



# Insurance Department

## Before an Emergency: How to Prepare for a Wildfire

If a wildfire is active in your geographic area but an official evacuation order has not yet been issued, use this critical window of time to safeguard your finances and prepare your property.

### Home Hardening & Mitigation Resources

- **Financial and Safety Incentives:** Property fire mitigation provides powerful safety and financial incentives, drastically minimizing structural wildfire risk while actively improving the long-term market value and insurability of your home.
- **Proactive Zoned Strategy:** The most effective proactive strategy is to reduce structural ignitability ("home hardening") and systematically clear nearby fuels using a zoned defensible space framework.
- **Scientific Research:** Studies from the Insurance Institute for Business & Home Safety (IBHS) demonstrate that collective structural adjustments—like Class A fire-rated roofs, noncombustible gutters, and ember-resistant vents—can meaningfully reduce the risk of home ignition.
- **Mitigation Standards:** To explore comprehensive checklists, interactive science courses, and certification standards to protect your property, visit the official IBHS Wildfire Prepared Home website (<https://wildfireprepared.org/>).

### Ensuring You Have Appropriate Coverage

To ensure your home and property are covered, it is essential to carefully review your insurance policy prior to any disaster. Coverage terms and optional endorsements can vary significantly between policies; even neighbors using the same insurance provider may possess entirely different levels of protection. Talk to your agent if you have questions about your policy.

- **Review Policy Limits:** Confirm that your policy limits reflect the current true replacement cost of your home without deducting for age-related depreciation, rather than just its depreciated actual cash value. The structural valuation language listed on your policy declarations page heavily impacts your out-of-pocket restoration expenses.
- **Understand Your Deductible:** Your deductible is the portion of the claim value that you have agreed to pay out of your own pocket, which your carrier automatically deducts from any final settlements issued. Be aware of whether you have a flat dollar deductible or a percentage deductible. A percentage deductible bases your out-of-pocket share on a direct percentage of your home's total insured dwelling value. For instance, a 2% deductible on a home structure insured for \$250,000 equals a \$5,000 out-of-pocket share, which can significantly impact your recovery budget.



- **Schedule High-Value Items:** Standard property insurance policies often have specific sub-limits or caps on certain categories of personal property. High-value belongings such as antiques, firearms, collectibles, and high-end jewelry typically need to be explicitly scheduled on your policy through separate endorsements or riders to ensure their full worth is covered.
- **Review Outbuilding and Detached Structure Limits:** Similar to high-value items, standard policies generally limit coverage for detached structures—such as sheds, detached garages, barns, and fences—to a small, fixed percentage of your main dwelling limit. If you have substantial outbuildings on your property, you must ensure your policy coverage limits are explicitly expanded to cover their full replacement value.
- **Check for Code Upgrade Coverage:** Standard property insurance policies do not cover the extra expenses required to bring an older, damaged home up to current local municipal building codes. Ensure you have explicit "Ordinance and Law Coverage" specified on your policy declarations page to cover those code-upgrade construction costs.
- **Verify Additional Living Expenses (ALE) Triggers:** If your home is rendered unlivable due to a covered fire peril, standard homeowners policies provide ALE to pay for the direct increase over your typical daily living costs. Under standard homeowners insurance policies, ALE or Loss of Use coverage can also help families during a mandatory wildfire evacuation even if their home has not yet burned. However, specific triggers and timelines vary significantly by carrier, so you should verify your policy's terms in advance. Note that purely voluntary evacuations are out-of-pocket expenses, as policies typically require an official civil authority mandate driven by actual, direct physical damage to nearby property.

### **Documenting Your Home Inventory**

- **Utilize Free Mobile Apps:** Download the official, secure Home Inventory mobile application provided free of charge by the National Association of Insurance Commissioners (NAIC), available in both the Apple App Store and Google Play.
- **Conduct a Digital Inventory:** Create a comprehensive list of your household items and possessions.
- **Use Video if Short on Time:** If you are short on time, use your phone to film a continuous video walkthrough of every room.
- **Narrate the Details on Camera:** As you film, clearly describe high-value items, noting purchase dates, general item conditions, and original purchase prices if known.
- **Secure and Backup Records:** Save a backup copy of your completed inventory list online or store a physical copy in a secure off-site location, such as a bank safety deposit box, alongside your core insurance policy papers.