The software program ASP uses to track your customers loss drafts (ultimately, your money) and that they tell their investors and customers (i.e.). Citi, US Bank, etc., is so effective, is called "DraftTrac Enterprise tracking." The reason they continue to do such a poor job is that they assume you and your customers will never figure out who is behind the delays – but you just did.

### TOP ASP EXECUTIVES

Alan B. Colberg, CEO – Assurant, Inc.

Melissa Kivett, SVP, Business Development & Strategy – Assurant, Inc.

Francesca Luthi, SVP, Investor Relations – Assurant, Inc.

Gene Mergelmeyer, COO – Assurant, Inc.

John Frobose – President, ASP

Mike Campbell – President, Global Home Services – Assurant, Inc.

Gary Turner – Director Customer Experience – Assurant, Inc.

Mike Lawson – VP Assurant Group (manager of east coast site in OH where a majority of loss draft processing in the country takes place). Other centers are located in Florence, SC, Duluth, GA (HQ), Santa Ana, CA and Tustin, CA.

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# LOAN OPTIONS FOR FINANCING YOUR REBUILD

# Some Questions to Ask Before You Rebuild

- How much is still owed on your home? (loan balance)
  - What if you were underinsured?
  - How can you get what is owed to you?
  - Will you need a new loan? What type, SBA
  - Do you have a rebuilding game plan?
- Underinsurance 101  
<https://uphelp.org/claim-guidance-publications/underinsurance-101/>
- Planning for Insurance Payouts After a Disaster (Fannie Mae – Don't Pay Before You Plan)  
<https://uphelp.org/wp-content/uploads/2021/03/20210204-Dont-Pay-Before-You-Plan-copy.pdf>



# What you need to know about construction loans and mortgages

- Conversion of construction loan to permanent fixed-rate mortgage
- Construction only loan – must be paid in full or refinanced into a mortgage
- Owner-builder (only if licensed, experienced GC)

# Options

What are the construction loan options your Credit Union offers?

Single close, construction financing

Gap financing

# Gap financing options

Talk to your lender and see if they have:

- Gap/bridge loans, a short-term residential loan to meet an immediate financial obligation which would then be rolled into a long-term financial tool
- Bridge loan/Home Equity Line of Credit for those insured, against the future residence

If your lender doesn't offer these types of products, check with other lenders, many credit unions offer flexible residential lending products.

# Lahaina Homeowner Recovery Program

## Transitioning families from interim housing to permanent housing

Hawai'i Community Lending (HCL) has been called on to expand our services under the **Lahaina Homeowner Recovery Program** to provide **vital assistance to up to 500 owner-occupant Lahaina homeowners, helping them prevent foreclosure and qualify for financing to rebuild their homes.**

## Apply today and receive help with

- Applying for a **no-cost lot survey**. **[See Details]**
- Securing a **forbearance** and loan modifications on existing mortgages
- Obtaining construction and mortgage **financing** for **rebuild** from HCL or its partner lenders
- Understanding the rebuild process
- Finding **resources** for your home rebuild
- Creating a plan to **rebuild** or sell your property
- Filing FEMA appeals

# Hawai'i Community Lending's Lahaina Homeowners Recovery Program

- Rebuild Navigation and Support
- Foreclosure Prevention
- No Cost Survey's and Survey Reimbursement
- Connection to Available Resources
- Always advocating and trying to get funding to fill more needs as we determine what they are

\*To Qualify for this program, home must have been Owner Occupied at the time of the fire. (i.e., owned and lived in the home)

# Deep breath



# PAYING FOR CONSTRUCTION WITH INSURANCE FUNDS

# Paying for construction – Best practices

- First, calculate cost to rebuild as-was (what your home should have been insured for)
  - Work with a builder or estimator get an estimate
- The Scoop on “Scope” (of loss)  
<https://uphelp.org/claim-guidance-publications/the-scoop-on-scope-of-loss/>
  - Guidelines For Reviewing Adjusters’ And Contractors’ Estimates  
<https://uphelp.org/claim-guidance-publications/guidelines-for-reviewing-adjusters-and-contractors-estimates/>



# “Section I – Loss Settlement”

## COVERAGE B - PERSONAL PROPERTY

### 1. B1 - Limited Replacement Cost Loss Settlement.

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

(4) any applicable Coverage B limit of liability.

### 2. B2 - Depreciated Loss Settlement.

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.



**State Farm General Insurance Company**  
 A Stock Company With Home Offices in Bloomington, Illinois  
 500 Old River Rd.  
 Bakersfield, CA 93311-9501

**Named Insured**

AT2 001007 0046 H-02-3748-FB14 H F

**Insured, Joe**  
 111 E DOVER CT  
 ANYTOWN CA 95111-1726



ST-3  
 01/06/2000

**DECLARATIONS PAGE**

COVERAGE SUMMARY  
 OCT 27 2017

<b>Policy Number</b>	<b>57-L8-111-1111</b>	
<b>Policy Period</b>	<b>Effective Date</b>	<b>Expiration Date</b>
12 Months	MAY 12 2017	MAY 12 2018

The policy period begins and ends at 12:01 am standard time at the residence premises.

**HOMEOWNERS POLICY**

**Automatic Renewal** - If the **policy period** is shown as **12 months**, this policy will be renewed automatically subject to the premiums, rules and forms in effect for each succeeding policy period. If this policy is terminated, we will give you and the Mortgagee/Lienholder written notice in compliance with the policy provisions or as required by law.

Location of Residence Premises  
 Same as Insured's Address

Requested By: Policyholder

This policy does not provide...  
 This policy includes Building...

**Coverages & Property**

- SECTION I
- A Dwelling
- B Dwelling Extension
- C Personal Property
- C Loss of Use
- SECTION II
- L Personal Liability (Each Occurrence)
- M Damage to Property of Others
- M Medical Payments to Others (Each Person)

**Loss Settlement Provision (See Policy)**

A1 Replacement Cost - Similar Construction

B1 Limited Replacement Cost - Coverage B

**Forms, Options, & Endorsements**

Homeowners Policy FP-7955.CA

Homeowners Policy Endorsement FE-3422

Amendatory Endorsement FE-3247

Jewelry and Furs \$1,500 Each Option JF

Article/\$2,500 Aggregate

Firearms \$2,500 Each Article/\$5,000 Aggregate Option FA

**Loss Settlement Provision (See Policy)**

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

- Forms, Options, & Endorsements**
- Homeowners Policy FP-7955.CA
  - Homeowners Policy Endorsement FE-3422
  - Amendatory Endorsement FE-3247
  - Jewelry and Furs \$1,500 Each Option JF
  - Article/\$2,500 Aggregate
  - Firearms \$2,500 Each Article/\$5,000 Aggregate Option FA

Discounts Applied:  
 Home Alert  
 Home/Auto  
 Claim Record



# Underinsured? Where additional funds come from



**External Savings**



**Personal Property Proceeds**



**Retirement Savings/  
Loan**

Federally Tax Favored  
Qualified Withdrawal



**Granny Unit within  
the Rebuild?**

# SBA Loans

Hosted by the Hawai'i SBDC Maui Center and the U.S.  
Small Business Administration Office of Disaster  
Recovery & Resilience:

## Webinar on Post-Disaster Funding Support



We will be hosting  
a weekly webinar  
every Tuesday!

☆ **Tuesday, October 29, 2024**  
**8:30 AM - 10:00 AM (HST)**

☆ **Online Webinar**  
<https://us06web.zoom.us/j/81128570989>



### SBA Speakers:

☆ **Susheel Kumar,**  
Recovery Coordinator

☆ **Barbara Nitis,**  
Public Information  
Officer

# Options to pay for your rebuild

- Your insurance company manages payments to your builder
- Hire a builder and pay cash from insurance proceeds
- Obtain construction loan
- Talk to an expert (CPA, financial advisor, mortgage professional) about refinancing



# Escrow accounts and fund control

- Required if you have a mortgage.
- Provides added protection to the homeowner – the bank helps you through the process with fund disbursement, inspections, collect lien waivers.
- Be aware of what you don't know and consider an escrow account – it's probably not your area of expertise, plus it's easy to pay your builder more money than the percentage of the build completed.
- Interest earned on the restricted escrow account should be paid to you when the account is closed.

# What to know about draws

- Draws indicate milestones that must be met before the draw is approved.
- You would be signing for draws before bank releases payment.
- If you dispute the draw, it's not typically paid until the builder has proved they have met the milestone.
- Remember that by releasing that draw that you are acknowledging that your builder has completed all of the tasks to that point.

# Managing insurance funds

- Structure your contractor agreement draw schedule to be consistent with (or more favorably than) your lender disbursement schedule
- Do NOT let your contractor "get ahead" of your agreed draw schedule
- Planning for Insurance Payouts After a Disaster (Fannie Mae – Don't Pay Before You Plan)  
<https://uphelp.org/wp-content/uploads/2021/03/20210204-Dont-Pay-Before-You-Plan-copy.pdf>
- What to Do With Checks from Your Insurance Company  
<https://uphelp.org/claim-guidance-publications/what-to-do-with-checks-from-your-insurance-company/>



# CONSTRUCTION QUALITY CONTROL

# Balancing your budget & bottom line

- Be mindful of change orders and their impact on your final bill.
- Be aware of the terms of your contract and make sure your contractor is upfront about the impact of rapidly changing material costs.
- Do NOT let your contractor "get ahead" of your agreed draw schedule.
- If it is in your contract make sure that your contractor fulfills the entire contract. Some will say that money for landscaping has been used in another category for example.

# Check your contract

## What is there

- Overhead and profit
- Project schedule

## What is NOT there

- No penalties for not being in on time
- No finish/end/start date

Know that there are things for which you may need an expert. Contract review is one of them.

<https://cca.hawaii.gov/pvl/boards/contractor/>

**hawaii.gov** Text size: [Smaller](#) | [Reset](#) | [Larger](#)  Government Directory

Department of Commerce and Consumer Affairs  
**Professional & Vocational Licensing Division**

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## CONTRACTORS LICENSE BOARD

**MyPVL**  
[Manage Your PVL License Online](#)

**Insurance**  
[Certificate Submittal Online](#)

[IMPORTANT ANNOUNCEMENTS](#)   [FREQUENTLY ASKED QUESTIONS](#)   [LICENSE CLASSIFICATION DESCRIPTIONS](#)

**MAUI WILD FIRE RECOVERY**

- IS YOUR CONTRACTOR LICENSED?**
- List of Licensed Contractors - Current as of May 8, 2024**
  - [PDF File](#) / [EXCEL File](#)

**EMERGENCY PROCLAMATIONS IN RESPONSE TO WILDFIRES**

- <https://governor.hawaii.gov/emergency-proclamations/>

**SCAM ALERTS**

- Beware of Scam Phone Calls Targeting Licensed Professionals'**
- DEA (U. S. Drug Enforcement Administration Scam Alert)**
  - [Submit a Tip to the DEA](#)

**CONSUMER RESOURCES**

# Consider a private inspector

Building departments are looking for code requirements; mortgage lenders are looking for completion milestones. A private inspector provides a trained professional to ensure the quality of your rebuild, dedicated to protecting your interests.

Provides peace of mind - your home is one of most people's biggest investments.

# Private inspection report

**Building Description: 1 Single Family Residence / 2 Stories / 3 Bedrooms 2.5 Baths**

## **Complete Building Assessment:**

### **Subject of Immediate Repairs:**

The subject of immediate repairs are repairs in which [REDACTED] would recommend to address and (or) to highly consider over the following 12 months' worth of time.

Within the next 12 months it is recommended that the home have some items addressed and or repaired. Items consist of the following.

1. Valley rafter near front entrance was observed to be installed incorrectly. Because of the 2 different roof pitches in this area has incurred a problem with the gutter system attaching to end of roofing rafters. If this problem isn't resolved leaking may occur from the gutter system in this area. This could result in water damage to roof rafter ends and roof sheathing.
2. During the process of construction the main electrical breaker box's location was changed. Because of this some wiring length was not long enough to accommodate the location change. These wires were spliced with wire nuts in main breaker box. Not having wiring going completely to breaker connections (Home Run) may cause shorting and electrical problems in the future.
3. On the front face of the structure near the entrance the fire sprinkler plumbing penetrates the weather barrier. This opening was observed to not be sealed with caulking properly. This could compromise weather barrier and should be sealed.
4. During the construction process no low voltage wiring was installed for doorbells. Not sure if this was designed or just missed.



**Wiring Is Wire Nut Connected Improperly. Electrical Lines Need To Be A "Home Run" Connection To Breaker Box**

# Private inspection report examples



**Bird Blocking Installed With Splintered Material**



**Roof Sheathing Is Not Cut Properly At End Of Roof Truss Ends**



**Roof Truss Ends Not Cut Square At Same Distance**



**Side View Of Composite Roofing Raised Up Because Of Improper Gutter Install**



**Plumbing Hole Penetration Needing To Be Sealed With Caulking**



**Roofing With Different Pitch Is Causing Composite Shingles To Rise When Gutters Installed**





# Deep breath





# LIENS, BUILDERS RISK, & BONDS

# Lien waivers / lien releases

## DISCLOSURE OF LIEN RIGHTS

Access this form via website at: [cca.hawaii.gov/pvl](http://cca.hawaii.gov/pvl)

### **HOMEOWNERS TAKE NOTICE**

Any person who furnishes labor (prime or subcontractor) or materials (material supplier) for your home improvement or renovation project and is not paid can file a claim (lien) in Circuit Court against your property under Hawaii Revised Statutes ("HRS") Chapter 507. This is true even if you have paid the contract price in full to the prime contractor and the contractor fails to pay his subcontractors or material suppliers.

In order to obtain a lien against your property, a contractor, subcontractor, or material supplier must go to court and show that goods or services for the project have been supplied but not been paid for. You will be notified to appear and defend against these claims in court.

If a lien is obtained, you are entitled to prove in a later court proceeding that you paid your prime contractor in full. The court could then enter judgment in your favor against the prime contractor and direct payment out of the contractor's recovery fund up to the amount allowed by law, if the prime contractor was properly licensed at the time you entered into the contract with the prime contractor.

### **WHAT YOU CAN DO**

Here is what you can do to help prevent problems:

- (1) Make certain that the contractor is licensed. Call 587-3295 to verify licensure.
- (2) On bigger jobs ask the contractor to explain to you about the possibility of providing a PERFORMANCE AND PAYMENT BOND which will guarantee completion of the project and payment of all liens. This Bond is usually provided by surety companies or material supply houses to qualified contractors. It may cost you approximately 5% of the project cost.

**Typically:**  
Tile contractors  
Appliances  
Woodworking  
Landscapers  
Concrete  
Engineering  
Plumbing  
Countertops  
Glass  
Windows  
Painters  
HVAC  
Lath & Plaster  
Building supplies  
Lumber  
Doors

# Lien waivers/releases

A CONSUMER GUIDE TO HOME IMPROVEMENT CONTRACTS

## Mechanics Liens

Consumers are required to receive a "Notice to Owner" warning about property liens. Anyone who helps improve property, but is not paid, may place what is called a mechanics lien on the property. A mechanics lien is a claim made against the property by the person who was not paid, and is recorded with the county.

Even if the contractor is paid in full, unpaid subcontractors, suppliers, and laborers involved in the project may record a mechanics lien and sue the property owner in court to foreclose the lien. A property owner could be forced to pay twice or have the court sell the home to pay the lien. Liens also can affect a consumer's personal credit rating, and affect his or her ability to borrow and refinance.

Consumers can protect themselves from liens by getting a list from the contractor of all subcontractors and material suppliers who will work on the project, along with the dates they will start and finish the work. Material suppliers and subcontractors are required to give the property owner a "Preliminary Notice" of their right to file a lien within 20 days of delivering products/materials or 20 days of beginning the work. Have subcontractors sign lien releases when their portion of the work is completed.

Another option for consumers is to pay with a joint check that is payable to both the contractor and the subcontractor or material supplier.

## UNCONDITIONAL WAIVER AND RELEASE ON FINAL PAYMENT

(Civil Code 8138)

NOTICE TO CLAIMANT: THIS DOCUMENT WAIVES AND RELEASES LIEN, STOP PAYMENT NOTICE AND PAYMENT BOND RIGHTS UNCONDITIONALLY AND STATES THAT YOU HAVE BEEN PAID FOR GIVING UP THOSE RIGHTS. THIS DOCUMENT IS ENFORCEABLE AGAINST YOU IF YOU SIGN IT, EVEN IF YOU HAVE NOT BEEN PAID. IF YOU HAVE NOT BEEN PAID, USE A CONDITIONAL WAIVER AND RELEASE FORM.

### Identifying Information

Name of Claimant:

Name of Customer:

Job Location:

Owner:

### Unconditional Waiver and Release

This document waives and releases lien, stop payment notice, and payment bond rights the claimant has for all labor and service provided and equipment and material delivered to the customer on this job. Rights based upon labor or service provided or equipment or material delivered, pursuant to a written change order that has been fully executed by the parties prior to the date that this document is signed by the claimant, are waived and releases by this document, unless listed as an exception below. The claimant has been paid in full.

### EXCEPTIONS

This document does not affect the following:

Disputed claims for extras in the amount of: \$0.00

### Signature

Claimant's Signature:

Company:

Claimant's Title:

Date of Signature:

# What about a performance and payment bond?

# How do I protect myself from liability and theft during construction?

- Builders Risk insurance (sometimes called Course of Construction insurance)

# When do I need this type of additional insurance protection?

Your home is damaged and needs repairs.

Your home is destroyed and needs to be rebuilt.

(Non-disaster, you are remodeling your home)

<https://uphelp.org/events/course-of-construction-builders-risk-insurance-review/>

The screenshot shows the United Policyholders website. At the top, there is a navigation bar with links for LOG IN, ASK AN EXPERT, FORUMS, and a search bar. Below this is a secondary navigation bar with links for HOME, ABOUT, MEDIA, RECOVERY HELP, GET PREPARED, ADVOCACY, COMMUNITY, EVENTS, and SUPPORT UP. The main content area is titled 'EVENTS' and features a breadcrumb trail: Home » Events » Course of Construction/ Builder's Risk insurance review. The event title is 'Course of Construction/ Builder's Risk insurance review'. The date is Wednesday, March 22, 2023, from 5:00 p.m. to 6:00 p.m. MT. The location is Zoom. The event is part of the Disaster Survivors 2018, 2020, 2021, 2022 series. A description states: 'This webinar will discuss what homeowners need to know to best protect themselves during the rebuilding process. Topics covered will include builder's risk and course of construction insurance.' To the right, there is a 'RESOURCES' section with links: 'Updating your home insurance after a loss...', 'Staying protected without wasting money', and '2023\_3\_22\_Course of Construction/ Builder's Risk insurance slide deck'. Below the event details is a 'WATCH VIDEO' section with a video player. The video player shows a thumbnail with the text 'Builders Risk / Course of Construction Insurance' and a red play button. The video player also includes a 'Watch later' button and a 'Share' button. The video player is embedded from YouTube.

# Builders Risk

What is builders risk insurance?

What does it cover?

- Acts of nature and theft of any components that are used to build your house.
- Does it also cover liability for the builder and subs?



# What is typically covered?

## A. COVERAGE

We will pay for direct physical loss or damage to Covered Property from a Covered Cause of Loss described in this Coverage Form.

### 1. **Covered Property**, as used in the Coverage Form, means:

Property which has been installed, or is to be installed in any "commercial structure" or any one to four family dwelling, private garage or other structure that will be used to service the "commercial structure" or one to four family dwelling at the location which you have reported to us. This includes:

- a. Your property;
- b. Property of others for which you are legally responsible;
- c. Paving, curbing, fences and outdoor fixtures;
- d. Trees, shrubs, plants, grass, lawns and landscaping materials installed by you or on your behalf;
- e. Completed single family dwelling which is being used as a model home when reported to us as such on monthly reports with an amount shown; and
- f. Foundations of buildings and foundations of structures in the course of construction.

# What is typically NOT covered?

## 2. Property Not Covered

Covered Property does not include:

- a. Existing buildings or structures to which an addition, alteration, improvement, or repair is being made, unless specifically endorsed;
- b. Plans, blueprints, designs or specifications, except as provided in paragraph **A.4. Additional Coverage** of this Coverage Form;
- c. Land and water;
- d. "Existing inventory", unless specifically endorsed;
- e. Contractors' tools, equipment, machinery and property of a similar nature not designated to be a permanent part of the location which you have reported to us; and
- f. Outdoor trees, shrubs, plants, grass, lawns and landscaping materials that existed prior to the policy's effective date at a location which you have reported to us.

# How long are you covered?

## 3. When Coverage Begins And Ends

We will cover risk of loss or damage from the time when you are legally responsible for the Covered Property on or after the effective date of this policy if all other conditions are met. Coverage will end at the earliest of the following:

- a. Once your interest in the Covered Property ceases;
- b. Ninety days after initial occupancy of the Covered Property unless:
  - (1) That building is being used as a model home;
  - (2) That building is being remodeled and is a single family dwelling; or
  - (3) That building is being used as a "model home leaseback".
- c. When the Covered Property is leased to or rented to others:
  - (1) For a single family dwelling, when the building is leased or rented to others;
  - (2) For a two, three or four family dwelling, when 50% or more of the units in the structure are leased to or rented to others; or
  - (3) For a "commercial structure", when 75% or more of the square footage space is leased to or rented to others.

This does not apply to pre-leases established prior to construction.

- d. When you abandon the reported location with no intention to complete it;

# How long are you covered? (cont'd)

- e. At the end of 12 months from the month when you first reported the location to us unless you report the location again and pay an additional premium. If the location is reported again and the additional premium is paid, coverage will end at the end of 12 months from the month when you re-reported the location to us as described in the **Reporting Provisions** Additional Condition. You have the option to report the same location a third time at the end of the second 12 month period, provided the required additional premium is paid. Coverage for this third 12 month term will end at the end of 12 months from the month you re-reported the location for a third term; or

For coverage on existing buildings or structures that are being or have been remodeled, at the end of 12 months from the month when you first reported the location to us unless you report the location again and pay an additional premium. If the location is reported again and the additional premium is paid, coverage will end at the end of 12 months from the month when you re-reported the location to us as described in the reporting provision below. There is no option to report a third year.

- f. When permanent property insurance applies; or

- g. Once the Covered Property is accepted by the owner or buyer and:

- (1) The contractor has been paid in full; whether procured by any insured hereunder or by the owner or purchaser; or

- (2) The transfer of ownership has taken place.

# What does it cost?

**Proposed Policy Period**    **From** 11/28/2022                      **To** 11/28/2023  
(12:01 a.m. Standard Time at your address as stated herein)

## Coverage and premium information

	<b>Type of coverage</b>	<b>Total Premium (all locations)*</b>
This is intended only as a brief outline and does not alter any of the coverages, conditions, exclusions or provisions contained in the policy.	Builders Risk	\$2,226.00
	Proposed Policy Premium*	\$2,226.00
	State Taxes & Surcharges	\$0.00
	Total fully earned policy premium*	\$2,226.00

\* Premium quotation valid for 30 days from the date on the first page of this proposal.

Policy is fully earned

# Will my homeowners insurance write a builders risk policy for me?

It depends, ask your agent.

If that company has had a lot of loss in your area then they may not be willing to write a new policy for you. Shop around.

# Who should secure the policy?

We know that either the builder or the homeowner can secure the policy but what is the advantage of the builder securing it?

The builder will set the limits and therefore be responsible if he has more than the limit amount on the property.

If you, the homeowner, sets the limits then you are responsible for anything over the limits.

# Who normally pays for the policy

It can be purchased outright and either paid by the homeowner or the builder, who would then include it in the contract for the rebuild.



# What will void a builders risk policy?

- Builder or homeowner walks away from the build
- Homeowner placing any of their contents inside the home before getting final occupancy. Policy can have an occupancy endorsement that will allow you to place contents in house 30 days before occupancy.

NOTE: You will not have a homeowners policy so your contents will not be insured but it will not void out your Builders Risk Insurance. Example: house burns down, it is covered, but no coverage for contents.

# UMBRELLA POLICY

# What about adding an Umbrella policy?

An Umbrella policy provides liability coverage but won't kick in until you have reached the amount that would normally be in your homeowners policy

With an umbrella policy, am I responsible for my contractor's loss?

Am I responsible for my contractor's tools if stolen from the job site?

Who would be responsible for that loss?  
(Equipment floater for contractor)

# For More Information

If you still have questions, visit UP's website  
and search for more  
claim tips, articles and helpful info at:

[www.uphelp.org](http://www.uphelp.org)

# Stay informed – Sign UP

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

[www.uphelp.org/signup](http://www.uphelp.org/signup)

To request a copy of today's slides or video, email: [info@uphelp.org](mailto:info@uphelp.org)

# Stay connected to other disaster survivors – Maui Fires 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

Next 2023 Maui Fires Survivor to Survivor Forum is

**Tuesday, November 26, 2024, 5:00 pm HT**

**[Register: uphelp.org/Nov26](https://uphelp.org/Nov26)**

# Upcoming Roadmap to Recovery<sup>®</sup> Events

The screenshot shows the United Policyholders website navigation and event listings. The header includes the logo, navigation links (HOME, ABOUT, MEDIA, RECOVERY HELP, GET PREPARED, ADVOCACY, COMMUNITY, EVENTS, SUPPORT UP), and utility links (LOG IN, ASK AN EXPERT, FORUMS, Search). The breadcrumb trail is 'Home >> Events'. The 'UPCOMING EVENTS' section lists three events:

Event Title	Date	Time	Location	Registration	Target Audience
Taxing Matters for Disaster-Impacted Households	Thursday, March 14, 2024	3:00 pm HT / 6:00 pm PT / 7:00 pm MT	Zoom	Not required	Wildfire Survivors 2018-2023
Survivor to Survivor Forum (for wildfire survivors)	Tuesday, March 19, 2024	4:00 p.m. HT / 7:00 p.m. PT / 8:00 p.m. MT	Zoom	Registration required	All wildfire survivors
Survivor to Survivor Forum (for wildfire survivors)	Tuesday, April 16, 2024	4:00 p.m. HT / 7:00 p.m. PT / 8:00 p.m. MT	Zoom	Registration required	All wildfire survivors

[www.uphelp.org/events](https://www.uphelp.org/events)

Register for upcoming events.

View recordings of past events and related resources.



# Roadmap to Recovery

## FREE workshop

2023 Maui Fires Contents Pricing Party  
Saturday, December 7, 2024  
10:00 am

*A hands-on workshop to help price your contents and get monies owed to you.*

*In-person*

Lahaina Gateway Recovery Center  
325 Keawe St. Unit 102-B, Lahaina, Maui, HI 96761

*Virtual, on Zoom*

Register here: [uphelp.org/Dec7HI](https://uphelp.org/Dec7HI)

# Ask an Expert Forum

[www.uphelp.org/ask-an-expert](http://www.uphelp.org/ask-an-expert)

The screenshot shows the 'Ask an Expert' forum page on the United Policyholders website. The page features a navigation bar with links for HOME, ABOUT, MEDIA, RECOVERY HELP, GET PREPARED, ADVOCACY, COMMUNITY, EVENTS, and SUPPORT UP. Below the navigation bar is a search bar and a 'LOG IN' button. The main heading is 'ASK AN EXPERT', with sub-navigation for COMMUNITY, ASK AN EXPERT, MEET OUR EXPERTS, FORUMS, and ACCOUNT. The page includes a disclaimer: 'PLEASE ALLOW TIME TO GET A RESPONSE. We're not able to respond to urgent or time-sensitive questions. Thanks for your patience as we find the right expert to respond to your question. Please note that UP staff reserves the right to view and approve your question before it appears on our site.' It also states: 'You Need Answers. Use this forum to get them. Search for answers or post a question about your insurance issue or the loss recovery process. Expert volunteers include professionals in construction, insurance claims and insurance law plus people sharing their own disaster recovery lessons learned.' There is a search bar with the text 'WHAT DO YOU WANT TO KNOW?' and a search button. Below the search bar is a filter set to 'All'. On the right side, there are social media icons for Facebook, Twitter, LinkedIn, Instagram, and YouTube. Below these are sections for 'SEARCH TOPICS' (with a dropdown menu showing 'Additional Living Expenses (ALE)') and 'FREQUENTLY USED PUBLICATIONS' (listing: Top Ten Insurance Claim Tips, FAQs about Property Damage (ALL States), Homeowners Insurance Claim Rights in California, and Simplified Guide to Your Policy).

- Register. It's free.
- Write in your questions.
- Get an answer from an expert in disaster recovery, construction, the insurance process and related state laws.

# Hawaii Wildfires One Year Insurance and Recovery Survey

Help us track progress and problems and gather data on insurance and wildfire recovery by completing our survey:

<http://www.uphelp.org/survey>

The data collected will help us help you.

**THANK YOU!**

# Thank You to Our Funders

