

Roadmap to Preparedness Program

PROTECTING YOUR HOME-INSURANCE SHOPPING IN TODAY'S MARKET

Sandra Watts

Project Coordinator, Roadmap to Recovery February 28, 2019



Sandra Watts United Policyholders

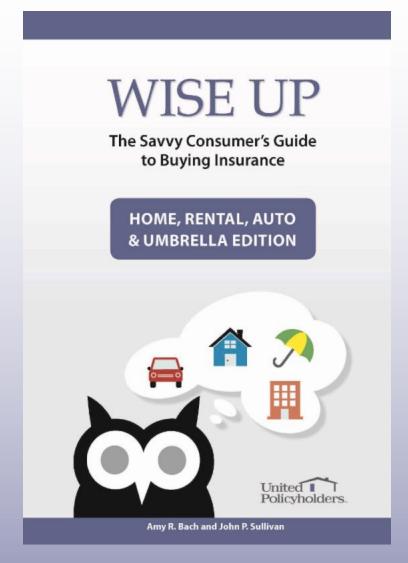
25+ years experience in claims and claims management, previously a California licensed agent, currently serves as claim consultant and expert witness

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

United Policyholders
2018 Onited Policyholders 2019 SERVED
RIGHTS RESERVED

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



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,

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\$ PECIALTY" HOMEOWNERS ENDORSEMENT CONFIRMATION

TIG INSURANCE COMPANY 733 BISHOP STREET HONOLULU, HI 96813

Policy Number:

Name and Address of Insured(s):



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:

Effective Date: December 14, 2003 Expiration Date: December 14, 2004

12:01 AM 12:01 AM

Mail To:

FIRST LENDER



POLICY FORM	DWELLING TYPE PRIMARY RESIDENCE	PREMIUM PAID BY	PROCESS DATE
SPECIAL		INSURED	06/16/04
05/06/04	REASON FOR CHANGE (If Applicable) INCREASE DWELLING COVERAGE I		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1

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 H14398E SPECIAL PROVISIONS H18203B SUPPLEMENTAL PROVISIONS 08-90 H22040A HURRICANE EXCLUSION 04-94 H11913B SPECIAL FORM POLICY H13408A OPTIONAL INCLUSION 03-84

Premium Adjustments

\$500

Deductible(s): ALL PERILS

TOTAL PREMIUMS:

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

\$579

IMPORTANT POLICY INFORMATION ON REVERSE SIDE

H 4306 B

INSURED COPY

10-94

"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









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

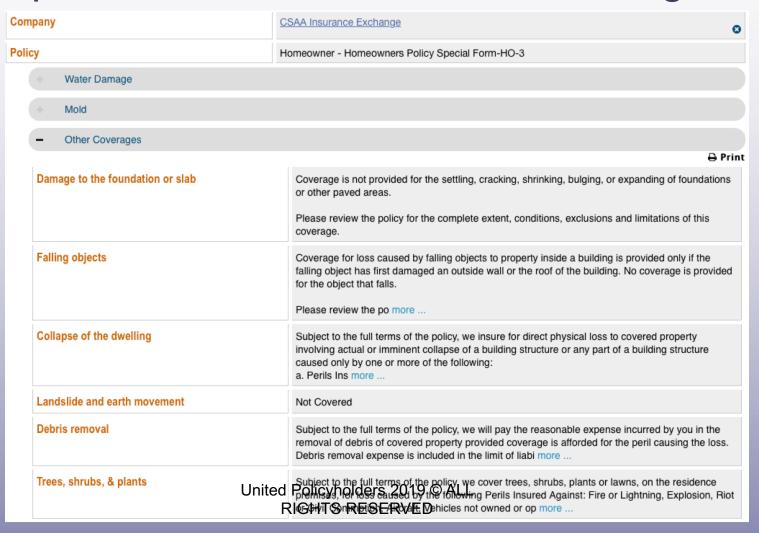
or rebuilt after a loss?

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



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...



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

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

