

Tips and Advice

Tips and Advice for Filing Homeowners/Renters Insurance Claims During Catastrophic Events

This guide is being updated daily as I learn through talking to people about things that need clarification and can be helpful for others. If you have a question, please [reach out to me](#) so I can expand on different topics

I just added permissions to comment so if you have a specific question about anything in this guide, please comment so others might be able to learn from it.

Disclaimer: This document is not legal advice. The information provided is based on personal knowledge and experience. As the insurance industry is highly regulated, outcomes depend on the specific terms and fine print of your policy. Please consult a qualified professional for personalized advice. The author is not liable for any decisions or outcomes related to the use of this information.

1. Understanding Insurance Policies

- Insurance policies are generally standardized and regulated by the state's Department of Insurance.
 - Policies must comply with industry regulations, ensuring fairness and clarity in coverage.
 - **Key Takeaway:** Understand your policy to avoid surprises during the claims process.
-

2. Understanding Your Coverage

- **Review Your Policy:** Thoroughly review your policy to understand what is and isn't covered.
- **Fire Damage Coverage:** HO3 policies typically cover fire damage. Claims for total losses may be expedited.
- **Personal Belonging Limits of Liability:** within your coverage C (personal belongings) there are limits - Check on your policy what these are to make sure you're not underinsured.
- **The conditions section in an insurance policy:** The conditions section outlines the rules, obligations, and requirements that both the insured (policyholder) and the insurer must adhere to for the policy to remain valid and for claims to be processed. These conditions ensure clarity and fairness in the agreement between the two parties.
- **The declarations page:** (often referred to as the "dec page") of an insurance policy is a summary of key information about the policy. It serves as a quick reference for the most important details and outlines the specifics of the coverage provided.

- **If you made any changes to your home** - you should let your insurance company know about it ASAP - this includes any upgrades, roof replacements, renovations etc.
 - **Key Tip:** Understanding your coverage prevents misunderstandings and helps manage expectations.
-

3. Financial Assistance

- **Advance Payments:** Some insurers offer advance payments for immediate expenses like evacuation and displacement.
 - **Additional Living Expenses (ALE):** Most homeowners and renters insurance policies include ALE coverage, which helps with costs like hotel stays, dining out, and other additional expenses incurred while displaced.
 - **Emergency Assistance:** If you are displaced, organizations like the Red Cross often provide immediate financial help. For example, they may offer \$500 in emergency aid to those affected.
 - **Mortgage Payment Protection (MPP):** In the event of a catastrophic fire, Mortgage Payment Protection (MPP) can ensure your mortgage payments are covered, providing financial relief during recovery. This optional coverage, sometimes offered through homeowners insurance policies or as a standalone product, helps safeguard your home by covering payments when you face financial hardship due to fire-related displacement or property damage. Review your policy to understand the terms, eligibility, and whether this coverage applies to fire-related events. **Note** - a lot of policies cover MPP only after 45 days of being out of the house and are usually capped at around \$1,500 a month and will only cover principal and interest payments with a total limit of around \$18,000. I recommend checking with your insurer if this is included (in some cases this may need to be added as an endorsement - at your discretion)
-

4. Preparing Documentation

- **Don't Stress About Personal Belongings:** When filing a homeowners or renters insurance claim during a catastrophic event, try not to stress too much about documenting every single personal belonging right away. While it's always helpful to keep receipts for major purchases, there's no need to overwhelm yourself by searching for them all at once. Most insurance companies won't require detailed proof for every item, and they may only ask for receipts in specific cases. Instead, focus on the essentials first, and if additional documentation is requested, you can source those receipts as needed. The key is to approach the process step by step without feeling pressured to have everything immediately on hand.

- **Photos Before the Fire:** Gather and organize pre-fire images of your home. Create a shareable folder for easy access.
 - **Personal Belongings and Receipts:** Organize a list of personal belongings to substantiate your claims. [Feel free to use this template](#) (just make a copy), Make sure you don't make a "wishlist" but an accurate list of what you had. It's not a bad idea to start collecting receipts but don't stress on it. Start with the list and later add receipts as needed.
 - **Jewelry and Watches Coverage:**
 - Take photos of yourself wearing any valuable jewelry or watches. If the items were destroyed in a fire, look for photos on your social media or phone where you're wearing them. These can often be sufficient documentation for your claim.
 - Keep in mind that standard policies often have limits for coverage on high-value items like jewelry and watches unless an endorsement was added. Review your policy to understand these limits and avoid surprises.
 - **Efficient Organization:**
 - [Use an Excel spreadsheet to list items](#), breaking them down by rooms. This process doesn't need to take more than 30 minutes. Visualize each room in your home and try to recall its contents.
 - Name your photos according to the room or item and organize them into a zip file. Avoid sending photos one by one; this streamlines communication with the adjuster and helps them work more efficiently.
 - **Keep Receipts for Post-Fire Purchases:** After a fire, it's crucial to keep receipts for any purchases you make, as they could be reimbursable through your insurance policy. Items like temporary housing, clothing, food, and other necessities might fall under your Additional Living Expenses (ALE) coverage. Keeping organized records of these expenses will make it easier to file a claim and ensure you're reimbursed appropriately. Even small purchases can add up, so hold on to receipts for everything you buy during your recovery period. Consider using a folder or digital app to track these expenses and stay organized throughout the claims process. It's not a bad idea to open a new bank account / credit card in order to separate and keep track on these expenses.
-

5. Tips for Renters

- **Document Your Home and Belongings:** Take photos and videos of your rented space and belongings before evacuating.
 - **Landlord Coverage (DP3):** If you're renting, ask your landlord if their insurance includes dwelling policy (DP3) coverage. You may be able to benefit from certain protections under their policy during displacement or damage-related incidents.
-

6. Creative/Studio Spaces

- **Check Your Coverage:** Confirm if your policy covers creative or studio spaces used at home. Some policies treat this as a business, necessitating separate coverage.
 - *Advice:* Avoid describing it as a business unless explicitly covered in your policy. Say that this is your hobby, if you say otherwise, it will be difficult to change it later.
-

7. Understanding the Insurance Claim Process

Navigating the insurance claim process:

1. **Initiate the Claim:** Contact your insurance provider to begin the process.
 2. **Create a Record:** The insurer will document your claim details (FNOL).
 3. **Assignment of an Adjuster:** An adjuster will be assigned to assess the damage.
 4. **Scheduling an Inspection:** An inspection will be scheduled to evaluate property damage.
 5. **Follow-Up for Additional Information:** The insurer may need further details or documentation.
 6. **Review of Information:** The insurer compares your claim against the policy terms.
 7. **Approval or Denial Notification:** You will be notified of the claim decision.
 8. **Claim Payment:** If approved, your insurer will process the payment.
-

8. Working with Insurance Companies and Adjusters

The way you approach working with your insurance company can make a significant difference in the claims process. Civility and kindness go a long way in fostering a smoother experience. Remember, the staff assisting you are often overwhelmed with high claim volumes, especially during catastrophic events. People who treat staff poorly are less likely to receive prompt assistance. It's not intentional, but calls from difficult customers often get pushed toward the end of the workday when employees are already exhausted, leading to even worse experiences on both sides.

- **Your Assigned Adjuster:** The adjuster assigned to your case plays a critical role in evaluating your claim. They are there to guide you through the process, assess the damage, and ensure your claim complies with your policy's terms. Treating them with respect can lead to a more efficient and pleasant experience for everyone.
- **Insurance Company Staffing:** During catastrophic events, insurance companies often experience high claim volumes, which can strain their staff. Recognize that the people helping you are doing their best in challenging circumstances.

- **Inspectors:** Inspections are a key part of the process, where professionals assess the extent of the damage. Be cooperative and provide them with any necessary information or access to your property.
 - **Good Faith and Ethics:** The insurance industry operates under the principle of good faith, and adjusters are required to complete annual ethics training to maintain their licenses. Keep in mind that bad faith actions on your part as the insured—such as providing misleading information—can result in claim denial.
 - **Emotional Toll on Insurance Workers:** Insurance professionals deal with people during some of the most challenging moments in their lives. Recognizing their effort and treating them with respect can foster a smoother process for everyone involved.
-

8. Other Helpful Tools

- **Public Adjusters:** Be aware that public adjusters typically charge between 7-10% of the claim's replacement cost. This fee is taken directly from your claim payout, so weigh the benefits against the cost.
- **Filing Complaints with the Department of Insurance:** If you believe your insurer is acting in bad faith, you can file a complaint with your state's Department of Insurance. Please make sure you don't abuse this and keep this as a last resort.
- **Consider Renting an Unfurnished Temporary Home:** If you're renting a temporary home after a disaster, opting for an unfurnished place can often be a smarter choice. Unfurnished rentals tend to be less expensive, helping you stretch your Additional Living Expenses (ALE) coverage further. This option also gives you the flexibility to purchase new furniture using your claim payment, allowing you to rebuild your space in a way that suits your needs. Additionally, most insurance policies will cover the cost of movers to transport your furniture to your permanent home once it's ready, making the process more convenient. Renting an unfurnished space can also help you stay below your policy's coverage limits, ensuring you have funds available for other important recovery expenses.
- **Maximize Your Claim Money with an Interest-Yielding Account:** If you receive a large insurance payout, consider depositing it into an interest-yielding account while you plan your recovery. Depending on the scope of your repairs or rebuilding process, the funds might sit unused for an extended period. By placing the money in a high-yield savings account or a short-term certificate of deposit (CD), you can earn interest on it, providing a small but helpful financial boost down the road. This extra income can help offset unexpected expenses or give you additional flexibility during the recovery process. Just be sure to keep the funds easily accessible when you need them for approved claim-related costs. If you do decide to do this, keep the following in mind:
 - **Accessibility:** Ensure the account allows for quick and easy withdrawals without penalties. You'll need the funds readily available for expenses related to your claim, such as contractors or material purchases. Avoid locking the money into long-term accounts like CDs with restrictive withdrawal terms.

- **Separate the Funds:** Keep the claim money in a dedicated account to avoid mixing it with personal finances. This will make it easier to track spending and provide documentation to the insurance company, if required.
 - **Coverage Limits and Documentation:** Be cautious not to spend the earned interest on unrelated items without understanding your policy. Insurance companies may request proof of how the claim money was used, and spending outside of approved claim-related costs could raise issues.
 - **Account Security:** Choose a reputable financial institution with FDIC or NCUA insurance to protect your funds.
-

10. General Advice

- **Don't Rush to Sign Anything:** Review documents carefully before signing.
 - **Stay Vigilant Against Scams:** Be cautious of scammers exploiting catastrophic events. Avoid using the services of individuals who approach you unsolicited, whether through phone calls, emails, or by showing up at your property. Such actions are often red flags for scams, and it's safer to rely on verified and trusted sources for assistance.
 - **Verify Credentials:** Always check licenses, certifications, and reviews for contractors, adjusters, and charities. To find licensed contractors check with the
 - Contractors State License Board.
 - **Confirm Authenticity:** Use official channels to verify government representatives or relief efforts.
 - **Attestation:** It's important **not** to sign any attestation offers from an insurance company without thoroughly understanding the implications, as these documents often contain language that can limit your future rights. By signing, you might unintentionally waive your ability to dispute the claim, seek additional compensation, or address overlooked damages. Insurance companies may use attestations to finalize claims quickly and for less than you may be entitled to.
-

11. Mental Well-Being in the Aftermath of a Disaster

Navigating an insurance claim after a catastrophic event can be emotionally overwhelming. The uncertainty, loss, and urgency to secure resources can trigger anxiety and panic. It's important to acknowledge these feelings and approach the process step by step.

- **Managing Panic & Overwhelm:** The claims process can feel complex and bureaucratic, but taking it one task at a time can help reduce stress. Prioritize immediate needs first—housing, essentials, and safety—before diving into paperwork. Seek guidance from professionals, community groups, and trusted sources to avoid feeling isolated in the process.

- **Misinformation & Disinformation:** In times of crisis, misinformation spreads quickly, especially on social media. Some of it may be well-intended but inaccurate, while other information is outright misleading. Be cautious about where you get your information—verify details with official sources such as state insurance departments, legal aid organizations, or professionals with direct experience. If a claim-related issue seems unclear, seek clarification before making decisions that could impact your recovery.
 - **The Impact of Negative Sentiments:** Frustration is natural, but dwelling in negativity—whether it's from news, online discussions, or personal interactions—can make an already difficult situation even harder. While it's crucial to hold insurance companies accountable, staying in a mindset of fear or outrage can drain your energy. Instead, focus on what is within your control: documenting losses, making progress on your claim, and seeking support from those who can provide solutions rather than amplify fear.
 - **Protecting Your Mental Space:** Social media can be a useful tool, but it can also be a breeding ground for stress and misinformation. Consider limiting exposure to distressing content and engaging in online spaces that foster constructive discussions. If possible, take breaks from constant updates and focus on grounding activities that help restore a sense of stability.
 - **Free Counseling & Emotional Support:** Many licensed therapists and crisis counselors are currently offering free or low-cost sessions for wildfire survivors. Processing the emotional toll of this experience is just as important as handling the logistics of recovery. If you're feeling overwhelmed, talking to a professional can provide tools to manage stress, grief, and uncertainty. Local mental health organizations, community centers, and disaster relief programs can help connect you with these resources.
-

12. Fact Checking of Misconceptions and Misinformation Online

- **FALSE - Fundraising via GoFundMe will impact your claim:**

There's a common misconception that fundraising through platforms like GoFundMe can prevent you from receiving money from your homeowners insurance. This is **false**. Under California law, the **Collateral Source Rule** protects you from this kind of outcome. The Collateral Source Rule ensures that the compensation you receive from third parties, like GoFundMe donors, government programs, or charities, does not reduce or impact the amount your insurance company owes you under your policy. Insurance companies evaluate claims based solely on the terms and conditions of your policy, not on how you acquire personal funds.

This means your fundraising efforts, whether through GoFundMe or other platforms, will not influence your insurance claim. However, it's always a good idea to double-check your specific policy to be certain. You can do this by reviewing the "conditions" section, which outlines scenarios that could potentially affect your coverage.

By law, your insurance payout is based on the damages covered under your policy, regardless of other financial assistance you might receive. If you're unsure or have concerns, consider consulting with a legal or insurance professional to get clarity on your specific situation.

13. Other Useful Resources

- **Federal Emergency Management Agency (FEMA):** Financial assistance is available for individuals in Los Angeles County who have disaster-related needs due to the ongoing fires. <https://www.fema.gov/>
- **Disaster Unemployment Assistance:** Benefits for those affected by major disasters. [Info](#)
- **Disaster SNAP/Food Stamp Program:** Provides food assistance post-disaster. [Apply](#)
- **U.S. Small Business Administration:** [SBA disaster assistance](#) for homeowners, renters, nonprofits, and businesses of all sizes affected by the wildfires and straight-line winds in California.
- **National Coalition for Arts Preparedness and Emergency Response (NCAPER):** For a regularly updated list of the latest news and resources related to arts emergencies, preparedness and response. [Info](#)
- **Disaster Assistance Improvement Program:** DIAP provides disaster survivors with information, support, services, and a means to access and apply for disaster assistance through joint data-sharing efforts between federal, tribal, state, local, and private sector partners. Visit the [DisasterAssistance.gov](#) website for more information.

By following these steps, you can navigate the claims process more effectively and with greater confidence. Remember, preparation and organization are key to ensuring a smoother experience during a challenging time.

I am happy to answer people's questions or offer support, if you want to chat, please email me - dorwand@gmail.com

Sending best wishes to you and your loved ones,

Together We Thrive!

Dor