

Reed Smith **2017 California Wildfires** Relief Resource Guide

October 2017



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Though the wildfires continue to burn across California, insurance industry insiders have estimated that the reconstruction cost value for homes potentially at risk in the Napa and Santa Rosa areas alone will be more than \$65 billion. Families and individuals impacted by this season's wildfires in California will generally have claims for fire, smoke and/or ash damage to their homes, property within their homes, and automobiles.

First Steps After a Wildfire

This checklist from United Policyholders will help keep homeowners on track during this stressful time. United Policyholders is a nonprofit organization that has been educating and advocating for disaster victims since 1991.

- ✓ Take care of your or your family's immediate needs first.
- ✓ Finding temporary housing is a priority. Your insurance company should help you find a place of similar size.
- ✓ Start a recovery diary. Take notes on: who you talked to, the number you called, date and time, what was said. Keep your paperwork organized.
- ✓ Ask your insurance company for cash advances for: (i) living expenses, and (ii) replacing personal property
- ✓ Keep all receipts while you are displaced. Hotel bills, clothes and pet boarding may be reimbursed but require receipts.
- ✓ Take photos of your property before any cleanup or debris removal happens.
- ✓ Do not rush into signing contracts. Get copies of ALL paperwork you do sign.
- ✓ An insurance adjuster will eventually come and inspect your home. If they make you a settlement offer on the spot, get a 2nd opinion on what you're entitled to.
- ✓ Inventorying your damaged and destroyed property is time-consuming and unpleasant. Tips and tools to help you can be found at <http://www.uphelp.org/pubs/home-inventory-and-contents-claim-tips>
- ✓ Give your insurer a chance to do the right thing, but be prepared to stand up for your rights and get help if you're not being treated fairly.
- ✓ Register with FEMA (federally declared disaster) and the SBA (state disaster declarations needed). More information on FEMA and the SBA is listed below.

Homeowners Insurance

Homeowners are likely feeling overwhelmed and in shock by the loss of their homes and property with little to no warning. If you have homeowners insurance, though, know that most homeowners policies cover fire damage for damage or destruction to the home itself and all property inside. Damage caused by smoke and/or ash may also be covered, but policy terms vary.

It is important for homeowners to request from their insurer a current and *complete* copy of their homeowners insurance policy. If you don't have the contact information for your insurance company or agent, the California Department of Insurance can help: 1-800-927-HELP (4357) or <http://www.insurance.ca.gov/>.

A complete homeowners insurance policy should contain a declarations page that lists how much the dwelling is insured for and the limits of any Contents or Additional Living Expenses (ALE) coverage that may have been purchased. The complete policy should also contain the general terms and conditions of coverage, a list of exclusions of coverage, and any endorsements that may apply.

Most home insurance policies provide coverage for expenses incurred due to the loss of use of a home. Some policies call this "Additional Living Expense" (ALE) coverage. Others call this "Loss of Use." Sometimes this is a dollar amount (i.e., \$50,000) and sometimes it is a time limit (i.e., 24 months). Under California law, ALE benefits for disaster losses must be available for a minimum of 24 months. To figure out if an expense qualifies for ALE coverage, a homeowner should ask: Is this an expense I incurred because of the loss event? If the answer is yes, it is reasonable to seek reimbursement under ALE/Loss of Use coverage. It is important to save all receipts for costs that may be reimbursable.

Standard homeowners policies are likely to offer coverage for landscaping replacement caused by wildfires. This type of coverage is typically a set amount or a percentage of the limit of coverage for the home. Unfortunately, landscaping losses often exceed coverage limits. For example, mature trees can be valued as high as \$5,000, yet many policies contain a \$500 per-tree limit.

Finally, while homeowners are responsible for clearing debris following a wildfire, some policies may cover the cost for this work. Homeowners should keep organized records of any materials purchased or labor hired to assist in cleanup. Photograph recognizable items before they are cleared from the home or property, particularly items the insurer removes for cleaning or salvage.

Some tips from the California Department of Insurance on how to avoid being victimized by an insurance scam following a disaster can be found at <http://www.insurance.ca.gov/0400-news/01blog/blog010-13.cfm>

A claim should be made immediately to protect the homeowners' rights, and the homeowner should ask for advanced payments. [The United Policyholder's Insurance Claim Help Library provides homeowners with tips for filing dwelling and contents claims, sample letters and claim forms, information on resolving claim disputes, and additional links to government and professional help.](http://www.uphelp.org/blog/north-bay-fires-insurance-claim-help) The Help Library can be accessed at <http://www.uphelp.org/blog/north-bay-fires-insurance-claim-help>

Auto Insurance

Automobile damage caused by a fire is generally covered under the Comprehensive coverage portion of the policy. Individuals should obtain a complete copy of their automobile insurance and submit a claim to their automobile insurer.

FEMA Disaster Assistance

FEMA aid is generally considered emergency assistance of last resort to help individuals find temporary housing, and to be able to return to their primary residence. FEMA aid is available for temporary housing, repair, replacement, housing construction, and other basic needs.

A summary of key federal disaster aid programs that can be made available as needed and warranted under the president's disaster declaration issued for the state of California can be found at <https://www.fema.gov/news-release/2017/10/10/federal-aid-programs-state-california>

Individuals and business owners who sustained losses in the designated area can begin applying for assistance by registering online at <https://www.DisasterAssistance.gov> or by calling 1-800-621-FEMA (3362).

Individuals have 60 days from the date of the disaster to apply for FEMA disaster assistance, although the date may be extended, as it was in other jurisdictions. Every impacted individual should immediately file and register for aid.

FEMA assistance is generally not available if any other funding source is available, including insurance, an SBA loan, or private or other charitable donations. However, FEMA will advance immediate funds to individuals that may need to be paid back if those costs are ultimately covered by insurance or paid by another source.

FEMA temporary housing assistance is available regardless of income generally for three months for homeowners and one month for renters, but that may be extended based on individual circumstances.

Tips from FEMA for salvaging damaged family treasures following a wildfire can be found at https://www.fema.gov/media-library-data/1452020463438-03d4365a46c620bdd1ad1e854379c237/Fire_FIMA_Fact_Sheet_2015_508.pdf

Small Business Administration (“SBA”) Disaster Loans

Even with homeowners and auto insurance, many of those affected by the 2017 California wildfires will have a significant gap between their actual costs from the disaster and insurance proceeds.

The Small Business Administration provides low-interest disaster loans to help small businesses and homeowners recover from declared disasters. General information and application for assistance can be found at <https://www.sba.gov/disaster-assistance>.

Most people can demonstrate the economic ability to repay an SBA loan and qualify for the loan. Collateral is not necessary to qualify for an SBA disaster loan, i.e., the home does not need to have sufficient equity to cover the loan. You can learn more about SBA Disaster Loans at <https://www.sba.gov/loans-grants/see-what-sba-offers/sba-loan-programs/disaster-loans>

All impacted individuals should go through the process of applying for an SBA loan, because it impacts the ability to obtain certain FEMA assistance (that does not need to be repaid).

Assistance with Landlord or Tenant Issues

Individuals may have issues with their landlords involving the condition of the damaged premises. In California, the legal arrangement between a tenant and landlord is governed by the parties’ contract or lease.

General information on landlord and tenant rights in California can be found at <http://www.dca.ca.gov/publications/landlordbook/index.shtml>

Immediate Foreclosure Relief

If your home or ability to make mortgage payments was harmed by the 2017 California wildfires, you may qualify for relief to help you keep your home. If you are at risk of losing your home because of the disaster, your lender may stop or delay initiation of foreclosure for 90 days. Lenders may also waive late fees for borrowers who may become delinquent on their loans as a result of the disaster.

If you have a Federal Housing Administration (FHA)-insured mortgage, follow the instructions at https://www.hud.gov/program_offices/housing/sfh/nsc/qaho0121

If you have a conventional mortgage, contact your lender to see if you are eligible for relief.

Mortgage Insurance for Destroyed/Damaged Homes

If your home was destroyed or damaged to such an extent that you are forced to rebuild or relocate, you may qualify for the Section 203(h) program, which makes it easier to get mortgages or to re-establish yourself as a homeowner. This mortgage insurance requires no down payment and allows for 100 percent financing. For more information, please visit https://www.hud.gov/program_offices/housing/sfh/ins/203h-dft

Replacing Original Documents

Individuals may need to replace original documents. Copies of insurance policies may be obtained directly from insurers. Proof of insurance may be available from a broker or agent, who can assist with obtaining a full copy of any policy.

Professionals that assisted with home closings may have copies of deeds, mortgages, plats of survey and real estate appraisals (often with pictures of the home).

Here are some additional links to assist with that process:

Social Security Issues and to Replace Card: <http://www.usa.gov/replace-vital-documents> or call 1-844-USA-GOV1

Driver's License or Identification Replacement Cards: <https://www.dmv.org/ca-california/replace-license.php>

Medicare Card Replacement: <https://www.usa.gov/medicare>

Passport Replacement: <https://travel.state.gov/content/passports/en/passports/lost-stolen.html>

Birth Certificate and other Vital Records: <https://www.cdph.ca.gov/Programs/CHSI/Pages/Vital-Records.aspx>

Tips on Hiring a Contractor

Individuals should be careful about selecting their contractors. Tips and warnings about unlicensed contractors following a disaster can be found at:

<http://www.cslb.ca.gov/Resources/GuidesandPublications/AfterADisasterGuide.pdf>

http://www.cslb.ca.gov/Media_Room/Disaster_Help_Center/Disaster_Information.aspx

<https://www.bbb.org/greater-san-francisco/news-events/news-releases/2015/08/bbb-offers-advice-in-wake-of-wildfires/>

Finding a Lawyer and Legal Assistance

Sonoma County Bar Association: http://www.sonomacountybar.org/?page_id=150

Legal Aid of Sonoma County: <http://legalaidsoc.org/>

Bay Area Legal Aid – Napa County Office: <https://baylegal.org/get-help/find-an-office/napa-county/>

Unemployment Assistance

If your employment was lost or interrupted as a direct result of the 2017 California wildfires, you may qualify for Disaster Unemployment Assistance (DUA). This includes if you no longer have a job, are unable to reach your job, cannot work because of damage to your place of work, or if you cannot work because of a disaster-incurred injury. General information on DUA, including eligibility requirements, benefit payments, and duration of benefits, can be found at

http://www.edd.ca.gov/unemployment/Disaster_Unemployment_Assistance.htm

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