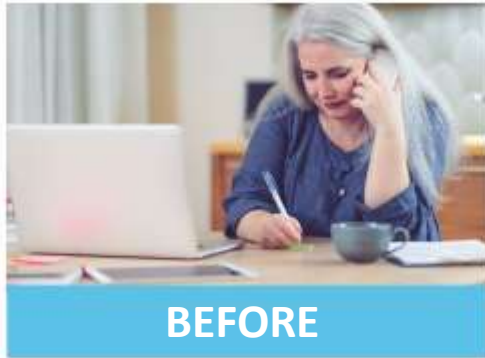


Are you financially prepared for a wildfire?



May 6, 2020





Partners in Wildfire Prep: Working Together to Prepare & Rebuild After Wildfire

NEXT Webinar Coming on May 20, 2020





How Do Insurers Assess the Risk of My Home?

You **WANT** Insurers to Understand Your Risk

- Insurers have access to property information
- Technology is sophisticated
- WUI property on-site inspections





What do Insurance Companies Consider in Underwriting Decisions?

- Underwriting & rating factors include loss history, age of home, size, construction type and quality, contents, business in the home, foundation
- WUI risk: location, construction, mitigation, slope, access, proximity & quality, fire protection, etc.

It's **NOT** just the WUI risk that determines insurability & rates





Do all insurance companies use the same underwriting guidelines?

- Insurers have their own proprietary underwriting & rating guidelines
- Consider & insure common risk factors, competitive differences are good for consumers, what type of insurance do YOU want to purchase?





Do You Understand Your Insurance Policy?

HOMEOWNERS INSURANCE



covers wind, rain, fire



does **NOT** cover flood,
landslide or earthquake damage



Consider your risk where you live

Homeowners insurance has a deductible determined by the homeowner

BE READY

Have your deductible in your savings



Do You Understand Your Insurance Policy?

TYPES OF POLICIES



Actual Cash Value (ACV)



Replacement Cost

TYPES OF COVERAGES

Additional Living Expenses

Coverage A

Covers rebuilding the home



Coverage B

Covers rebuilding detached structures like a garage



Coverage C

Covers personal belongings: furniture, clothes, housewares, small appliances





How Do You Determine How Much Coverage You Need?

GETTING THE DETAILS RIGHT & UPDATING YOUR POLICY

- ✓ Square footage and local construction cost
- ✓ Number of bedrooms & bathrooms
- ✓ Number of windows & doors, fireplaces
- ✓ Type of roof & siding
- ✓ Type of finishes – countertops, flooring, appliances, cabinets
- ✓ Land is not insured



How Do I Prevent Underinsurance?

DEMAND SURGE CAN INCREASE THE COST OF MATERIALS AND LABOR

Ask your agent or insurer about:

- Extended replacement cost coverage
- Building code upgrade coverage
- Automatic annual adjustments for inflation
 - Do you need a small business or agricultural policy?





Will My Policy Replace All My Belongings?



Contents are Covered under Coverage C
– Percentage of Coverage A



Update your Policy after Remodels & Home Improvements



Talk to Your
Agent or
Company



Keep receipts for
major purchases in
the cloud

Home Inventory



Make a home inventory when you buy the policy

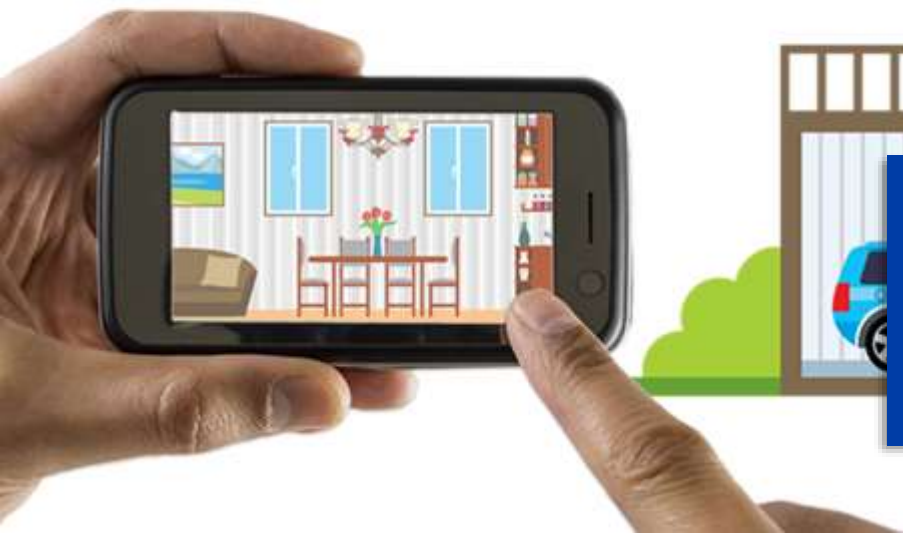
Use Your Insurers' app or software— **Keep it in the cloud** →



Update your home inventory annually—
Talk to your agent



Technology is Your Friend— **Store Your Inventory in the Cloud**



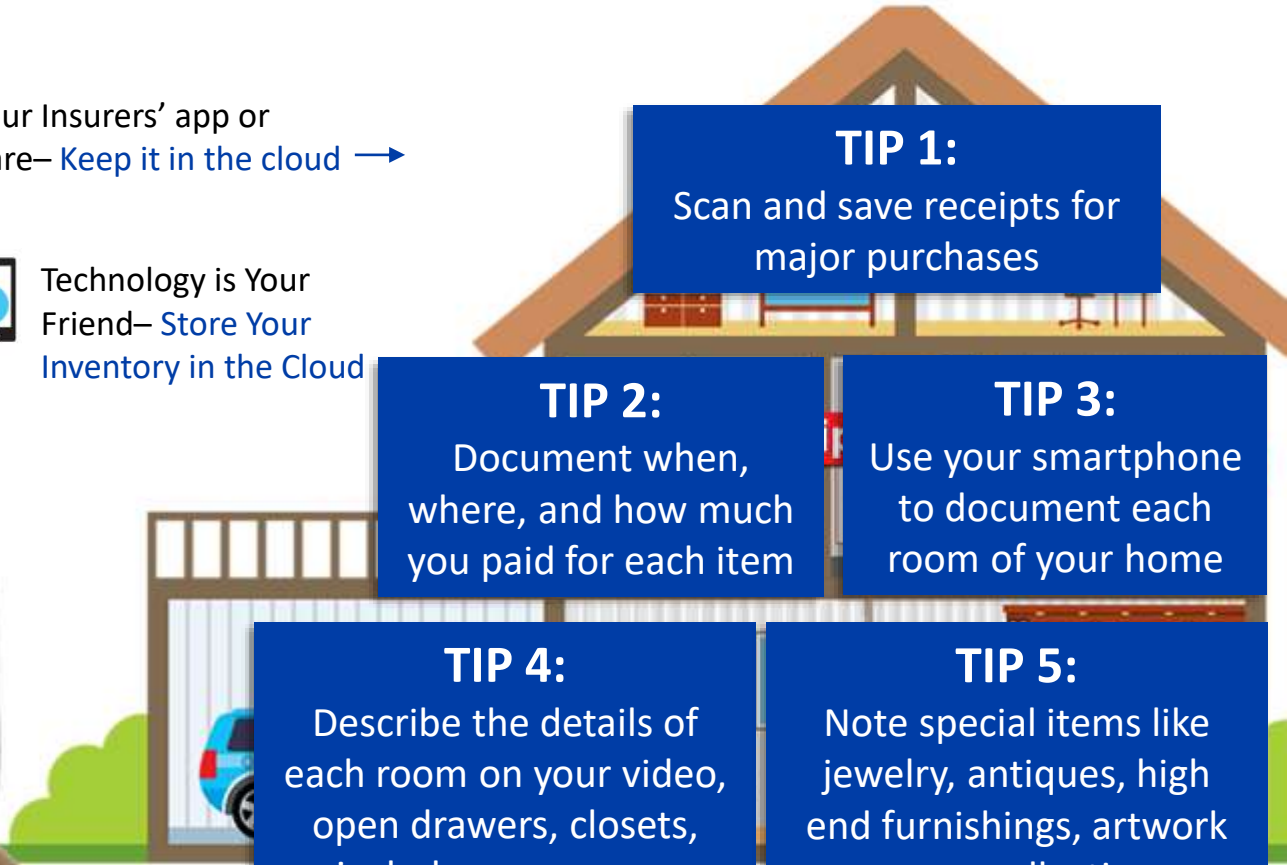
TIP 1:
Scan and save receipts for major purchases

TIP 2:
Document when, where, and how much you paid for each item

TIP 3:
Use your smartphone to document each room of your home

TIP 4:
Describe the details of each room on your video, open drawers, closets, include your garage

TIP 5:
Note special items like jewelry, antiques, high end furnishings, artwork or rare collections





What Should I Do if I Get Non-renewed by My Insurance Company?



ASK if there is something you can do to mitigate risk and keep your policy.



UNDERSTAND options: Admitted, Surplus Lines, CA FAIR Plan



SHOP AND COMPARE insurance with a local broker who knows the area and represents several insurance companies.



PARTICIPATE in local mitigation efforts – Firewise USA, Fire Safe Councils, Fire Adapted Community Programs



CALL your Department of Insurance



What Should I Do in an Evacuation?

- ✓ Listen to local authorities - Evacuate and Get to Safety
- ✓ Follow your family communication and evacuation plan
– Follow social media
- ✓ Contact your insurer to file a claim – call, click or text
- ✓ Go to the Insurance Village at Disaster Assistance Center
- ✓ Ask your insurer if ALE is covered during a mandatory evacuation
- ✓ Save your receipts for hotel and meals – ALE may cover it

How Do I Navigate the Insurance Claims Process?

DEBRIS REMOVAL—WORK WITH LOCAL AUTHORITIES AND INSURER



WORKING WITH ADJUSTERS

- Keep a binder with contact information, scope of work, forms
- In major disaster insurers may send multiple adjusters throughout claim
- Independent adjusters work for your insurer
- Public adjusters – Take a percentage of your insurance proceeds, negotiate on your behalf for a fee



GATHERING 3 BIDS WITH COMPLETE SCOPE OF WORK

- Compare bids, check references, only hire licensed contractors – Your adjuster will help
- You have up to 3 years to rebuild with 6-month extensions
- Manage your ALE expenses to cover the time to rebuild

What Should I Watch Out for During Rebuild?



Contractor Fraud & Abuse

Always check references & licenses, pay as work is completed & inspected



Price Gouging

- Report excessive rents, materials or labor
- New law defines gouging as rates 10% higher than rates prior to wildfire
- Report to your insurer, contact California Attorney General's Office
- Be sure to ask for a detailed rebuild bid; don't settle for a vague estimate that doesn't price out the materials and detail what is being build.

Keep Paying Your Mortgage

- Your additional living expenses are covered in your policy
- Continue paying your mortgage
- Your bank as a lien holder may require two-party checks and inspect work before releasing insurance proceeds to contractor



Maintain Insurance

Keep liability insurance on your property during rebuild



Possible Delays and Hurdles

Making decisions sooner is better

Debris removal process

Demand surge pricing & labor/material shortages

Lien holders issuing 2-party checks

Getting complete bids

Making so many decisions

Getting overwhelmed by rebuilding process



Your insurer is there to work with you from beginning to end



Where Do You Go for Help?

Your Insurer, Agent or Adjuster

Your State Department of Insurance

Your State Attorney General's Office

Your State Office of Emergency Services



Take-Aways from Today



INSURANCE IS A CRUCIAL FINANCIAL SAFETY NET

- Insurance rebuilds homes, neighborhoods & communities



YOU ARE IN CONTROL

- Your insurer is your partner before, during & after a wildfire
- Coverage amounts are up to the policyholder to decide

DON'T FORGET ABOUT INSURANCE

- Look at insurance early during the home buying process – don't wait until last minute
- Take active role in assessing what coverage type & limits you need
- Update your policy annually – report remodels or material upgrades always
- Make and update your home inventory
- Consider renters insurance
- Make sure loved ones with paid-off homes maintain insurance

