

HOA Homefront

Dealing With Disaster

By: Kelly G. Richardson

After a disaster, individual homeowners and their association boards and managers can be overwhelmed by the many decisions which must be made. Cautious action can avoid adding to the financial losses and tragedy already sustained.

Immediate Action Items

- Identify what cannot wait. Do not confuse them with longer term recovery decisions to be made in the coming weeks and months.
- Use extreme caution before entering damaged structures. They may be structurally unsafe, with hazards in the rubble.
- Secure the property — Determine if temporary fencing or other measures are needed to make the property safe and secure.
- If fire remains a concern, locate the gas line to each home or building and properly shut off the lines.
- Notify your property insurance company. You will obtain a claim number, and other contact information will follow as your property is assigned to an adjuster.
- Notify the utility companies of disruption of gas, water or electricity.
- If you sustained vehicle damage, contact your automobile insurer.
- Determine if temporary measures are needed to protect against further loss. Tarps or plywood sheeting may be needed to protect damaged roofs or walls.
- Take photographs before anything is moved, changed, demolished or hauled away.
- If you do not already have an inventory of your belongings, make one, listing all items

which were in the property and were destroyed.

- Displaced residents should provide temporary contact information to the board or manager.
- HOA's should issue frequent updates to homeowners. Many boards will need to locate a temporary meeting site.

Insurance Claims and Public Adjusters

Your property will be assigned a claim number and an adjuster by your insurance company.

- However, you also may be contacted by other persons not working for your insurer who will seek to help with your claim.
- Called "public adjusters," they normally must be licensed by the Department of Insurance. Check license status at:

<http://www.insurance.ca.gov/license-status/index.cfm>.

- Public adjusters are not paid by the insurance company, but take a percentage of the money the insurer pays you. The percentage is not set by law, and is subject to negotiation.
- You may not need a public adjuster. Most insurance claimants are able to process their claims without such assistance. Discuss this with your insurance broker or lawyer.

Banks

It can seem impossible to pay for a temporary home and also the mortgage loan payments on a destroyed residence, but do not be too quick to give up on your home. Some lenders may give relief such as a temporary moratorium on payments.

Contractors

You need a contractor. After disasters, contractors seem to be everywhere, soliciting repair contracts. You must do your own research — a firm handshake or friendly smile does not prove a contractor's competence or honesty — caution is essential.

- Confirm the contractor's license with the Contractors State Licensing Board at <http://www.CSLB.ca.gov>.
- Confirm the contractor holds current insurance for liability, completed works and workers' compensation. Get a copy.
- Some contractors may try to win you over by promising you will not have to pay to them the amount of your insurance deductible. This is insurance fraud — don't do it.

- Will the contractor agree in advance to accept what your insurer will pay for repairs, plus your deductible amount? Rather than arguing with the insurer over the amount of the repair cost, a better approach may be to focus on the extent of repairs. Then hire a contractor who will work within the insurer's cost guidelines.
- Obtain bids from several contractors, preferably who have been in business for many years.
- Get the entire contract in writing. Don't accept any unwritten promises.
- Contractors cannot legally require deposits over 10% of the contract price or \$1,000. Beware anyone asking for more.

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