



KLEIN VOLUNTEER FIRE DEPARTMENT
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**Guidance For Property
Owners Who Have
Suffered A Loss By**

... . F I R E !

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AFTER THE FIRE: RETURNING TO NORMAL

Recovering from a fire may take a long time and many of the things you have to do will be new to you. This pamphlet introduces some of the information you may need in the coming days.

IF YOU ARE NOT INSURED

If you are not insured, your recovery from a fire loss will be based upon 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 organizations such as the Northwest Assistance Ministries (NAM) can assist you with emergency aid.

Disaster relief services, both privately funded and government sponsored, usually work together to coordinate their services to those in need. For instance, the Red Cross and Salvation Army will refer clients to groups which have clothing and furnishings available, if those items are needed.

State social services agencies are aware of what groups in the community offer housing or food grants. A contact with one helping group will usually connect you to a network of agencies who will work together to help you.

Losses due to fire may be deductible from your Federal income tax. You should therefore obtain receipts and keep records of the money you spend for repair or replacement of damaged property, as well as for 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. If your loss in one year was larger than your income for that year, you may be entitled to a tax refund.

IF YOU ARE INSURED

Your insurance will be the most important single component in recovering from a fire loss. The policy types (Basic, Broad, Renter's, Condominium and others) differ in the perils they insure against, but all cover loss through fire. And, of course, a renter's or tenant's policy will not cover losses to the overall structure. Condominium policies may cover the losses the condominium owner is assessed as a member of the ownership group.

Mobile home insurance coverage is similar to other forms of homeowner coverage. The package policy covers fire loss to your dwelling, contents and detached structures, but provides a stated daily dollar amount for additional living expenses rather than a percent of the dwelling coverage. The amount of money you can receive on damage to the mobile home is limited by the actual cash value of the home at the time of loss. Other forms of homeowner coverage insure residences for the replacement cost.



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LOSS OF RESIDENCE USE AND ADDITIONAL LIVING EXPENSES

Insurance coverage is designed to help the owner or tenant pay for the extra costs, **over and above normal living expenses**, or having to live elsewhere while the dwelling is being repaired. It also enables the insured to maintain his or her customary standard of living in the interim.

A key point to understand about this coverage is that it pays for only those expenses you would not have had if a fire had not occurred. **YOU MUST KEEP RECEIPTS TO VERIFY ALL YOUR EXPENSES.**

Try to use your resources wisely during the recovery period. Remember that furniture or appliances you replace before the insurance settlement will deplete your available cash or credit resources. In setting up your temporary residence, keep in mind that the rental cost of furnishings for your temporary quarters may be allowable as an additional living expense, but items you purchase may reduce your final settlement. Be sure to consult your insurance agent for the details of your policy coverage.

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 roof or walls. Take reasonable precautions against loss, such as draining water lines in 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, 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.



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- Submit within a stated time period (usually 30 to 60 days) a formal statement of loss. The statement of loss covers such items as:
 - The time and cause of loss.
 - The names and addresses of those who have an interest in the property. These might include the mortgage holder, a separated or divorced spouse or a lien holder.
 - Building plans and specifications of the original home and a detailed estimate for repairs.
 - The damage inventory mentioned above.
 - Receipts for additional living expenses and loss of use claims.

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. They may have forms for you to fill out; they may want to inspect the property. Their name, with yours, will be on the face of the check to cover repairs to the structure. It is to your mutual advantage to work together at this time.

VALUING YOUR PROPERTY

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 this process may be new to you. Let’s introduce a few of the viewpoints and some of the terms you will encounter:

Your personal valuation: Your attachment to and personal valuation of your goods lost through fire cannot be measured, but can certainly be sympathized with. It will be said that personal items have a certain SENTIMENTAL VALUE. This term is not meant to belittle their value to you, but is used to separate feelings about value from objective measures of value. It is objective measures of value that you, the insurer and the Internal Revenue Service will use as a common ground for discussion. Some of these objective measures are discussed below.

Cost when purchased: This is an important element in establishing an item’s final value. Receipts will help verify the cost price.



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Fair market value before the fire: This concept is also expressed as ACTUAL CASH VALUE. This is what you could have gotten for the item if you had sold it the day before the fire. Its price would reflect its cost at purchase and the wear it had sustained since then. DEPRECIATION is the formal term to express the amount of value an item loses over a period of time.

Value after the fire: This is sometimes called the item's SALVAGE VALUE.

Cost to replace the item with a like (not identical) item: This is the item's REPLACEMENT COST.

Actual cash value: This is the basis for most insurance agreements. That is, the insurer agrees to pay for the property you lose at its value on the day of its loss. In most types of homeowners or tenant policies, personal property such as furniture, appliances and person effects will be valued on an ACTUAL CASH VALUE basis.

The standard homeowners form covers buildings (your home and detached structures) at REPLACEMENT COST without deduction for depreciation if you are 80 percent or more insured. If you are not 80 percent insured, they will pay the larger of either the ACTUAL CASH VALUE of the structural damage or the cost to replace the damage times your percentage insured.

Example:

You have a fire in an upstairs bedroom and the cost to repair the damage is estimated at \$10,000. Your home is valued at \$80,000. If you are insured for \$64,000 (80% of the value) or more on the dwelling, the insurer will pay the total cost of \$10,000.

If your insurance is \$48,000, the insurer will pay the larger of the following computations:
\$10,000 times 60% (your percent insured) or \$6,000.

OR

The value of your home (\$80,000) times the area affected (1/6) times depreciation (your home is 10 years old; its life span is 20 years thus the figure is 1/2 or $\$80,000 \times 1/6 \times 1/2 = \$6,680$).

Thus the insurer will pay you \$6,680.

And finally, concerning your overall insurance policy, although these may seem elementary:

You cannot collect more for a loss than it costs to replace the damaged property.

You cannot collect more money on a loss than the amount for which you are insured.



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ADJUSTING THE LOSS

Loss adjustment is the process of establishing the value of the damaged property. This is the result of a joint effort among a number of parties. Basic parties to the process are the owner or occupant and the insurance company and its representatives.

The owner or occupant is bound by the insurance contract to prepare an inventory and cooperate in the loss valuation process. The insurance company provides the loss or claim adjuster. An insurance agent may act as the adjuster if the loss is small. The insurer may send an adjuster who is a permanent member of the insurer's staff, or the company may hire an "independent" adjuster to act in its behalf. It is the insurance adjuster's job, as a representative of the insurance company, to monitor and assist in the loss valuation process and to bring the loss to a just and equitable settlement.

Either you or the insurer may 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 or personal property
- Packing, transportation and storage of household goods
- Securing appropriate cleaning or repair subcontractors
- Storing repaired items until needed

It is important to coordinate with the insurance adjuster before contracting for any services. You may invade the insurer's responsibility area by contracting without its knowledge or consent. This may leave you with bills to pay that otherwise would have been covered by the insurer.

A general contractor may be needed to estimate the cost to repair structural damage. The estimating contractor may or may not be the executing contractor. The insurance company may send a contractor to estimate the work. However, you may select and pay your own contractor if you want an independent estimate.



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It is important to pick a contractor 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. The insurer will require a written, itemized statement of all work to be performed, the cost of the work, and interim and final completion dates. It is also in your best interest that work, costs and dates be formally spelled out. Ask for your insurer's confirmation that additional living expenses will be covered if there is a delay in the construction process.

Finally, the owner may exercise the option to hire and pay 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.

INVENTORYING THE DAMAGE

Most insured individuals are requested by the agent to make a 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 the damaged area more than once. But it is also important to avoid unnecessary delay. Water-soaked furniture may swell. Sooted rugs and drapes may prove more difficult to clean with the passage of time. Mildew may develop on the damp items. Timely action works to reduce addition loss.

Some people have found it helpful to use a tape recorder or cell phone to create the basic list of items for the inventory. Your insurance agent or adjuster may have inventory forms that can help you organize the job. Photographs may prove valuable in recording specific damage.

Next comes the task of valuing the loss. This will be on an actual cash value or replacement cost basis, depending on your policy. Receipts are helpful in establishing the item's original value. Insurers understand that in most cases people cannot provide receipts for all the damaged items; such evidence may even have been destroyed in the fire. Nonetheless, the insurer and insured must come to an agreement about the value of damaged articles. If this cannot be arrived at in the loss adjustment process, provision is made in the policy for the appraisal of goods and the arbitration of differences.

Once the proof of loss statement has been submitted to the insurer (you will have between 30 and 60 days in which to do this), your claim has been established. If there are no appraisals outstanding, the insurer has up to 60 days (it may vary from state to state) in which to pay the claim. Some elements of your total claim may drag on longer. For instance, your additional living expense claims may stretch out until you occupy the permanent dwelling. Your cashing of the payment check indicates your agreement with that portion of the settlement.



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REPLACEMENT OF VALUABLE DOCUMENTS AND RECORDS

The following is a check list of documents and records you should replace if they have been destroyed and who to contact for information on the replacement process.

ITEM	WHO TO CONTACT
Driver's License	Department of Public Safety – Driver's License 4740 Spring Cypress Rd. Suite 100 Spring, TX 77379 Phone – 281-517-1620
Bank Accounts	Your bank as soon as possible
Insurance Policies	Your agent as soon as possible
Military and Discharge Papers	National Personal Records Center Military Personnel Records Center 9700 Page Boulevard St. Louis, MO 63132-5100 https://www.nara.gov/regional/mpr.html
Passports	Houston Passport Agency Mickey Leland Federal Building 1919 Smith Street, 4 th Floor Houston, TX 77002-8049 Phone – 877-487-2778 Hours: 8:00 a.m. – 2:30 p.m.
Birth, Death & Marriage Certificates	State Bureau of Records in the state of birth, death, etc.
Divorce Papers	Circuit court where decree was issued
Social Security or Medicare Cards	Social Security Administration 600 SGT ED Holcomb Blvd. Conroe, TX 77304 Phone – 866-614-0032 or https://www.ssa.gov/replace_sscard.html
Credit Cards	The issuing companies as soon as possible
Titles to deeds	Records department of city or county in which the property is located.
Stocks and bonds	Issuing company or your broker
Wills	Your attorney
Medical Records	Your doctor
Warranties	Issuing company
Income Tax Records	Agency you filed through or Internal Revenue Service Phone – 800-829-1040 Irs.gov/individuals/get-transcript
Auto registration and title cards	Texas Department of Transportation Vehicle Titles and Registration Division Austin, TX 78779-0001
Prepaid burial contracts	Issuing company
Post office	Klein Post Office



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	7717 Louetta Rd. Phone – 281-257-3806 General Number – 800-275-8777
Citizenship papers	Immigration and Naturalization Service Phone – 800-814-1555
Animal registration papers	Society or Government agency of registry
Electric service	CenterPoint Energy Phone – 713-659-2111
Gas service	Your specific gas company
Telephone service	Your telephone service provider
American Red Cross	2700 Southwest Freeway Phone – 713-526-8300
Salvation Army	3665 Cypress Creek Parkway Houston, TX 77014 Phone – 281-397-7481
Northwest Assistance Ministries	15555 Kuykendahl Phone – 281-885-4555 Resale Shop – 2327 FM 1960 W Phone –281-880-9000

Aid to Families with Dependent Children (AFDC) and Welfare clients should notify their case workers if their identification cards for check cashing, their medical aid, or food stamp cards have been destroyed.

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 injury required more than immediate first aid. Contact your employer if you have a company health insurance policy, or your insurance company or agent if it is your personal policy. Portions of homeowner package policies provide limited medical coverage for persons who are injured on your property and are not members of your immediate family. A package homeowner policy may also cover you for liability suits brought against you as a result of the fire. Contact your agent for more information.

In the event of a short or long-term disability resulting from the fire, contact your employer, personnel department or insurance representative to find out if you have disability coverage, the terms of coverage and the benefits available to you. Some states provide benefits, which supplement private insurance coverage. Social Security provides benefits to those suffering long-term disabilities.

SALVAGE HINTS

Information concerning the salvage and restoration of such items as clothing, cooking utensils, electrical appliances, food, flooring and rugs, bedding, leather and books, locks and hinges, walls and furniture can be obtained from the U.S. Fire Administration, Federal Emergency Management Agency <http://www.usfa.fema.gov/safety/after.htm>.



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MONEY REPLACEMENT

Handle burned money as little as possible. Attempt to encase each bill or portion of a bill in plastic wrap for preservation. You can view the website https://www.frb services.org/operations/currency/mutilated_currency_and_coin.html for more information on the process and procedures of mutilated money.

If money is only half-burned, or less (if half or more of the bill is intact), you can take the remainder to your local Federal Reserve Bank for replacement. Ask your personal bank for the nearest one, or mail the burned or torn money via REGISTERED MAIL, RETURN RECEIPT REQUESTED to:

Department of the Treasury
Bureau of Engraving & Printing
MCD/OFM, BEPA
Room 344A
Washington, DC 20013

Mutilated or melted coins can be taken to the Federal Reserve Bank, or mailed via REGISTERED MAIL, RETURN RECEIPT REQUESTED to:

United States Mint
Independence Mall
P.O. Box 400
Philadelphia, PA 19105

If your U.S. Savings Bonds have been mutilated or destroyed, write to:

U.S. Treasury Department
Bureau of Loans and Currency
537 W. Clark St.
Chicago, IL 60605
ATTN: Bond Consultant



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A WORD ABOUT FIRE DEPARTMENT OPERATIONS

Here are several questions people have about Fire Department operations.

1. WHY ARE WINDOWS BROKEN OR HOLES CUT IN THE ROOF?

As a fire burns, it moves upward then outward. Breaking the windows and/or cutting holes in the roof (called ventilation) stops that damaging outward movement and enables fire fighters to fight the fire more efficiently, resulting in less damage to the structure in the long run.

2. WHY ARE HOLES CUT IN WALLS?

This is done so that the Fire Department is absolutely sure that the fire is completely out, and that there is no fire inside the walls or other hidden places.

3. IS IT POSSIBLE TO OBTAIN A COPY OF THE FIRE REPORT?

Yes, a fire report is a public document and is available from the Klein Volunteer Fire Department via email or mail. When requesting a copy of the report please follow these steps:

- Send an email to firereport@kleinfiredept.com
- Include the incident # in the email if it was made available to you. If not, please include the address of the fire and the date the fire occurred.

Once we receive your request, we will send the report to you as soon as it is finished. Please allow 7-10 days for this process to be completed.

Date of Incident: ____ / ____ / ____

Incident ID #: _____

This document was developed for the Klein Volunteer Fire Department using information contained in the U.S. Fire Administration's pamphlet "After the Fire! Returning to Normal".