

After the Fire

Recovering from a fire may take a long time and many of the things you have to do will be new to you. This information is to introduce you to them and assist you in determining where to go next. You can obtain a brochure from Amarillo Fire Prevention by calling [378-4238](tel:378-4238) and asking for the Public Information officer.

If you're not insured

If you're not insured, your recovery from a fire loss will be based on your own resources and help from your community.

Private organizations that help with disaster relief include the American Red Cross and the Salvation Army. Your church or synagogue can put you in touch with your denomination's helping group. Local civic organizations such as Lions Clubs International and the Rotarians may be sources of aid.

Some state and local governments have emergency aid programs. Check with your state or municipal emergency services office or state department of social services for information on what help is available. The Fire District tries to direct victims of a fire toward organizations that can assist them in recovery.

Losses due to fire are deductible from your Federal income tax. Get receipts and keep records of the money you spend in repairing or replacing damaged property and in covering your living expenses during the loss recovery period. These records and receipts will be the basis for calculating the casualty loss on your income tax. Contact your tax preparer of choice to get further.

If you're insured

Your insurance will be the most important single component in recovering from a fire loss. A homeowner's tenant's or condominium owner's insurance policy is really a package of a number of coverage's. Be sure to talk with an insurance agent of choice before occupying a residence or commercial property so proper coverage's can be acquired.

Your duties after a fire loss

Your insurance policy is a contract between you and the insurer. The insurer promises he will do certain things for you. In turn, you have certain obligations. Among your duties after a fire loss are to:

- Give immediate notice of the loss to the insurance company or the insurer's agent.
- Protect the property from further damage by making reasonable repairs such as covering holes in the roofs or walls. Take reasonable precautions against loss, such as draining water lines in the winter if the house will be unheated for some time (the insurer can refuse to pay losses which occur from not taking such reasonable care).
- Make an inventory of damaged personal property showing in detail the quantity, description, what you paid for the items when you purchased, how long you have had the items, the amount of damage they sustained and how much it would cost to replace them. Include with the inventory any bills or documents which can help establish the items' value.
- Cooperate with the insurer or his adjuster by exhibiting the damaged property. Submit to examination under oath if this becomes necessary.
- Submit within a stated time period (usually 60-90 days) a formal statement of loss.

Besides your obligations to the insurer, you also have a responsibility to inform your mortgage company of the fire and to keep them informed of activities to restore the property. They own a portion of your dwelling and are interested in seeing their investment handled properly. You may have to fill more forms out or allow them to inspect your property. It is in your best interest to work with them than to work against them. Your insurance agent will be a integral part of your team to repair your dwelling.

Valuing your property and adjusting the loss

In adjusting your fire loss or in claiming a casualty loss on your Federal income tax you will be brought face to face with different viewpoints on the value of your property. Many of the terms and concepts used in the process may be new to you. Seeking advice and assistance from your tax preparer would be in your best interest since they know all the legal jargon you will be dealing with.

Securing your property

Once a loss occurs it is most important to secure the property from further loss. Either you or the insurer can hire the services of a fire damage restoration firm or fire damage Service Company. These firms provide a range of services that may include some or all of the following:

- Securing the site against further damage
- Estimating structural damage
- Repairing structural damage
- estimating the cost to repair or renew items of personal property
- packing, transportation, and storage of household items
- securing appropriate cleaning or repair subcontractors
- storing repaired items until needed

The cost of this service is usually is the sum of all expenses plus a percentage fee. Be sure to discuss cost before work is started. It is also important to discuss with the insurer before contracting for any services. You don't want to step on any toes or areas of responsibilities. Keep them informed!

When you pick a contractor be sure to pick one that is familiar with insurance companies estimating requirements. These are more detailed and specific than may be encountered in the normal course of a contractor's business. Make sure that details are clearly stated and spelled out so there is no misunderstanding. If there is a delay in construction confirm with the insurer that living expenses are applicable.

Finally, the homeowner can hire a public adjuster to act in the owner's behalf in settling the loss with the insurance company. The public adjuster will work with the owner and the insurance adjuster to prepare the inventory and establish the value of the loss. The public adjuster's fee for services is a percent of the total insurance settlement, including additional living expense claims.

Inventorying the Damage

Most insured individuals are requested by their agent to make pre-fire household inventory. Almost no one does. A pre-fire inventory, or even photographs taken before the fire, can help immeasurably in the claim estimating procedure.

You may find the inventory process difficult and upsetting. However, try to take the time necessary to assure that the inventory and estimate are complete. You may want to go over it more than once. It is most important not to delay it. The longer your personal items are left untouched, such as soot on rugs and drapes, water soaked furniture, or mildew from the moisture, more damage may occur.

The next step is to place a value on the loss. Depending on your policy this may be based on actual cash value or replacement cost basis. Receipts are helpful in determining the original value. Insurers understand that in most cases people can't provide receipts for all damaged items. Nonetheless it is extremely important that both the insurer and insured come to agreement on a value. If one can't be agreed upon the policy allows for the issue to go to arbitration.

Replacement of valuable documents and records

Here's a check list of documents you will need to replace if they have been destroyed and who to contact for information on the replacement process.

<u>ITEM</u>	<u>WHO TO CONTACT</u>
Driver's License	Local DMV Office
Bank books	Your bank, as soon as possible
Insurance policies	Your insurance agent
Military discharge papers	Local Veterans Administration
Passports	Local passport office
Birth, death, marriage certificates	Records office in County of Birth, Marriage or death
Divorce papers	Circuit court where decree was issued
Social Security or Medicare cards	Local Social Security Office
Credit cards	The issuing companies, as soon as possible
Titles to deeds	Records department of city or county issued
Stocks and bonds	Issuing Company or Broker
Wills	Your lawyer
Medical Records	Your Doctor
Warranties	Issuing company
Income tax records	The IRS or your accountant
Auto registration titles	Department of Motor Vehicles
Citizenship papers	US immigration and Naturalization Service
Prepaid burial contracts	Issuing company

In case of Personal Injury

In the event that you, a friend or member of your family is injured as a result of the fire, you should follow certain procedures if the injured required more than immediate first aid. Contact your employer if you have insurance through them or your insurance company or agent if it is your personal policy. Homeowner's policies provide limited coverage for persons injured who are not members of your family. A package homeowner policy may also cover you for a liability suit brought against you as a

result of the fire. Contact your agent for further details.

The total cost of the fire

The total financial effects of a fire are far-reaching. There are the obvious financial losses of the damaged structure and contents. These are formally called the direct fire losses. There are less obvious financial losses such as the cost of temporary living arrangements, or lost income due to time lost from your job. These are called indirect fire losses.

Both direct and indirect losses may be covered by insurance. Some, if not all, of your damaged property (direct fire losses) will be covered. The extent of coverage will depend the type and on the amount of your coverage. Also, portion of the extra living and medical expenses (indirect fire losses) may be covered by homeowners and medical insurances. Lost work time cannot be insured against but the financial effect may be lessened by applying for sick leave or vacation time to hours missed from the job. In short, the effects of a fire will most likely cause you out-of-pocket expense.

Some of the expenses not reimbursed by insurers may be deductible on your Federal Income Tax return. It is extremely important to talk to your tax preparer or accountant for direction.

Salvage hints

The cleanup process can be very taxing on occupants who have been burned out of their residences. Even though you can do it yourself it requires solutions that require caustic solutions that can be harmful to you and your family. There are companies locally that will provide the service of restoring your home or residence after a fire. Be sure to check your local phone book for names and phone numbers of these companies.

(Information provided by U.S. Fire Administration)