



Photo: Okanogan County Long Term Recovery

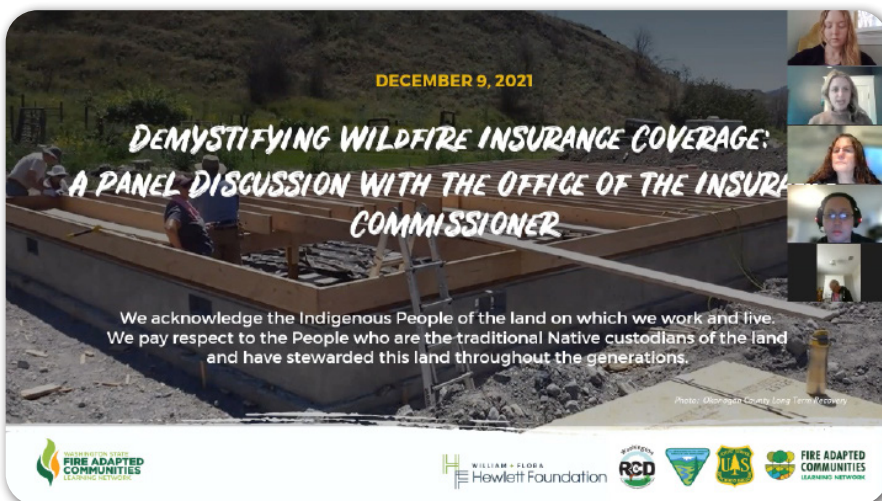


DEMYSTIFYING INSURANCE

Insurance is a complicated and multi-layered business with substantial impacts on our lives, especially in wildfire recovery. The Washington Fire Adapted Communities Learning Network (WAFAC) partnered with the Washington Office of the Insurance Commissioner (OIC) to shed light on this topic in service of those who are working to help their communities better live with fire.

Check out this webinar to learn more about how insurance companies assess wildfire risk and what homeowners can do to retain coverage.

vimeo.com/669885383



The Washington Office of the Insurance Commissioner (OIC) protects insurance consumers and oversees the insurance industry in Washington State. The OIC ensures insurance companies follow rules and regulations, provides standards of compliance with how they sell policies, and supports consumers through the claims process by answering questions, reviewing problems, and fielding complaints related to insurance coverage.

The **OIC's wildfire page** provides tips and guides for homeowners, including how to **File an Insurance Claim After a Wildfire**, policy types, and an **Insurance Company Directory** for companies operating in Washington.

If you have questions related to insurance, contact the OIC Consumer Help Center:

800-562-6900

8 a.m. to 5 p.m., Monday - Friday

Online or live chat
insurance.wa.gov/file-complaint-or-check-your-complaint-status

WILDFIRE ASSESSMENT

COMMON QUESTIONS ABOUT INSURANCE IN WILDFIRE PRONE AREAS

How do insurance companies assess wildfire risk?

When a new policy is requested, the insurance company assesses the potential risk of loss using the information provided by the homeowner or gathered from a third-party vendor. They look at an array of data, including fire history, condition of the structure, weather patterns, and the property's physical characteristics (amount of and proximity of vegetation to a structure, debris, potential sources of ignition, etc.). Each insurance company uses a different data set, algorithm, or third-party vendors to identify the wildfire risk rating.

Along with the wildfire risk rating, companies also take into account **Protection Class Codes**. After this data has been gathered, an underwriter reviews the assessment and determines how much risk the insurer is willing to take on, the cost to insure property and structures, and determine if they are willing to offer a policy.

What is a Protection Class Code (or PCC)?

PCCs are ratings used to describe a community's fire defense capabilities (e.g., proximity to fire hydrants and fire stations) set by the **Washington State Rating Bureau (WSRB)**. PCC's are rated on a scale of 1-10. The lower the PCC code, the better the rating.

Where can I find the PCC?

The PCC can be found on the insurance policy declarations page or by emailing WSRB Customer Service at customerservice@wsrb.com or calling **206-217-0101**. Note: PCC definitions are listed in the addendum of a policy. If you cannot find this information, contact your insurance agent.

What notification requirements must insurance companies provide prior to non-renewing or canceling policies?

Insurance companies are required to give 45 days notice (only 10 days for non-payment status) and stipulate the exact reason for cancellation or non-renewal of a policy. If notification or reason for non-renewal is not stated, contact the OIC. They can advocate for reconsideration on behalf of the consumer.

There are opportunities to retain your policy if the issues outlined in the non-renewal notice are corrected within the 45-day notice period. Communicating with the agent throughout the process is key. However, if the issue is substantial, the company may not renew the policy.

What if insurance coverage is dropped or the property and structures are uninsured?

Shop around for a new carrier. Local human service organizations may be able to offer assistance.

The **Washington State Fair Plan** (a last resort) offers property insurance for those consumers who cannot purchase coverage elsewhere.

WHAT YOU CAN DO

1

Read the declarations page! Don't assume your policy covers everything. Work with your agent to understand what is and is not covered and to address your concerns. Consider additional coverage to ensure you have the most coverage you need for all eventualities.

3

Ask about discounts or incentive programs. Some insurance companies incentivize wildfire risk reduction efforts or offer services such as applying fire retardant during a wildfire incident. Talk to your agent to learn more.

2

Prepare for before, during, and after the fire. Take care of your home, structures, and property. Clear brush, cut down low hanging branches, replace mulch with rock around your home, and move your wood pile away from structures. Insurance companies look for responsible proactive property owners.

4

If you have a loss - document every conversation. Write down who you talked to, when you talked to them, and what they said - every time. Keep contact information and business cards in a business card holder or a three-ring binder. If you need help navigating the process after a loss, contact the OIC.

KEY TAKEAWAYS

- 1** Insurance companies focus on one primary thing: **the potential risk of loss**. The higher the perceived risk, the higher premium you will pay. Insurance companies may not choose to take on the risk and will not offer a policy.
- 2** Each company does things differently. **SHOP AROUND** every couple of years to find the best company and coverage plan for you! Each company is unique and will provide different offerings and rates.

TO LEARN MORE

Tools You can Use from the Washington Fire Adapted Communities Learning Network

- Prepare your home and landscape for wildfire now!
fireadaptedwashington.org/toolkit/#Home-and-Landscape-Toolkit
- Resources for residents and homeowners before, during, and after a wildfire.
fireadaptedwashington.org/roles/#Resident-Resources
- This Resident Recovery Guide is a great place to start your journey to recovery if you have been affected by wildfire.
FlipSnack.com/E5D75C99E8C/leavenworth-resident-recovery-guide-online-vh82kmco7k.html

Organizations Who Can Help:

- The Northwest Insurance Council is a non-profit, member-supported organization that provides information about Property & Casualty insurance to consumers in Washington, Oregon and Idaho.
NWInsurance.org
- The Insurance Information Institute provides research, data and trend tracking of the insurance industry for consumers. iii.org

Best Practices shared from the National Fire Adapted Communities Learning Network

- Blog Wildfire 101: What Practitioners and Policy Owners Need to Know: fireadaptednetwork.org/wildfire-insurance-101-practitioners-policy-owners-need-know
- Insurance and Wildfire: An Interview with Carole Walker
Part 1: fireadaptednetwork.org/insurance-wildfire-interview-carole-walker-part-1
Part 2: fireadaptednetwork.org/insurance-and-wildfire-an-interview-with-carole-walker-part-2

WAFAC is administered by the Washington Resource Conservation and Development Council (WRC&D). This project was made possible through support provided by the William and Flora Hewlett Foundation and the national Fire Adapted Communities Learning Network through an agreement with The Watershed Research and Training Center (WTRC). The content and opinions expressed herein are those of the author(s) and do not necessarily reflect the position or the policy of the WRC&D, WTRC, or Hewlett Foundation and no official endorsement should be inferred. This institution is an equal opportunity provider.