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## FOR RELEASE ON RECEIPT

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# PCI Urges Washington Homeowners to Follow Five Steps to Recovery

OLYMPIA, WA — As residents return to their homes to assess the damage from the recent Carlton Complex wildfires, there are important steps homeowners can take to begin the recovery and insurance claims process, says the Property Casualty Insurers Association of America (PCI).

"While losing a home and personal belongings to a wildfire is daunting, working with your insurance company and following some simple steps can ease the recovery process," said Kenton Brine, assistant vice president for PCI. "Homeowners insurance is a partnership, and the first step is to contact your insurance company or agent to file a claim. Insurers are ready to work with policyholders to help them understand the claims settlement process and offer customer assistance."

The Carlton Complex fire in north-central Washington is estimated to have destroyed 300 homes in Alta Lake and Pateros.

"Homeowners with a total loss should begin making lists of their personal belongings in each room so your adjuster can understand what needs to be replaced," said Brine. "Go room by room and write down furniture, accessories, electronic equipment, kitchen housewares, clothing, jewelry, linens and toiletries."

"Homeowners should always be comfortable to ask questions and don't be afraid to talk to a supervisor within your insurance company," said Brine. "The Washington Office of the Insurance Commissioner is also available to answer questions or assist with a claim. Consumers should know their rights and what resources are available." ([www.insurance.wa.gov](http://www.insurance.wa.gov))

By following these five steps, homeowners can take positive actions that will improve the claims process:

### Step 1: Contact Your Insurer and File a Claim

Filing a claim gets an insurance adjuster from your company assigned to you. If a home is uninhabitable after a covered loss, the Additional Living Expenses (ALE) provisions of a typical policy will help the homeowner find temporary housing while the home is rebuilt. Homeowners should keep all receipts for hotels and restaurants for reimbursement. ALE does not cover all living expenses, but it does cover the increase over normal living expenses. Homeowners should continue paying their mortgage and property taxes on their home.

### Step 2: Make a Home Inventory

Adjusters will ask homeowners to complete a home inventory that lists their personal belongings. Homeowners should make a record of the contents in each room. Don't forget electronics, towels, dishes and the items in the garage.

### Step 3: Work Closely with the Claims Adjuster

Public adjusters are independent businesspeople that have no relationship with your insurer. These individuals may solicit homeowners after these fires. For a fee, a public adjuster will help a homeowner document the loss, schedule inspections and negotiate a settlement. It is important to understand that the fee to pay the public adjuster comes out of the settlement provided by the insurer.

Your company adjuster will walk you through the claims process, answer questions, estimate the damage to your property and fairly and promptly settle your claim. Regular communication with your adjuster will make the settlement process move efficiently and smoothly. The adjuster will work with the homeowner and their contractor to develop a scope of work. This is a detailed building plan used to reconstruct the home. The adjuster will use the previous floor plan, square footage and interior finishes like carpet, counter tops, cabinetry and plumbing. Homeowners with a replacement cost policy will cover the cost of rebuilding the house with materials of like kind and quality subject to limits and terms of the policy.

### Step 4: Understand Your Coverage and Ask Plenty of Questions

It is important to understand the separate types of coverage under a policy.

Coverage A: Covers the cost of rebuilding the home.

Coverage B: Covers detached structures like a garage and is generally a percentage of the Coverage A limit.

Coverage C: Covers the contents and personal possessions in the home and is generally a percentage of the Coverage A limit.

Coverage D: ALE will cover temporary living expenses during rebuilding process.

As the rebuilding process gets under way, homeowners will hear different terms like Coverage A and Coverage B. Homeowners need to understand the type of policy they have and which expenses are paid for under what coverages. There are two kinds of policies: A replacement cost policy will generally repair or replace covered personal property damaged by an insured peril. While an actual cash policy only provides reimbursement for the depreciated value of covered personal property.

### Step 5: Always Use Licensed Contractor

Homeowners rebuilding their home should use care in selecting a contractor to make sure any contractors hired are appropriately licensed by the Department of Labor and Industries. Be sure the contractor has references and maintains the necessary bonds and insurance. Never pay for repairs up front. Always pay in installments as work is completed.

Washington Department of Labor and Industries

<http://www.lni.wa.gov/tradeslicensing/contractors/howreg/default.asp>

### **More Resources:**

[After the Fire: A Step-by-Step Recovery Guide](#)

[http://www.pciaa.net/web/sitehome.nsf/lcpublic/176/\\$file/AfterTheFire\\_Generic\\_070313.pdf](http://www.pciaa.net/web/sitehome.nsf/lcpublic/176/$file/AfterTheFire_Generic_070313.pdf)

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 over \$195 billion in annual premium, 39 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, 37 percent of the commercial property and liability market, and 41 percent of the private workers compensation market.

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