Navigating Recovery for Homeowners

I am an insured homeowner:

My house sustained physical damage and/or was destroyed as a result of the tornado.

Take a look at your policy and look for 'windstorm' under 'Named Perils'. While there are many types of home insurance policies available on the market, direct tornado (windstorm) damage is almost always covered. However, some policies may limit coverage or may explicitly exclude wind damage to roofs. Contact your insurance company for questions about your policy.

My home has no physical damage as a result of the event, but we were affected by the power outage, which resulted in food loss and spoilage.

It is possible that if your power outage lasted an extended period of time that your insurance may cover fridge and freezer food spoilage. Unfortunately, if you had no physical damage as a result of the event itself, it is less likely that your insurance will pay for you to stay outside of your home during short power outages (called "Additional Living Expense" under your policy).

Now what?

Keep a record of all communications with your insurers. Request copies of expert reports and estimates the insurance company obtains.

Initial Steps:

1. **Take as many pictures as possible, before any cleanup starts. Be cautious and do not place yourself in harm's way.**
2. If you have not already, call your insurance representative. This opens the claims process.
3. If you are unable to stay in your home as a result of physical damage or destruction, ask your insurer for what expenses you are entitled to, for how long and if it is reimbursement based.
4. Keep all receipts, quotes and invoices for all costs resulting from the damage, repair or staying away from your home. The more documentation the better. Not all costs may be reimbursable under your policy but keeping documentation will help.
5. Create a home inventory of your personal possessions. If you suffered damage, if and where possible, start to collect your documents related to lost or damaged property or equivalents (model numbers, warranties, receipts or proof of purchase, owner's manuals, etc.) Keep damaged items unless they are dangerous or a health hazard.
6. Review your policy and become familiar with specified deductibles, coverage limits and replacement values.

Be specific and detailed.
Provide as much information as possible and take photos if it is possible and safe to do so.

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As your claim progresses:

7. A claims specialist or adjuster (who is paid by your insurance company) will contact you to ask about what happened (investigate the loss), examine documentation and explain the next steps.
8. Your insurance company may ask you to complete and return a proof of loss form. This form lists the property, the loss or damage, and the estimated value/cost. It is important that this form is accurate. If any of the statements made on the form are untrue, your insurance and claim may be voided. On the form, you will be asked to:
   a. Make a complete list of all damaged, destroyed or stolen items. Attach proofs of purchase, receipts, police reports, owner's manuals and warranty where possible.
   b. Attach photos of damaged items.
   c. Sign and swear that the statements you make in the proof of loss form are true.

What is a Home Insurance Claim Form?

Home insurance claims forms, or proof of loss forms, are used to document items that were lost or damaged. You will be required to provide specific information about each item being claimed. You will be asked about:

i. The type of damage caused to your home or contents
ii. The items included in your claim
iii. Replacement value of the property or contents that are damaged
iv. Proof of the loss (photos, receipts)

Repair and Reconstruction:

9. Insurance companies have two options for your damaged or stolen items:
   - Repair
   - Replace

Need more help? Contact the Insurance Bureau of Canada (1-844-227-5422), and your Broker/Insurance Representative.

10. Ask your insurance representative if you can hire a contractor or supplier of your choice to do repairs and always discuss the costs or cost caps. Be clear on the limit your insurer will pay.

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I am an insured/uninsured homeowner undertaking repair and rebuild.

Make sure that you keep receipts, invoices, quotes, and request documentation for all services provided.

Resources:
Canadian Home Builders' Association Information for Homeowners
http://www.chba.ca/CHBA/Renovating/Renovating.aspx
Canadian Home Builders Association of B.C.
http://www.chbabc.org/dirapp-2.0/hiring-a-contractor-in-bc.html

Choosing the right contractor

- ✓ Check if the Builder has a valid builder license as a Licensed Residential Builder
- ✓ Check the Builder's reputation by searching the Better Business Bureau's listings, or by searching the internet for "BBB+*builder name*"
- ✓ Check if the Contractor is registered and their insurance is up to date.
- ✓ Hire qualified tradespeople - check the qualifications of those doing the work.

Get written estimates and multiple quotes

- ✓ Get multiple quotes/ written estimates
- ✓ A written estimate should include:
  - a complete description of the work that will be done
  - the type and quality of materials that will be used
  - the project start and completion dates
  - itemized costs and the total price
  - a statement of any guarantees made by the contractor
  - the required method of payment

Make sure you have a written contract

- ✓ Check out the CHBA *Get it in Writing* webpage – it is very difficult to prove verbal contracts
- ✓ Ask what kind of warranty the work will have
- ✓ Make sure the contract specifies the payment schedule. Generally speaking, do not pay everything upfront (unless a licensed Pre-Paid Contractor)

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- It is usual for a contractor to ask for some form of down payment or deposit. Check if this is refundable and under what conditions.
- Payment should be against performance (set benchmarks and pay against these benchmarks)
- Make sure you have a holdback (for liens against your property)

✓ Record all changes to the Contract in writing and have a written, signed statement from the contractor specifying the increase or reduction in cost.

Contract Checklist Guide (not exhaustive)

- A detailed description of the work to be done. Include blueprints if appropriate.
- A statement of the type and quality of materials to be used
- A statement of any work that is to subcontracted (i.e. plumbing and wiring)
- A statement that identifies who is responsible for getting all necessary permits and ensuring that inspections and approvals by local authorities will be done at the proper times. The homeowner is ultimately responsible for making sure necessary permits are in place before work starts.
- A statement that all work will be done according to local codes.
- A statement that the contractor is responsible for removing all debris as soon as construction is completed.
- A clearly itemized payment schedule including any hold-back provisions under the *Builders Lien Act*
- A statement of all warranties explaining what is covered, for how long and what will be done if there are problems.
- A Certificate of Insurance showing the contractor's liability and property damage insurance.
- If the renovations involve a substantial amount of money, you may want to consider additional protection such as a performance bond in the event the contractor fails to complete the work.
- The contractor's Workers' Compensation Board number.
- A statement outlining any cancellation rights.
- A statement outlining how problems will be resolved.

Determine if you need a permit and who is responsible for obtaining it

✓ Validate if you need a permit or inspection – check with local governments

✓ Clarify who is responsible for obtaining it

Be clear on quality and industry standards

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- ✓ There are a number of third party groups that rate the quality and safety of tools and equipment such as:
    - CSA Mark: Found on many consumer products and materials, the CSA Mark is owned by CSA Group, a global organization that creates standards for safety and quality across various industries, including construction.
    - Renomark: Members of the Renomark program are members of the Canadian Home Builders Association who have committed themselves to a strict Code of Conduct that is intended to protect you, the homeowner.

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