



## DISASTER RELIEF : INSURANCE RECOVERY

In the wake of the 2017 wildfires in the Northbay of Northern California, Asquared Studios has pulled together some research on wildfire rebuilding information. We offer the following outline of steps for working with your insurance company as a guide for reference ONLY.

If this is the first resource you are consulting after a fire damaged your home, please contact your insurance company or agent immediately. Your insurance agent can advise you of the most important steps to take in the hours and days after the fire. These steps may include:

- Doing whatever is necessary to minimize damage to your home, including covering windows, doors, and other openings and pumping out water
- Possibly putting up a temporary fence around your property to prevent vandalism and theft
- Being certain not to turn on utilities until the fire department advises you that it is safe to do so
- Making a list of those items damaged by the fire, accompanied by what you paid for those items
- Locating temporary housing, whether you stay with friends or family or find an apartment complex that offers special rates for those displaced by disasters
- Hiring a professional home inspector to assess the structural damage to your home

It is very important to establish with your insurance agent what your policy does and does not cover. Some of the steps listed above can be very expensive; you will want to know whether your insurance company will cover some or all of these costs.

Document each conversation in your notebook and include the following:

- Date and time of phone call/meeting
- Full name of person you spoke with
- Items and tasks discussed
- Next steps to be taken, deadline for completion and who is responsible
- Ask how to proceed and what forms or documents will be needed to support your claim.
- Ask if any information is needed from the fire department in order to process your claim. If so, what type of information?
- Again, if you are receiving money from the insurance company, be sure you understand where it is coming from and how it affects what other settlements you expect and accept.
- Ask how to proceed and what forms or documents will be needed to support your claim. Again, ask how accepting procedures along the way affects your ability to question anything later.
- Ask when someone from the insurance company will arrive to assess the damage.
- Date:
- Time:
- Name of insurance representative:
- Contact number/email:

The insurance company may require a "proof of loss" form, as well as documents relating to your claim, such as medical and home repair bills, bids and receipts. Be prepared to show photos that detail every room in your house before the damage.

## STEP 1

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*When will I be able to return to my home?*

No matter the condition, under no circumstances should you return to your home until the fire department tells you that it is safe to do so. Even then, you will likely be allowed to return to your home only to gather essential documents, irreplaceable items such as photos and heirlooms, and other possessions that can be quickly retrieved.

On entering your home, use utilities such as electricity and water only if the fire department tells you that it is safe to do so. If any utilities have been turned off, do not turn them on yourself.

While you are in your home, be sure to take as many photographs as necessary to document the damage for insurance purposes. It's also a good idea to take detailed notes about items that were lost or damaged, and to collect as many receipts for these items as you can find.

Sometimes homes that appear completely safe after a fire can conceal damage that is invisible to homeowners. It is important that you have your home thoroughly inspected by licensed, experienced professionals.

*When You Return Home – Assess Damage & Contact Insurance Company*

Upon returning to your home or business after a fire or evacuation, survey the property for damage. Contact your insurer or agent a.s.a.p to begin the claims process. As the first step in the claims process, your company will assign a claims adjuster to work with you.

*If required, a thorough inspection of your home may entail the following:*

It is unlikely that a single inspector will be able to conduct all aspects of your home investigation. More likely, you will require the services of multiple specialists, including a structural engineer, an industrial hygienist, and a plumber.

A thorough home inspection should evaluate:

- Pipes and other plumbing fixtures
- Air quality
- Windows (if any are intact) and window frames
- The roof
- Electrical circuits, switches, and wires
- Lighting fixtures and fans
- Steel and iron structures
- Siding, stucco, and concrete
- Tile and wooden floors
- Interior walls
- Heating systems
- Mechanical systems in the basement (e.g., pumps, furnaces, water heaters)
- Doors and door frames
- Any area of the home that could be damaged by fire, smoke, heat, or moisture
- Any area of the home that is susceptible to mold

During every stage of the inspection process, you will want to maintain open communications with your insurance agent. Your insurance company will send an adjuster to your home to evaluate the damage; however, the adjuster is unlikely to perform an inspection that takes into account all of the areas listed above. Further inspection by licensed professionals, whether covered by your insurance policy or paid for by you, is almost certainly in your best interests. You should not consider a permanent return to your home until all necessary repairs have been made. If these repairs are not adequately covered by your insurance policy, or if you simply do not want to invest your time and money into salvaging your damaged home, the professionals of Fast Home Help can suggest alternative options, including the possibility of selling your home as-is for cash.

## STEP 2

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### *Is Your Home a Total or Partial Loss?*

**Total Loss** - If a home is uninhabitable after a covered loss, the Additional Living Expenses (ALE) provisions of a typical homeowners or renters policy will enable residents to secure temporary housing while the home is rebuilt. Keep all receipts for hotels and restaurants for reimbursement. ALE does not cover all living expenses but it will cover the increase over normal living expenses.

**Home Inventory** - After a loss insurers need to know what needs to be replaced. If you do not have a home inventory or video, begin making lists of the contents of your home. Go room by room and create a list of furniture, accessories, items in drawers, kitchen housewares, clothing, electronics, jewelry, linens and toiletries.

**Partial Loss** - Make temporary repairs to prevent further damage. If the home is partially damaged, homeowners can cover roofs or broken windows to prevent further damage. Keep all receipts for reimbursement. Immediately report the damage to your insurer and make a list of damaged items for the adjuster. Do not throw away damaged furniture or items unless directed to do so by a public authority or your insurer. Document any damage to your home by taking photos or videos. If you have receipts, bills or an inventory of your items this will help expedite the claims process.

Even if you are able to return to your home after it has been inspected and cleaned, your home may be unoccupied for days, weeks, or even months. Contact your local police department to notify them that your home will be vacant.

You will also want to replace any vital documents you lost in the fire as soon as possible. These might include:

- Your driver's license
- Your passport
- Birth, marriage, and death certificates

- Money that has been damaged (the Treasury Department will exchange undamaged currency for damaged currency)
- Bank records
- Military records
- Your school records
- Savings bonds
- Tax records
- Your Social Security card
- Your vehicle registration
- If applicable, your permanent resident ("green") card

### STEP 3

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#### *Working with an Adjuster*

Insurers devote many resources to ensuring the claims process is smooth and meets your needs. After a loss your insurer will walk you through the claims process and answer questions, estimate the damage to your property and fairly and promptly settle your claim. Regular communication with your adjuster will ensure that claims are settled as efficiently and smoothly as possible.

Public adjusters are independent business people that have no relationship with your insurer. These individuals often solicit business after a major catastrophe like a wild fire. For a fee, a public adjuster will help a homeowner document the loss, schedule inspections and negotiate settlement amount. This fee comes out of the settlement provided by your insurer. You are not required to use a public adjuster to make a claim, but should you choose to do so, there should be a written contract for services that you should review carefully before signing. Most states have laws that cover the conduct, contractual terms and fees for public adjusters that you should consult before retaining a public adjuster.

### STEP 4

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#### *Scope of Work*

Your claims adjuster will work with you and design team to develop a Scope of Work. This is a detailed building plan used to reconstruct your home. The adjuster reviews your previous floor plan, square footage, and interior finish items such as carpet or wood flooring, counter tops, cabinetry, molding and plumbing. Homeowners insurance with replacement cost coverage will cover the cost of rebuilding your home with materials of like kind and quality, subject to the limits and terms of your insurance policy.

#### *Partial or Final Payment?*

If the insurance company offers you a payment, make sure to ask if it is a partial or final payment. A final payment is their final offer and you may not be able to receive additional funds.

## STEP 5

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*Who else do I need to contact after a fire?*

If you have a mortgage on your home, you should contact your lender as soon as possible.

Likewise, you should contact your local post office, utility company, credit card companies, and any other lending institutions you're dealing with. During times of personal tragedy, companies and agencies are often willing to work with people as long as open and honest communication is maintained. You may even be able to have some payments lowered or deferred until you get back on your feet.

If you lost essential medications in the fire, be sure to contact your physician as soon as possible. If you have children, you will want to notify their schools.

*Working with Your Mortgage Holder*

After a major loss there are many questions about routine activities – for instance should you continue to pay the mortgage, taxes and insurance? The answer is yes. Homeowners should continue to pay the mortgage and property taxes. Contact your mortgage holder and inform them of the fire damage. Your mortgage servicer has a financial interest in the home being rebuilt. Some mortgage services require two signatures on checks and may require insurance payments to be placed into an escrow account. The loan servicer may issue payments to contractors after work is completed in stages and inspected by the servicer's inspector. This ensures the home is repaired and insurance proceeds are not fraudulently used by a vendor.

## STEP 6

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*Insurance Payments & Types of Coverage*

Be aware your homeowners insurance policy may have several separate coverages, so you will receive different checks for different losses. Make sure you know what each payment is for if you are receiving multiple payments.

Work with your adjuster to understand the coverage you have for things like debris removal and foundation replacement, note also the soft costs associated with rebuilding as it is not just the value of your home that must be recovered, but the cost of the professionals it will take to get you to the point at which you can rebuild. Understand your policy. Do you have a replacement cost policy which generally provides for the repair or replacement of damaged personal property items, or an actual cash value policy that only provides reimbursement for the depreciated value of your covered personal property?

## STEP 6

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*Evaluating Insurance Needs*

After a loss, work with your insurer or agent to determine the appropriate level of coverage to maintain during the rebuilding process. Be sure to adjust the coverage as necessary once the home is rebuilt.

## STEP 8

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### *Selecting a California State Licensed Architect*

Every architecture firm brings its own combination of skills, expertise, interests, and values to its projects. The challenge is to find the one that aligns most closely with your project's needs.

- When should I bring the architect into the picture?

As early as possible. Architects can help you define your project in every respect and may also do site studies, assist in securing planning and zoning approvals, and provide a variety of other pre-design services.

- Should I meet with more than one firm?

Usually, yes. One obvious exception is when you already have a good relationship with an architect.

- What can I realistically expect to learn from an interview? How can I structure the interview to make it as informative as possible?

You can learn how the architect's team will approach your project by talking to key members. Review buildings the firm has designed that are similar in type and size to yours or that have addressed similar issues.

Find out how the firm will gather information, establish priorities, and make decisions, and what the architect sees as the important issues for consideration.

- Should I expect a firm to deliver all the services necessary to complete the project?

Not necessarily, you may find it necessary to add other consultants to the team. Discussion with your architect will establish who will coordinate owner-supplied work or other services.

- How should I follow up?

By soliciting references. Ask past clients to assess the performance of both the firm and the resulting architecture. Notify the selected firm or short-listed firms as soon as possible to ensure their availability.

- On what should I base my decision?

Personal confidence in the architect is paramount. Seek also an appropriate balance among design ability, technical competence, professional service, and cost.

For additional information on selecting an architect contact:

The American Institute of Architects  
Our local chapter is the AIA Redwood Empire  
Director: Liz Edwards  
email: [ledwards@aiare.org](mailto:ledwards@aiare.org)  
phone: 707-981-4188  
Web: <http://aiare.org>

## STEP 9

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### *Finding a Contractor*

Always check references of contractors by calling previous clients or checking with the Better Business Bureau.

Be suspicious of any contractor that tries to rush you, offers unsolicited repairs to your home or says he is supported by the government. The Federal Emergency Management Agency (FEMA) does NOT endorse individual contractors or loan companies. Call 1-800-621-FEMA for more information.

Get written estimates for the scope of work. Always have a written detailed contract that clearly states what 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 can be altered after you sign.

Never pay the full amount upfront or with cash. Use a check or credit card to maintain a record of your payments to the contractor. Pay for work as it is completed in installments. If you have a mortgage on the home, your mortgage servicer may require an escrow account and review work before installment payments are made to ensure the home is actually repaired to the original condition.

## GENERAL REMINDERS

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Again, keep records of the expenses you incur as a result of a fire. You may be reimbursed under your policy. Note on each receipt what was purchased and enter details in your expense book.

If you are using a credit card, designate one card for post-event expenses, keeping all receipts with your monthly credit card statement for backup. Receipts could include:

- Building contractors
- Cell phone, pager or other method of communication
- Child care or other care providers
- Cleaning services (clothes and house)
- Clothing, personal items (medications, toiletries)
- Food (purchased from stores and from restaurants)
- Hotels or other temporary living expenses
- Mailbox rental (if mail needs to be redirected or forwarded)
- Pet supplies, boarding costs or pet care providers (for on-site care)
- Security services (to prevent looting)
- Storage rental unit for possessions or vehicles
- Temporary business relocation costs (if business was home-based) including answering service and other expenses
- Be sure you keep copies of what you are sending to the insurance company – don't give away your last copy!

Be sure you understand the type of coverage you have, what "account" they are taking your insurance money from and how it may affect your rebuilding/restoring process.