Insurance: A Crucial Financial Safety Net

• Insurance drives economic growth by expediting recovery for policyholders.

• As financial first responders, property/casualty insurers paid $414.6 billion in claims during 2017.

• California wildfire claims are estimated at $12 billion for 2017.

• It is too early to estimate 2018 wildfire costs.

• Homeowners have options – rebuild or buy new.
How the Claims Process Works –
Contact your agent or company to find out:

• What’s covered under your homeowners policy – Fire is a covered loss

• How to get ALE and temporary housing – Keep receipts

• Coverage for property, contents, outbuildings and loss of use (Coverage A,B,C,D)

• A timeline for the claims process

• How to get estimates for rebuilding
Prepare for the adjuster’s visit:

• Write down questions about the claims process
• Give the adjuster pictures of your home and contents, or home inventory lists
• Ask for resources that will help with the home inventory process
• Get the adjuster’s contact information for follow-up questions

How Settlement is Determined:

• Replacement cost or actual cash value
• Extended replacement costs
• Building code upgrade
• Temporary living expenses - ALE
How to Select a Contractor

• Get written, detailed bids from licensed contractors

• Check references and licenses with the California Contractors State License Board

• Don’t feel pressured to sign a contract

• Do NOT pay up front. Pay as work is completed and inspected

• Use your insurer as resource to review bids
What to Expect

• Your mortgage will still need to be paid
• You have two years to rebuild – extensions are available
• Insurers will not non-renew the year following the loss
• Timeline for payments
TIP 1: Video or photograph your electronics, appliances and workout equipment. Note the number of TVs, computers/tablets.

TIP 2: Video or photograph contents of drawers and closets.

TIP 3: Save receipts for major purchases. Store key documents in fire-proof case. Keep home inventory video offsite or in the cloud.

TIP 4: Describe your home’s contents in video. Include price paid, purchase year and location.

TIP 5: Remember to video/photograph what is in your garage.
Conduct an annual review of your insurance policy

Call your agent or insurance company to discuss your policy and coverage options. They can assist you in determining the type of policy you should have and the proper amount of coverage for your home. Consider the current construction costs for building new homes in your neighborhood.

Report home improvements

Contact your agent or insurer to update your homeowners policy after home improvements or remodels. Insurance replaces like, kind and quality. If you update from linoleum to tile or add square footage, be sure to update your policy.

Know what your insurance policy covers

The details matter. Check whether your homeowners policy pays replacement cost or actual cash value for a covered loss. Actual cash value takes depreciation into account. The replacement cost is the amount necessary to rebuild the home with construction materials of like kind and quality.

Get coverage if you rent

If you rent your home consider renters insurance. You can bundle renters with auto insurance.

Maintain insurance

If your home is paid off, make sure to maintain homeowners insurance. Don’t be caught after a fire with no way to rebuild your home.

Check with loved ones that have retired and paid off their mortgage to make sure they continue to carry homeowners insurance.
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Questions & Answers

Keep in Touch with I.I.I. & PCI

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