



DEPARTMENT OF  
INSURANCE AND FINANCIAL INSTITUTIONS

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## IS MY FIRE-RELATED LOSS COVERED BY MY INSURANCE POLICY

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Several types of insurance policies may be subject to claims as a result of losses related to the forest fires, including homeowners, mobile homeowners, automobile and business owner policies. Since policy terms and condition vary, it is important that insurance consumers understand their rights under their policies. The following are some of the common benefits that consumers might be eligible for under these types of policies:

**Homeowners/Mobile Homeowners:** The first type of coverage consumers will want to inquire about is "Additional Living Expense" (ALE). If you have this coverage, the insurer will pay the "reasonable and necessary" expenses you incur, as a result of being displaced, that are over and above your regular living expenses. Most insurance policies (but not all), include two weeks of ALE for evacuation by authorities. Many policies will extend ALE once it has been determined that a loss prevents you from moving back into your premises. Consumers should read their policies to determine if they have this coverage and what limits may apply.

The next type of coverage to check for is "dwelling". This coverage helps to pay for any structural damage to a home and sometimes other structures on the property.

"Personal Property" coverage helps to pay for the contents in your home, such as furniture, clothing, electronics. Some items in the home may be subject to a limit, such as jewelry, furs, coin collections and computer equipment.

"Replacement Cost Coverage", if in your policy, will pay the cost to replace your property today with property of like kind and quality without deduction for depreciation.

Two other types of coverage, both of which generally have limits associated with them: "Trees and Shrubs" coverage which will help pay to replace trees and shrubs lost due to the fire and "Debris Removal" will help pay for the expense of having debris that is left as a result of the fire removed from the premises.

All insurance policies contain certain exclusions. Items commonly excluded under a homeowners policy include motor vehicles, animals, birds and fish.

**Automobile:** If your automobile insurance policy has "comprehensive" coverage, you can make a claim for insured vehicles that were destroyed or damaged in the fire. You may have to pay a deductible before your coverage takes effect.

**Business Owners:** Commercial policies vary widely. While the following coverages are fairly common under a business owners policy, you will have to read your policy for actual terms and conditions:

"Building" coverage typically pays for buildings and structures at the premises described in the Declarations of the policy, but does not include the land on which the building is located. Trees and shrubs may be covered with a limit on any one tree or shrub – see your policy for any coverage you may have.

"Business Personal Property" coverage generally pays for property you own that is used in your business, property of others that is in your care, custody or control, and tenant's improvements and betterments such as fixtures which are made part of the building.

"Business Income" coverage (sometimes referred to "Business Interruption"), if included in your policy, pays for the loss of business income you sustain due to the necessary suspension of your operations during the period of restoration.

"Extra Expense", if included in your policy, pays for necessary extra expense you incur during the period of restoration that you would not have incurred if there had been no direct physical loss or damage to the property.

"Civil Authority" coverage pays for the actual loss of business income you sustain and necessary extra expense caused by action of civil authority that prohibits access to the described premises due to direct physical loss of or damage to property, other than at the described premises, caused by or resulting from any covered cause of loss. The coverage for business income will begin 72 hours after the time of that action and will apply for a period of up to three consecutive weeks after coverage begins. The coverage for extra expense will begin immediately after the time of that action and ends 3 consecutive weeks after the time of that action; or when your business income coverage ends.

"Valuable Papers and Records", if included in your policy, pays for direct physical loss or damage to valuable papers and records that you own, or that are in your care custody or control.

**Important!** These are generalized descriptions of common coverages. Coverages and other terms may vary from policy to policy. Insurance consumers should read their insurance policy and contact their agent to determine what policy coverages they purchased and what limits or exclusions will apply to those coverages.