



Tips from the Trenches Does your safety net have holes?

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Sonoma County Association of Retired Employees

United Policyholders
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About United Policyholders

- 501(c)3 non profit organization.
Tax ID # 94-3162024
- A voice and an information resource for consumers in all 50 states.
- A 25+ year track-record and subject matter expertise in insurance and disaster recovery
- Not for profit...not for sale.
- Funded by donations and grants.
- A volunteer corps with personal and/or professional expertise in disaster recovery and insurance.

25+ Years of Experience

- Helping people and businesses repair, rebuild and recover after disasters
- Providing subject matter expertise to long term recovery partners
- Keeping an eye on the insurance marketplace
- Standing up for consumer rights
- Speaking up in the media
- Working with public officials

Our Three Programs

- Roadmap to Recovery
 - *Helping individuals and businesses solve insurance problems that can arise after disasters.*
- Roadmap to Preparedness
 - *Increasing insurance literacy and preparedness by sharing lessons learned by disaster survivors.*
- Advocacy and Action
 - *Standing up for consumers in courts of law, legislative and other public policy forums, and in the media.*

Key Messages:

- Insurer ads gloss over exclusions and limitations
- The majority of disaster victims find themselves underinsured
- Government and charitable aid programs *will not* cover the cost of rebuilding a destroyed home
- Law ≠ Reality re: Responsibility for limits
- Oral promises by insurance reps that you're fully covered are useless if you can't prove them later
- Recovering from a disaster is *much* easier when you have records of what you had prior to loss

Tips from the Trenches

- Insurance money -- not charitable or government aid -- is the #1 source of money that helps people rebuild and recover after a disaster.
- FEMA money is *needs-based* and the maximum grant is \$34k.
- SBA loans take time and have to be repaid.
- Charitable aid generally covers basic needs – not the cost of rebuilding a home.

The devil is in the details, and its all fine print

- Having the right kind and right amount of insurance on your property is so important.
- The devil is in the details. Every policy has different language and language matters.

What's the problem?

Coverage Problems



Claim Problems



Common Post-Disaster Problems



- Underinsurance
- Claim process is confusing/frustrating
- Rotating insurance adjusters
- Payment and processing delays
- Communication difficulties
- Overwhelmed or paralyzed by paperwork
- Mortgage/lender/tax concerns

Survey Says...Underinsurance

2015 Valley Fire - Lake County, California

- 53% of respondents reported being underinsured.
- The average amount by which people reported being underinsured was over \$100,000

2010 Fourmile Wildfire - Boulder, Colorado

- 61% of respondents reported being underinsured.
- The average amount by which people reported being underinsured was over \$100,000.

2007 San Diego County Wildfires

- 75% of respondents reported being underinsured on their dwelling.
- The average amount by which people reported being underinsured was over \$200,000.

Preparedness Action Steps:

- Buy the right kind and amount of insurance [“Insure to value” and “know your stuff”]
- Inventory your assets
- Scan important documents and store offsite
- Take steps to “Harden” your home
 - Install attic vent screens
 - Clear bush/debris
 - Install fire retardant materials on home and property

Review your “Declarations Page”

- Most policies have separate dollar limits for:
 - Dwelling (Coverage “A”)
 - Contents (Coverage “C”)
 - Other Structures (Coverage “B”)
 - ALE/ Loss of Use (Additional /temporary living expenses”)
- Not all policies are alike
- “Endorsements” and “Riders” can be essential

Your Dec Page

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.

Section I				Section II		
A Dwelling	B Other Structures	C Personal Property	D Loss of Use	E Personal Liability (Personal Injury & Property Damage)	F Medical Payments to Others	
\$ 300,200	\$ 30,100	\$ 225,200	\$ 120,100	Each Occurrence \$ 1,000,000	Each Person \$ 1,000	Each Accident \$ 25,000

Section I Only:

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

P00C00
1st Mortgage Loan No.
* 0057254674
2nd Mortgage Loan No.

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

Premiums

Total Policy Premium

What matters:

- Replacement coverage over ACV
- Extended replacement coverage
- Building Code Upgrade coverage
- Adequate structure and ALE limits
- Schedule valuables, collections, business property
- Exclusions: Flood, water, mold, EQ,

The devil's in the details:

- Structure limits
- Water damage
- Mold
- Duration of ALE
- RCV versus ACV
- Like kind and quality



“Endorsements” change the terms of an insurance policy by adding or subtracting coverage

There are over 100 common endorsements for the standard homeowners policy. A few examples:

Building Code/Ordinance	Extended Replacement Cost
Sewer backup/Flood	Home Business
“Scheduled” items	Earthquakes/Earth movement
Replacement Cost Value (RCV) on contents	Umbrella Coverage/ Excess Liability

Getting the BIG # right

- How much do you have PSF to rebuild?
- Get a local contractor to come out and estimate the your replacement cost
- Get your insurance company to send out a replacement cost estimator
- Use “home replacement cost estimating software”
- Talk to a human being...and take notes

Need a second opinion?

www.Yapaquote.org

Yapacopia is a public benefit corporation ("B-Corp") that connects you with an insurance agent.

By using their service you can get a free review of your current policy and quotes for other options for protecting your assets through a reputable insurance company at the right price.

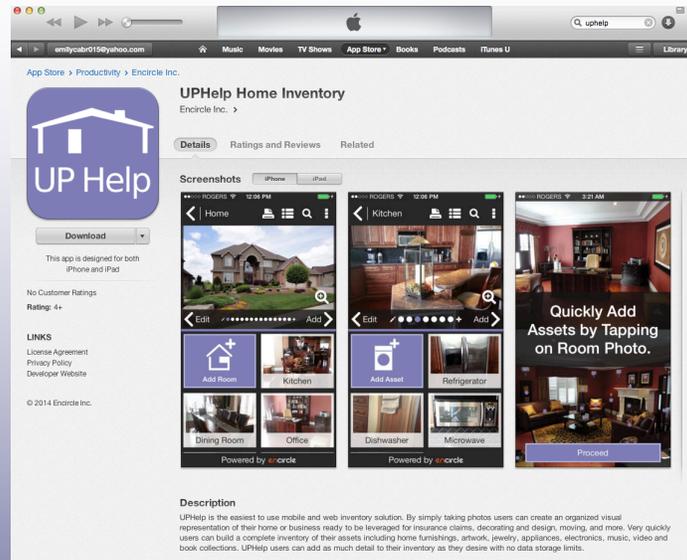
Coverage “C” is for Contents

- Insure Your Contents to Value
- Inventory Your Home
- Be aware of “sub”/internal limits
- Consider scheduling valuables

Typical Sub-Limits:

- \$ 200 limit on money, banknotes, coins
- \$ 1000 on securities, accounts, deeds, stamps
- \$ 1000 on jewelry, watches, fur (by theft)
- \$ 2500 on silverware
- \$ 1000 on watercraft
- \$ 1000 on trailers (not used with watercraft)
- \$ 2000 on firearms
- \$ 2500 on business personal property

Create an Inventory



Anything is better than nothing

Many options including:

- UPHelp Home Inventory
- Home video
- Take photos
- Use the UP Home Inventory spreadsheet..
- Hiring an inventory professional

❖ **Save them in a safe place**

Renters Insurance

Your landlord's insurance protects their property, not yours.

- *The average rented two-bedroom residence contains more than \$20,000 in personal possessions.*
- *Liability coverage*
- *Loss of Use coverage*
- *Cover your local risks (EQ and Flood must be added)*

Questions to ask an ins. agent:

- Will this policy cover the **cost of rebuilding** my home to its pre-loss condition?
- What causes of loss are **not covered**?
- Will my insurance cover the cost to upgrade electrical, plumbing and other **building codes upgrades** if I have to make repairs or rebuild my home?
- Are there limits in this policy on replacing property if there's a need to **match** or if damage is considered **cosmetic** only?
- For how long will my **temporary rent and related expenses** be covered while my home is being repaired or rebuilt after a loss?

More questions:

- What items are subject to **limits or exclusions** and for which of these limits or exclusions should I consider adding coverage?
- What are my options for insuring my **home-based business** property and operations?
- Is my Coverage C (Personal Property) for **Replacement Cost Value**?
- What **discounts** do you offer and how do I qualify for them?
- How much can I save if I increase my **deductible**?

CDI Homeowners Coverage Comparison Tool

<https://interactive.web.insurance.ca.gov>

Company	CSAA Insurance Exchange
Policy	Homeowner - Homeowners Policy Special Form-HO-3
+ Water Damage	
+ Mold	
- Other Coverages	
Print	
Damage to the foundation or slab	Coverage is not provided for the settling, cracking, shrinking, bulging, or expanding of foundations or other paved areas. Please review the policy for the complete extent, conditions, exclusions and limitations of this coverage.
Falling objects	Coverage for loss caused by falling objects to property inside a building is provided only if the falling object has first damaged an outside wall or the roof of the building. No coverage is provided for the object that falls. Please review the po more ...
Collapse of the dwelling	Subject to the full terms of the policy, we insure for direct physical loss to covered property involving actual or imminent collapse of a building structure or any part of a building structure caused only by one or more of the following: a. Perils Ins more ...
Landslide and earth movement	Not Covered
Debris removal	Subject to the full terms of the policy, we will pay the reasonable expense incurred by you in the removal of debris of covered property provided coverage is afforded for the peril causing the loss. Debris removal expense is included in the limit of liabi more ...
Trees, shrubs, & plants	Subject to the full terms of the policy, we cover trees, shrubs, plants or lawns, on the residence premises, for loss caused by the following Perils Insured Against: Fire or Lightning, Explosion, Riot or Civil Commotion, Aircraft, Vehicles not owned or op more ...

Go over scenarios

- Take notes and keep them offsite (your email is a good place)
- Make your insurance goals be known
- Follow up if you have any additional questions



Non-renewed?

- **Don't panic**
- **Comparison shop**
- **Read our publication "Dropped by your insurer"**
- **California Department of Insurance: insurance.ca.gov or 1-800-927-HELP**

You can't stop natural disasters but

You can minimize the consequences...

✓ Insurance adequate

You can't stop natural disasters but

You can minimize the consequences...

✓ Insurance adequate

✓ Reasonably complete inventory

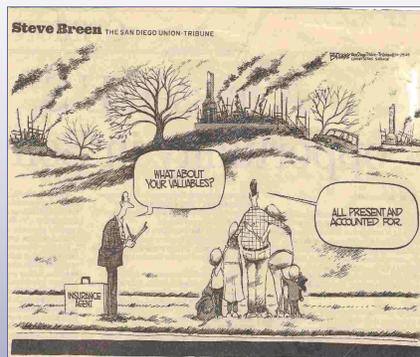
You can't stop natural disasters but

You can minimize the consequences...

- ✓ Insurance adequate
- ✓ Reasonably complete inventory
- ✓ Important documents scanned and/or stored off-site

Insurance First Steps *after the claim has been filed*

- Request a complete copy of your insurance policy
- Find out what your ALE benefits are and use them.
- Start a Claim Diary
- Save ALL receipts
- Visit www.uphelp.org



24/7 help on the web: www.uphelp.org

- Insurance Buying Tips
- Insurance Claim Help (when you need it)
- Sign up for our Tip of the Month:
info@uphelp.org

