



MONOGRAPH

SPECIALIZED WEALTH SOLUTIONS



Personal Continuity

Immediate Steps to Pursue After Being Impacted by Fires

Secure Essential Needs

- Secure temporary shelter, food, water, and essential medications.
- Pursue a rental option – demand will increase quickly and can drive local rents 2-5x higher. Find a short-term solution immediately and plan for the long term when the situation settles. (See Loss of Use benefit below.)

Activate your Advisors

- Coordinate with the appropriate service providers
- Insurance agents, tax, wealth, and, potentially, legal advisors

Document Everything

- Take photos and videos of the damage.
- Keep electronic receipts for all expenses incurred. This is important for insurance reimbursement.
- Identify lost or damaged possessions, gather electronic receipts and appraisals for valuable items.

Understand your Insurance Policy and Initiate Claim

- As soon as you are certain of complete loss, contact the insurance company to file your claim.
- Loss of Use – seek details on terms of Loss of Use benefits. Ask about the fair rental value (FRV) and additional living expenses allowed (ALE). How long will Loss of Use be covered? 24-36 months is typical.
 - Example of ALE that could be covered by Loss of Use: hotels, food, transportation, utilities, storage, pet boarding, laundry.
- Personal property – when you speak with appraiser, seek advancements for personal property replacement (e.g., clothes, essentials, bedding).
- Insurers must promptly provide a percentage of the personal property coverage and a certain number of months for rent at a comparable living standard. Splits vary by carrier.
- In the event of partial loss, utilize a third-party appraiser to assess damage.



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Assess Short- and Long-Term Financial Impact

Pursue Insurance Claims

- Ask how to most effectively claim your coverage benefits. Put all options on the table (rebuilding, receiving a check and moving on).
- Document all communications with appraiser. Seek confirmation of all key facts in writing, specifically any exclusions, limitations or certain conditions.
- Public adjusters can be helpful as an interface with the insurance company. They charge a fee but can result in better claim outcomes.
- Get at least one independent, licensed contractor's estimate on the cost to rebuild the home.
- Understand that you can purchase or rebuild at another location and still receive full replacement cost benefits.
- You can utilize a contractor of your choosing. It might be more cost-effective to consider community-wide development with a common builder.
- Be wary of out-of-state appraisers or contractors not qualified in local market.

Short Term Financial Relief

- Insurance provisions – understand Loss of Use benefits and advancements for personal property.
- Property Tax Reassessment – the property value will significantly decrease in a community ravaged by fire.
 - Explore tax relief through local county assessor's office.
 - Understand eligibility, documentation needed, and deadlines for filing claims.
- Mortgage Forbearance - you are still required to make mortgage payments and should contact your bank.
 - Forbearance agreements with banks allow you temporarily to suspend or reduce your mortgage payments.
 - Understand the terms – time-period, catch-up plan (e.g.. lump sum, extending loan to add to back-end, adding to payments, loan modification)
 - Consider eligibility, interest accrual, credit impact (could reduce your credit score).

Financial Recovery

- Determine insurance payout. Assess the prospects of rebuilding vs. selling land.
- Explore government aid - research potential assistance from FEMA (Federal Emergency Management Agency) or other government programs.
- Stay informed – the process will take a long time. Keep up to date on local recovery efforts and available resources.



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Assessing Plan to Recover from Tragedy

Assess Financial Impact of Disaster, Asset Sufficiency and Range of Scenarios

- After determining likely financial recovery from disaster, assess entire financial structure, range of options, and time horizons. This includes:
 - Rebuilding
 - New, local home purchase
 - Relocation to another area or state
- Assess impact on career and human capital – has it been impacted by change in local community due to disaster?
- Consider timelines for insurance receipts and average, worst- and best-case outcomes.
- Review existing debt. How does loss of home affect mortgage? Review financing options to cover funding gaps if choose to rebuild.
- Consider tax impact of all transaction activity (real estate, liquidation of investments).
- Determine if Proposition 19 could be utilized to transfer property tax basis to new home. Homes lost due to natural disaster often qualify.

Assessing and Pursuing a Rebuild

- Complete a realistic financial assessment and timeline – engage experts to build and refine plan.
- Assess insurability of new home after recent natural disaster.
- Consider prospects of local community – how long will it take to rebuild? Does that fit with your timeline and life plan?
- Identify a contractor as soon as possible. They will be in high demand. Be wary of new entrants or unqualified candidates.
- Obtain necessary permits early – local officials will be overwhelmed, so this process will be arduous.
- Expect slower experiences, higher costs.

Assessing Relocation

- Components to review in new location – home market, disaster risk, job market, cost of living, schooling, access to healthcare and other professionals.
- How will your financial structure evolve if you choose to take the proceeds and relocate?
- Do you have asset sufficiency? Do you have enough liquidity? Do you have enough protection?

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Sources and Additional Resources

- Top Ten Tips for Wildfire Claimants - https://www.insurance.ca.gov/01-consumers/140-catastrophes/TopTenTips_WildfireClaimants.cfm
- Don't get scammed after a disaster - <https://www.insurance.ca.gov/01-consumers/105-type/95-guides/03-res/dont-get-Scammed.cfm>
- California State Contractors License Board - <https://www.cslb.ca.gov/Consumers/>
- Los Angeles County Assessor Disaster Relief Resources - <https://assessor.lacounty.gov/tax-relief/disaster-relief>
- California State Board of Equalization Disaster Relief Resources - <https://www.boe.ca.gov/proptaxes/disaster-relief.htm>
- State of California Franchise Tax Board (not yet updated to reflect the 2025 Los Angeles County fires):
<https://www.ftb.ca.gov/file/when-to-file/Emergency-tax-relief.html>

Authored by:

Sean Shannon, CFA, CFP®

Co-Managing Partner

310-496-7315





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