



# What Does Homeowners Insurance Cover in Our Forestlands



*Every year wildfire destroys thousands of homes, devastates countless lives and burns millions of acres. And every year people who have lost everything say... "We didn't think it would happen to us. If only we'd been better prepared."*

*The biggest reason that half of all homeowners are underinsured is that people have little idea of how their insurance will work in a major loss. Taking time now to learn how much coverage you really need, and what kind of documentation you will need to collect on it, will make the long road to recovery much less painful to travel down.*

*Barbara MacArthur, Firewise Chairperson (v. FireNews16\_9)*

As many as 90 percent of wildland fires in the United States are caused by humans, according to the U.S. Department of Interior. Some human-caused fires result from campfires left unattended, the burning of debris, negligently discarded cigarettes and intentional acts of arson. The remaining 10 percent are started by lightning or lava. The 2015 fire season set a new record for the number of acres burned in the United States. Between January 1 and December 30, 2015 there were 68,151 wildfires, which burned 10,125,149 acres, according to the [National Interagency Fire Center](#). [Harvard School of Engineering and Applied Sciences](#) researchers have concluded that by 2050 the number of wildfires in the West could rise by 50 percent, and across the U.S. the number would double.

Damage caused by fire and smoke are covered under



standard homeowners, renters and business owners insurance policies and under the comprehensive portion of an auto insurance policy. Water or other damage caused by fire fighters to extinguish the fire is also covered under these policies. In California, the [California FAIR Plan](#) covers residential and commercial properties located in brush and wildfire areas. Properties in those areas are subject to higher rates due to increased risk of fire.

**Here are 7 “Insurance Myths” that LACC homeowners should be aware of and should resolve with their insurance company:**

**Myth 1:** If I suffer a total loss, I’ll automatically get a total payout. **Reality:** You may eventually get a total payout, but it won’t be automatic. You’ll have to document and value your home and everything you lost.

**Myth 2:** All homeowners’ insurance policies are basically the same. **Reality:** Nope. Homeowners’ policies vary widely. Some provide replacement cost, some only actual value at the time of loss. Some don’t cover additional living expenses at all; others have different time and dollar limits. Some require you to rebuild on site; some don’t.

**Myth 3:** Coverage should be based on the market value of my home. **Reality:** One of the most costly mistakes you can make. Coverage should be based on the cost to rebuild your home from the ground up.

**Myth 4:** My insurance company knows how much coverage I need. **Reality:** Insurance companies use standard formulas that seldom account for custom features, upgrades, local construction costs and many other things.

**Myth 5:** If I own my home outright, I don’t need insurance. **Reality:** Only if you can truly afford to walk away from your home and everything in it. Otherwise you want to be insured for the actual cost to rebuild your home and replace all your belongings.

**Myth 6:** If I rent, the landlord’s insurance will cover me. **Reality:** Your landlord’s insurance only covers the structure; you need renter’s insurance to cover everything you own.

**Myth 7:** The only way to save money is to shop for the lowest premium. **Reality:** There are lots of ways to save money on your insurance without scrimping on your coverage, including increasing your deductible, bundling your policies and installing things like smoke detectors.

**Source:** “Surviving Wildfire” by Linda Masterson <http://www.survivingwildfire.com/>

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