



# PROTECTING YOUR HOME- INSURANCE SHOPPING IN TODAY'S MARKET

Sandra Watts

Project Coordinator, Roadmap to Recovery

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# Sandra Watts United Policyholders

25+ years experience in claims and claims management,  
previously a California licensed agent, currently serves as  
claim consultant and expert witness

Active in long term disaster recovery through our  
“Roadmap to Recovery” program

# About United Policyholders

- Based in the Bay Area, operating nationwide
- Non-profit and independent
- Expertise in insurance (buying, claims, legal)
- Supported by donors, grants and volunteers
- A trusted source for the media
  - <http://uphelp.org/news/up-in-the-news>
- A respected voice and help resource for consumers
- Board members include realtors, wealth advisors, insurance law experts

# WISE UP

The Savvy Consumer's Guide  
to Buying Insurance

HOME, RENTAL, AUTO  
& UMBRELLA EDITION



United  
Policyholders.

Amy R. Bach and John P. Sullivan

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# 26 years of experience:

- Guiding consumers on insurance decisions
- Improving disaster recovery for individuals, businesses and communities
- Advocating for coverage in claim scenarios
- Keeping tabs on insurance prices and policies
- Advancing solutions to problems
- Partnering with public officials, professional associations and businesses

# Our Three Programs

- Roadmap to Recovery
  - *Helping people and businesses solve insurance problems.*
- Roadmap to Preparedness
  - *Increasing insurance literacy and preparedness by sharing lessons learned by disaster survivors.*
- Advocacy and Action
  - *Standing up for consumers in courts of law, legislative and other public policy forums, and in the media.*

# The 411

- 15 minutes isn't enough time to calculate a home's replacement cost but that is common
- 2/3 of US homes are underinsured
  - Agents focus on making the sale
  - Consumers focus on price
- Most people never know b/c total losses are rare
- Oral promises by insurance reps that you're fully covered are useless if you can't prove them later
- Basic policies exclude many risks and cap specific items. Add-ons are often a bargain
- Captive vs. Independent agent policy options

# What matters:

- Replacement coverage over ACV
- Extended replacement coverage
- Building Code Upgrade coverage
- Adequate structure and ALE limits
- Schedule valuables, collections, business property
- Exclusions: Flood, water, mold, EQ,



**SPECIALTY**  
INSURANCE SOLUTIONS

# HOMEOWNERS ENDORSEMENT CONFIRMATION

TIG INSURANCE COMPANY  
733 BISHOP STREET  
HONOLULU, HI 96813

Policy Number: [REDACTED]

Name and Address of Insured(s):

[REDACTED]

Agent or Broker: 644270  
FINANCE INSURANCE, LTD.  
1164 BISHOP ST STE 400  
HONOLULU, HI 96813-2810

Address of the Premises  
(If other than above):

PHONE: [REDACTED]

Effective Date: December 14, 2003 12:01 AM  
Expiration Date: December 14, 2004 12:01 AM

Mail To:

[REDACTED]

FIRST LENDER

[REDACTED]

POLICY FORM	DWELLING TYPE	PREMIUM PAID BY	PROCESS DATE
SPECIAL	PRIMARY RESIDENCE	INSURED	06/16/04
DATE OF CHANGE	REASON FOR CHANGE (If Applicable)		
05/06/04	INCREASE DWELLING COVERAGE TO \$600,000		

## Coverages & Limits of Liability

Coverage provided where a Limit is shown.

Cov A. Dwelling:	\$600,000
Cov B. Other Structures:	\$60,000
Cov C. Personal Property:	\$240,000
Cov D. Loss of Use:	\$120,000
Cov E. Liability (each occur):	\$500,000
Cov F. Medical (each person):	\$1,000
Medical (each accident):	\$25,000
Damage to Property of Others:	\$500

## Amendments & Attachments

### POLICY EXCLUDES ALL "HURRICANE" LOSS

LENDER'S LOSS PAYABLE CLAUSE  
ADDITIONAL INSURED CLAUSE  
GUARANTEED REPLACE COST CLAUSE \$1

Z11904C ADDTL RES PREMISES SEC II 01-88	\$14
H14398E SPECIAL PROVISIONS 11-91	
H18203B SUPPLEMENTAL PROVISIONS 08-90	
H22040A HURRICANE EXCLUSION 04-94	
H11913B SPECIAL FORM POLICY 03-84	
H13408A OPTIONAL INCLUSION 07-84	

## Premium Adjustments

[REDACTED]

Deductible(s):

ALL PERILS \$500

### TOTAL PREMIUMS:

Coverages & Limits of Liability: \$564  
Amendments & Attachments: \$15  
Premium Adjustments:  
Total Annual Premium: \$579

IMPORTANT POLICY INFORMATION ON REVERSE SIDE

**“Endorsements”** change the terms of an insurance policy by adding or subtracting coverage

**There are over 100 common endorsements for the standard homeowners policy. A few examples:**

Building Code/Ordinance	Extended Replacement Cost
Sewer backup/Flood	Home Business
“Scheduled” items	Earthquakes
Replacement Cost Value (RCV)	Umbrella Coverage/ Excess Liability





**Common  
sub-limits  
and caps**



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# EQ insurance: to buy or not to buy?

- CEA, endorsement or “stand-alone”
  - Deductible and cost options
- Consider conditions at the home:
  - Bedrock?
  - Soft story?
  - Wood frame construction?
  - Age of foundation?
- Equity vs. loan balance?
- Ability to finance repairs w/out it?



# Questions to ask an ins. agent:

- ☐ Will this policy cover the **cost of rebuilding** my home to its pre-loss condition?
- ☐ What causes of loss are **not covered**?
- ☐ Will my insurance cover the cost to upgrade electrical, plumbing and other **building codes upgrades** if I have to make repairs or rebuild my home?
- ☐ Are there limits in this policy on replacing property if there's a need to **match** or if damage is considered **cosmetic** only?
- ☐ For how long will my **temporary rent and related expenses** be covered while my home is being repaired or rebuilt after a loss?

## More questions:

- ❑ What items are subject to ***limits or exclusions*** and for which of these limits or exclusions should I consider adding coverage?
- ❑ What are my options for insuring my ***home-based business*** property and operations?
- ❑ Is my Coverage C (Personal Property) for ***Replacement Cost Value***?
- ❑ What ***discounts*** do you offer and how do I qualify for them?
- ❑ How much can I save if I increase my ***deductible***?

# CDI Homeowners Coverage Comparison Tool

<https://interactive.web.insurance.ca.gov>

Company	CSAA Insurance Exchange
Policy	Homeowner - Homeowners Policy Special Form-HO-3
<div>+</div> Water Damage	
<div>+</div> Mold	
<div>-</div> Other Coverages	
<div>Print</div>	
Damage to the foundation or slab	<p>Coverage is not provided for the settling, cracking, shrinking, bulging, or expanding of foundations or other paved areas.</p> <p>Please review the policy for the complete extent, conditions, exclusions and limitations of this coverage.</p>
Falling objects	<p>Coverage for loss caused by falling objects to property inside a building is provided only if the falling object has first damaged an outside wall or the roof of the building. No coverage is provided for the object that falls.</p> <p>Please review the po <a href="#">more ...</a></p>
Collapse of the dwelling	<p>Subject to the full terms of the policy, we insure for direct physical loss to covered property involving actual or imminent collapse of a building structure or any part of a building structure caused only by one or more of the following:</p> <p>a. Perils Ins <a href="#">more ...</a></p>
Landslide and earth movement	Not Covered
Debris removal	<p>Subject to the full terms of the policy, we will pay the reasonable expense incurred by you in the removal of debris of covered property provided coverage is afforded for the peril causing the loss. Debris removal expense is included in the limit of liabi <a href="#">more ...</a></p>
Trees, shrubs, & plants	<p>Subject to the full terms of the policy, we cover trees, shrubs, plants or lawns, on the residence premises, for loss caused by the following Perils Insured Against: Fire or Lightning, Explosion, Riot or Civil Unrest, Aircraft or Vehicles not owned or op <a href="#">more ...</a></p>

# Go over scenarios

- Take notes and keep them offsite (your email is a good place)
- Make your insurance goals be known
- Follow up if you have any additional questions



# Solving insurance gaps after the fact is very hard...



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# Preparedness Messages:

- Buy the right kind and amount of insurance  
[“Insure to value” and “know your stuff”]
- Check in with your agent when life changes occur
- Inventory your assets
- Scan important documents and store offsite
- Take steps to “harden” your home and qualify for insurance discounts
- **DON'T SHOP ON PRICE ONLY!!!**

# Maintain your safety net

Don't ignore recommendations to adjust your coverage to keep your protection current, especially when life changes occur such as:

- Home remodels and major repairs
- Someone (not related) moves into your house
- You get engaged or married
- You separate or get a divorce
- You get a dog and your policy does not cover the breed



# The lay of the land:

- Name brand insurers reducing their market share in CA
- Urban/wildland interface becoming more populated
- UP is working to maintain healthy competition among insurers and promote resilience to natural disasters
- The recent fires will result in new laws and limitations of coverage



# For more information visit [www.uphelp.org](http://www.uphelp.org)

- Insurance Buying Tips
- Insurance Claim Help (when you need it)
- Sign up for our Tip of the Month: [info@uphelp.org](mailto:info@uphelp.org)

