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Drought Fallout: Northern California Are Your Finances Ready for A Wildfire

Drought Fallout: Northern California Are Your Finances Ready for A Wildfire Play it Safe with a Wildfire Reality Check

SACRAMENTO, Calif. – As Californians keep their fingers crossed that predictions of a strong El Niño will break the state's fourth year of extreme drought, the Property Casualty Insurers Association of America (PCI) is urging residents from Redding to San Diego to take a wildfire reality check and be sure their homes and finances are prepared for wildfire threats in 2015.

PCI is launching its Wildfire Reality Check Preparedness campaign to remind homeowners and renters that now is the time to take the simple steps which will help protect you financially if your home is destroyed or damaged in a wildfire.

"We can't control what Mother Nature brings, but we can prepare for what she may do," said Christopher Hackett, PCI director of personal lines policy. "Through the Wildfire Reality Check we want to move people from focusing solely on the need to prepare their property for wildfires, to also thinking about the financial implications. The Wildfire Reality Check asks if you have taken the time to financially prepare for wildfires and provides tips and resources to help you get ready."

With prolonged drought in the West, fire officials are battling more fires in harsher, drier conditions. But according to a study conducted online by Harris Poll on behalf of PCI, only 34 percent of Americans in western states have taken specific action such as creating a disaster response plan, reducing wildfire risk or making a home inventory. While two-thirds of Westerners say they have enough insurance to cover home damage or a total loss in the case of a natural disaster/severe weather event, only 26 percent conduct a yearly insurance review of their insurance policy and limits. Less than half, 42 percent, of Westerners said that they have maintained adequate savings or have cash on hand to meet short term expenses that arise following a natural disaster. The study was conducted among over 2,000 U.S. adults in March.

"This makes the Wildfire Reality Check consumer education campaign all the more important," said Hackett. "One simple but often overlooked wildfire preparedness tool is your smartphone. It can make all the difference in preparing for and responding to wildfires. You can use your phone to download apps from the Red Cross and FEMA that will help you prepare and recover. It can be used as a camera to make a home inventory by recording what you have in each room and your garage. You can even use it as a phone to call your agent or company and do an insurance checkup. Taking time now to financially prepare will make recovery easier and smoother."

PCI encourages everyone to take the Wildfire Reality Check Quiz (<http://bit.ly/WildfireQuiz>) and test their level of preparedness. The [PCI Wildfire Headquarters](http://bit.ly/PCIWildfireRealityCheck) has many resources and tips including the Wildfire Reality Check Infographic (<http://bit.ly/PCIWildfireRealityCheck>).

PCI & Harris Poll on Preparedness:

<http://bit.ly/WildfireRealityStats> (Infographic)

Wildfire Financial Preparedness Tips:

Review Your Policy Regularly – Review your property insurance policy with your insurance company or agent.

If you have recently remodeled or built a new addition onto your property, be sure to increase the amount of protection to cover the changes to the property.

If your home is paid off, be sure to maintain coverage.

Keep an Inventory - To speed claims processing, keep an inventory of your possessions and photograph or videotape them for documentation purposes. After a fire, you will be asked to list the items that were destroyed or damaged along with a brief description that includes receipts, appraisals, and the age, current value, make, model and serial number of items.

Understand Your Policy - Homeowners need to understand the type of policy they have. 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 value policy only provides reimbursement for the depreciated value of covered personal property. Coverage for earthquake damage is typically available as an optional endorsement to your homeowners insurance policy.

California residents can purchase earthquake coverage from the California Earthquake Authority (CEA). Flood insurance is available through the National Flood Insurance Program (NFIP).

Survey Methodology:

The survey was conducted online within the United States by Harris Poll on behalf of PCI from March 20-24, 2015 among 2,021 adults ages 18 and older. This online survey is not based on a probability sample and therefore no estimate of theoretical sampling error can be calculated. For complete survey methodology, including weighting variables, please contact Jeffrey Brewer, vice president, public affairs for PCI.

About The Harris Poll

Over the last 5 decades, Harris Polls have become media staples. With comprehensive experience and precise technique in public opinion polling, along with a proven track record of uncovering consumers' motivations and behaviors, The Harris Poll has gained strong brand recognition around the world. The Harris Poll offers a diverse portfolio of proprietary client solutions to transform relevant insights into actionable foresight for a wide range of industries including health care, technology, public affairs, energy, telecommunications, financial services, insurance, media, retail, restaurant, and consumer packaged goods. Contact us for more information.

PCI promotes and protects the viability of a competitive private insurance market for the benefit of consumers and insurers. PCI is composed of nearly 1,000 member companies, representing the broadest cross section of insurers of any national trade association. PCI members write more than \$195 billion in annual premium, 35 percent of the nation's property casualty insurance. Member companies write 42 percent of the U.S. automobile insurance market, 28 percent of the homeowners market, 33 percent of the commercial property and liability market and 35 percent of the private workers compensation market.

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