

## Tips from the Trenches Top 10 Preparedness Tips for Colorado

- ✓ What disasters victims wish they had known about insurance before their loss
- ✓ How to avoid the most common gaps in coverage
- ✓ Expert advice from reputable professionals

**Tip #1: Insurance money -- not charitable or government aid makes the biggest difference in people's ability to rebuild and recover after a disaster.** FEMA money for individuals is needs-based and the maximum grant per household is \$35,000. SBA loans take time and have to be repaid. Charitable aid generally covers basic needs – not the cost of rebuilding a home. Homeowners Insurance can help you establish a safe, temporary home of like size and quality while you work through the claim process and rebuild.

**Tip #2: Having the right kind and right amount of insurance on your property is extremely important.** Ask your insurer if you're covered for flooding, earthquakes, hail and a total loss from a wildfire. After the 2013 Black Forest Fire in the Colorado Springs area, 54% of wildfires survivors found they were underinsured. It took many wildfire survivors well over 2 years to rebuild. The average cost per square foot to rebuild has increased dramatically in Colorado with reports of costs over \$300 per square foot in 2020. Be sure to ask your insurance agent how much coverage you have per square foot and make sure you have "Extended Replacement Cost" coverage as well.

**Tip #3: Do not trust that your insurance company has got you fully covered.** The goal of an insurance sales rep is to sell you a policy at a price you're willing to pay. In most cases, the true replacement value of your property gets underestimated at the point of sale and as years go by. Confirm and keep records of insurance sales promises.

**Tip #4: Complete as much of a home inventory as you can, then store the records off site in a safe place or in "the cloud".** Taking video, photos, and keeping a spreadsheet will assure you that you have the information needed to fully document your losses. Hopefully, you'll never need it, but if you do, you'll be so glad you created an inventory. Do it now! There are several "home inventory apps" available now as well.

**Tip #5: If you don't have insurance coverage for flooding and earthquakes, consider buying it.** There have been massive, unprecedented flooding events in recent years in Colorado, with over 40% of the losses occurring outside of traditional "flood zones". Consider adding flood insurance. Visit: [www.floodsmart.gov](http://www.floodsmart.gov) to see your risk.

Earth movement, earthquakes and landslides are not covered by most homeowner policies and DO occur in Colorado. You have to buy this coverage separately. Many insurers are providing optional "Earthquake" endorsements. Be sure you understand the deductibles and limitations. It's worth finding out how much it would cost to add these items to your protection package.

**Tip #6: Take advantage of insurance discounts for making your home safer.** Shop around to find which company offers the best discounts for "mitigation" and/or "retrofitting." If you install an impact resistant roofing material, a premium discount may help cover most of the additional cost over standard shingles. Installing fire resistant materials and participating in a "FIREWISE" program can help reduce your risk and may reduce your insurance premiums. Be sure to ask for discounts.

**Tip #7: Avoid letting your insurance lapse.** If money is tight, raise your deductible to keep premium costs down. If the policy lapses due to lack of payment you will lose your coverage. Most insurers are working with people to give extended grace periods during COVID-19, but you must ask in a timely manner BEFORE it lapses.

**Tip # 8: If your insurer drops you start shopping for replacement coverage ASAP. Get help if you are having trouble finding adequate replacement coverage.** Read UP's publication: Dropped by Your Insurer: [www.uphelp.org/dropped](http://www.uphelp.org/dropped).

**Tip # 9: Clear brush around your home and keep it clear.** The #1 thing that helps firefighters is brush clearance. Clear out gutters and roof drains regularly. Install screens on all your roof vents to keep embers from flying in. Install spark arrestors in chimneys and get the chimney cleaned professionally. Ask your local Fire Department if they'll inspect and certify for an insurance company that you've cleared brush adequately.

**Tip # 10: Have an evacuation plan that includes necessities you will need right away and have off-site access to important documents.** Keep a copy of your current policies in a safe place away from your home and better yet, scan the complete document and email it to yourself.

The information presented in this publication is for general informational purposes, and should not be taken as legal advice. If you have a specific legal issue or problem, United Policyholders ("UP") recommends that you consult with an attorney. Guidance on hiring professional help can be found in the "Find Help" section of [www.uphelp.org](http://www.uphelp.org). UP does not sell insurance or certify, endorse or warrant any of the insurance products, vendors or professionals identified at our website. UP respects and protects the privacy of all individuals who communicate with us. We do not sell or share our membership or mailing lists.