

# Insurance Checklist and Tips: During and After the Fire

In a matter of minutes a catastrophic event can wipe out an entire community. There are key steps homeowners can take to help ensure their safety and assist in the claims filing process. These tips provide consumers with a general list of actions to take after a catastrophic event.

## PCI Insurance Checklist

### Put Safety First

The safety of you and your family must be the first priority. Follow the advice and directions issued by local authorities. If the authorities ask you to evacuate, do not return until they report that it is safe and secured. If you are evacuated and confirm damage to your home, contact your insurer or agent through their toll-free telephone number to start the claims process.

The typical homeowners policy will provide reimbursement for Additional Living Expenses (ALE) such as the cost of hotels and food when a covered loss to your home makes the residence uninhabitable. In emergency situations such as this, insurers try to find and make contact with policy-holders by establishing claims units near evacuation centers. Adjusters will be available to work individually with policyholders. The goal is to help policyholders get back to normal life as soon as possible.

### What to do with a Partial Loss or Damaged Home

Upon returning to your home or business following a fire and evacuation, survey the property for damage and check for any signs of burning embers. It is also important to wear protective clothing.

#### *Make Temporary Repairs*

First and foremost, if there are holes in your roof or your windows are broken, be sure to cover them as quickly as possible so that wind and rain does not cause further damage.



Keep all receipts for anything you buy to cover roofs or windows so you can submit them to your insurance company for reimbursement.

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## *Contact Your Insurer*

Report all damage to your dwelling and personal property to your insurance company or agent as soon as you can in order to get the claim process started.

Before a loss, take an inventory of your personal property items. Take photographs or a video of your furniture and major appliances. The photographs or video inventory of your home should be kept in a safe place, such as a safe deposit box at a bank. It is also a good idea to keep the receipts for major purchases in the same place. This will save you time and provide you with peace of mind during the claims process.

After a loss, make a list of the damaged items for your claims adjuster. Do not throw out damaged furniture or items, your adjuster will need to see them. Document the damage by taking photos or video. Be prepared to provide records, such as receipts, bills, photographs and the video inventory of your personal property items to your claim adjuster. This will help establish the cost of everything that needs to be replaced or repaired. This will also help to expedite the claims process.



## **What to do in a Total Loss**

If you return to your home and it is a total loss, contact your insurance company or agent to initiate the claims process and start the recovery process.

The ALE provisions of your policy will enable you to secure temporary housing. Many standard homeowners and renters policies provide for reimbursement of additional living expenses when the property is determined to be uninhabitable from a fire. This provision helps in paying for increases to necessary living expenses such as temporary housing and eating restaurant food. ALE does not pay for all living expenses; it covers only the increase over normal living expenses.

### *Homeowners*

If you own your home, continue paying your mortgage. If a home is destroyed the mortgage and property taxes will continue to need to be paid while the home is rebuilt or the land is sold.

### *Renters*

Given the recent economic turmoil, many homeowners have now become renters. Renters should remember that landlords are only responsible for the damage done to the structure of the rented property. Damage to a renter's personal property is not covered by the landlord's insurance policy. Rental insurance with replacement cost coverage will repair or replace a renter's covered personal property damaged in a fire.

## **The Rebuilding Process**

After losing a home to a wildfire, consumers should not be victimized a second time by price gouging or unscrupulous contractors.

### *Price Gouging*

Consumers should beware of individuals that may use a wildfire to unfairly profit from a homeowners' loss. If you experience an unreasonable spike in the price of building supplies or someone charging excessive fees to repair your home, be sure to contact your state's attorney general office, because it may be a crime.

### *If you suspect price gouging*

- Make a copy of the bill, invoice or receipt.
- Get the estimate for repairs and clean up in writing. Request that estimates be itemized.
- Note the specific details of the item being purchased such as the manufacturer's name, the grade and quality of the item so that an apples to apples price comparison can be made.

### *To avoid being the victim of price gouging*

- Plan ahead and have on hand an emergency supply kit that contains water, flashlights, batteries, portable radio and non-perishable food items. During emergency situations, these items are often subject to extreme price swings.
- Research the number of past consumer complaints about a contractor with the Better Business Bureau ([www.bbb.org](http://www.bbb.org))
- Only work with licensed contractors and demand that they provide proof of their licensing. Check their contractors' license number with your state contractor's licensing board. Most boards have easy convenient websites where you can review a contractor's license and complaint record.
- Do not allow someone to intimidate you or pressure you into making a rushed decision about purchasing goods or services.

## **Construction Scams**

As the rebuilding process gets underway, unlicensed contractors and scam artists may be looking to cash in on your misfortune. It is natural for homeowners to be in a hurry to begin making repairs following a natural disaster. However, you will save yourself a lot of time, money and frustration by taking the time to check the credentials of the businesses and individuals that you hire to repair your property.

- *Always check references.* Call other clients who had projects completed by this contractor and find out how they felt about their experience. Ask would they recommend him to a friend.

- *Be suspicious of any contractor who tries to rush you.* If possible, shop around for a contractor by getting recommendations from friends and neighbors. Be wary of anyone knocking on your door offering unsolicited repairs to your home.
- *Never pay for work up front.* Always inspect the work and make sure you're satisfied before you pay. Pay in installments as work is completed to your satisfaction. Do not pay anything until you have a contract signed by both you and the contractor, after you have checked the contractors' license with a state licensing agency.
- *Get three written estimates for the work and compare bids.* Check credentials and licenses with the Contractors State Licensing Board, the Better Business Bureau or state attorney general's office to see if the firm has any outstanding complaints.
- Always have a written, detailed contract that clearly states everything the contractor will do, including prices for labor and materials, clean-up procedures, and estimated start and finish dates. Never sign a contract with blank spaces, which a crooked contractor can alter after he's gotten your signature.
- *Don't believe a contractor who says he's supported by the government.* The Federal Emergency Management Agency (FEMA) does not endorse individual contractors or loan companies; call FEMA toll-free at 1-800-621-FEMA for more information.
- *Avoid paying with cash; use a check or credit card instead.* This creates a record of your payments to the contractor.

## **Public Adjusters**

Public adjusters are independent business people that have no relationship with your insurance company or agent. These individuals often solicit business from policyholders following a major catastrophe like a wild fire.

For a fee a public adjuster will help a homeowner document the loss, schedule inspections of the damaged property and negotiate the settlement amount with your insurance company.

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Generally speaking you don't need to hire a public adjuster because your insurer or agent offers the same services at no charge.

By hiring a public adjuster you potentially add extra time and cost to settling a claim. If you hire a public adjuster your settlement check will be made out to you and your public adjuster and will require signature by both parties before it can be cashed.

A public adjusters' fee, which comes out of your settlement check, is generally 10 to 40 percent of the settlement and is not payable by the insurance company.

- Always check the qualifications of an adjuster with the Department of Insurance, in many states they are required to be licensed.
- Be careful of individuals going door to door soliciting business.
- Ask about fees and get a written contract outlining fees and services.
- Avoid public adjusters that claim to be part of a government agency.
- Watch for potential conflicts that may prevent the public adjuster from doing their best for you.



### **Homeowners Coverage During the Rebuilding Process**

Talk with your agent or insurance company and decide the appropriate level of insurance to carry for your dwelling while it's under the course of construction. Remember to reassess that coverage once the house is rebuilt. It is important to ensure your coverage limits adequately reflect the cost to rebuild your completed home.

PCI is composed of more than 1,000 member companies, representing the broadest cross section of insurers of any national trade association. PCI members write more than \$190 billion in annual premium, 40 percent of the nation's property casualty insurance. Member companies write 46 percent of the U.S. automobile insurance market, 32 percent of the homeowners market, 38 percent of the commercial property and liability market, and 41 percent of the private workers compensation market.

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