

Top Ten Tips for Wildfire Claimants

- 1 Obtain a complete copy of your residential homeowner's insurance policy, including your declarations page. The law requires your insurance company to provide this to you free of charge within 30 days of your request. Ask your agent or insurer representative to explain how much coverage you have (1) to rebuild or repair your home, (2) for your personal belongings, and (3) for living expenses. This should include an explanation of Extended Replacement Cost and Building Code Upgrade coverages if applicable. Ask how to most effectively claim your coverage benefits.
- 2 Take note of your Additional Living Expense (ALE) limits and manage your ALE expenses in recognition of a long rebuilding process. Your time to collect ALE after a declared catastrophe is no less than 24 months even if your policy says otherwise; however your amount of coverage is not increased. An extension of up to 12 additional months, for a total of 36 months, should be granted if you encounter delays beyond your reasonable control.
- 3 Track all of your additional expenses that arise from having to live in another location away from your home. Note: your ALE reimbursement may be offset by your normal cost of living before the fire (i.e., ALE does not pay for your mortgage or expenses you would normally incur) but you are entitled to the same standard of living you had before the fire. ALE will pay for temporary rent, additional mileage, etc.
- 4 Document all of your conversations with your insurer/adjuster about your claim and policy limitations in a dedicated "claim diary." If your adjuster says something is excluded, limited, or subject to certain conditions, ask the adjuster to point out the specific provision in your policy being cited.
- 5 Get at least one licensed contractor's estimate or bid on the cost to rebuild your home just to get a reasonable sense of the actual cost as compared to your coverage limits (for more considerations on contractors, view the CDI's electronic brochure [Don't Get Burned After a Disaster](#) and check the website for [California's Contractors State License Board](#).) While your insurance company may provide its own estimate, it may contain errors or fail to reflect local conditions or demand surge. Demand surge reflects price increases following a major disaster when contractors and materials are in short supply.
- 6 Call the Department of Insurance Hotline for help at (800) 927-4357. You can also file a complaint at: <http://www.insurance.ca.gov/01-consumers/101-help/>. Consider insights from consumer advocates.
- 7 Understand you can purchase or rebuild at another location, and still receive full replacement cost benefits including Building Code Upgrade and Extended Replacement Cost benefits if those were included on your policy and necessary to rebuild the insured dwelling. You also have the right to rebuild using the contractor of your choosing. In order to reduce the cost of rebuilding, you might also consider a community-wide development approach utilizing a common builder.

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- 8 Assess your situation and do not rush into any decision about contractors, lawyers or public adjusters and consider your mortgage/employment/financial situation, your age, children's schools, your willingness to deal with construction issues (no matter who your contractor is). The insurance process is a series of important decisions over a long period of time, but few, if any, need to be made today. Of course, move forward if you have obtained multiple bids from reputable licensed contractors, are certain you want to rebuild, are sure of the rebuilding costs and your insurance limits and want to be sure you are a priority for your selected contractor to start the rebuild. The [Contractors State License Board \(CSLB\)](#) has publications that can help you identify and avoid problems before they occur. Contact CSLB at 1-800-321-2752 to obtain a free copy of their publications and/or verify the [licensing status](#) of a contractor.
- 9 Do not assume you have inadequate coverage based on general information you hear about building costs or other general comments. The adequacy of your limits needs to be addressed on a case specific basis to determine how much it will cost to rebuild your home and whether your limits, including extended replacement cost coverage if applicable, are adequate. But if you determine you are underinsured, gather relevant documentation and contact the Department of Insurance for help.
- 10 Evaluate whether you will need a public adjuster or attorney to help you with your claim. If rebuilding will take a long time you are likely to use your entire ALE limits. If you are also reimbursed by your insurer for your entire personal property loss or your full personal property limits, you may not need a public adjuster or attorney to help you obtain full settlements for either of these coverages. Public adjusters typically require a percentage of the claim settlement for their services. Make sure you understand what they charge and the services you are paying for before you sign a public adjuster contract. Some public adjusters may insist on a contract that includes payment to the public adjuster based upon the entire amount paid to the policyholder by the insurer, including amounts paid to the policyholder before the public adjuster contract was signed. A public adjuster should not charge a fee on payments you received from your insurer before the public adjuster contract was signed. A fee should only be charged on additional monies the public adjuster gets for you. Contact the Department if this issue arises in your contract.

In a declared-disaster, you may cancel the contract within five calendar days. Public adjusters are required to be licensed by the California Department of Insurance. To verify a public adjuster's license, call us at 1-800-927-4357 or check the status online by [name](#) or by [license number](#). Practicing without a license is against the law. Public adjusters may not solicit business in a declared-disaster area until 7 calendar days have passed from the end of a loss-producing event such as a fire.

Please note: These tips are for general guidance only and are not a substitute for legal advice.