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RESPONDING TO A FIRE LOSS

Loss due to fire is inherently unexpected and frequently catastrophic. The loss of a home, structures, or livestock is difficult—it is an emotional time. Grieving those losses is normal and expected. We hope this handout provides you with some basic items in responding to those losses with respect to insurance and related financial remuneration. Additionally, we hope this helps you understand the process and timeframes within which to make claims for your damaged property or livestock.

Documenting Loss

One of the first steps is to properly document your losses. If you are displaced by a fire, keep all of the receipts from any hotels, animal boarding, etc. as evidence of your losses in being away from your home. Once your property has been cleared and deemed safe for return, document all losses, including and not limited to: property, structures, livestock, machinery, livestock, and farm products (i.e. seed, animal feed, silage, etc.). It is important that you document losses BEFORE you start cleaning or clearing any damaged property. You should take your time while documenting to create a comprehensive list of all damages and losses. Documentation can be in the form of photos or videos. For larger acreage tracts, consider using a drone, but keep in mind that drone footage should be avoided when firefighting aircraft is in use. If it is difficult for you to document the losses, consider reaching out to others in your community, friends, or family to assist you in this task.

Insurance Claims

While there are some time restraints to filing an insurance claim, it typically does not have to be done immediately after the fire. Trying to file quickly should not be an extra form of undue stress in an already stressful time. However, contacting your insurance company early in the process may be helpful to start the process and receive direction about how you should proceed. We do recommend that you contact your insurance company prior to initiating any clean-up on the property to confirm how they wish for you to proceed. It is best to submit a claim in writing to your insurance company.

In some, but not all instances, insurance companies may pressure you to settle early and promptly, and frequently such requests may be for less than you were expecting or involve denial of certain requests for coverage. No matter what the response is from the insurance company, consider proceeding cautiously and on your own time schedule. With the passage of time, you may identify other property that has been lost or you may realize that offers for settlement of your claim are disproportionate to your losses or dissatisfactory in other ways. Remember you have experienced

a very traumatic event, do not feel that you must be in a rush to resolve an insurance claim. If you are ultimately unable to resolve the insurance claim, feel bullied or pressured to accept an offer, or simply wish for a second opinion on your coverage, consider contacting legal counsel to assist you. Many lawyers offer limited scope representation that can provide a simplified service such as a simple review for denial of certain coverage or related issues you may be facing.

Alternatives to Insurance

You may ultimately find that certain losses are not covered by insurance or that your claims exceed the policy limits. From here, you may consider investigating additional avenues for financial recovery of your losses.

Civil Court Litigation

In the case that the fire was caused by human action (as opposed to natural causes such as lightning), then frequently a civil case may be brought against the individual or company causing the losses. Keep in mind, that most civil cases should be brought within two years of the start of the fire whenever possible to eliminate a statute of limitations defense by the party causing the fire. If your case remains unresolved at 18 months after the fire, you should generally at least contact legal counsel to initiate a lawsuit to ensure that those time periods do not lapse. Recognize that in some instances other parties may be attempting to “wait it out,” beyond the two years to possibly deny avoid liability. Keep in mind that this does allow you to take some time to recognize and work through your losses without a significant sense of urgency.

Disaster Relief Programs

The USDA-Farm Service Agency provides relief through various programs for agricultural producers. Commonly utilized program due to fire losses are the livestock indemnity program (LIP) and noninsured crop disaster assistance program (NAP). As of 2020, those programs provide benefits for producers experience livestock death or crop losses due to fire. LIP payments are equal to 75 percent of the average fair market value of the livestock. Generally, claims are handled through your local FSA office. Currently limits are \$125,000 per individual or entity. There may be other programs eligibility based on disaster declarations. Contact with your local office as to eligibility is advised.

Federal, state and local programs, especially disaster declarations, may also create additional avenues for recovering financial losses. Frequently eligibility through Federal Emergency Management Agency (FEMA) may be approved for housing losses or through agencies like the Small Business Association for business losses.