

Many Insurance Companies Have Raised Their Deductible for Hail Damage

Perhaps you were surprised, as I was, following the May 8th hail storm, to discover that your deductible for hail damage was higher than in the past. The last time I had a claim, the same insurance deductible (\$1,000) was applied to all losses, but now I'm finding that a different deductible applies to hail claims. My insurer is Liberty Mutual, and the deductible for hail is calculated at 0.5% of the replacement value of my home, capped at \$2,500. Other insurers have even higher deductibles for hail.

For example, Belmar Commons, a community of 45 townhomes, has a master policy with a 2% deductible for hail losses, and the HOA had to impose a special "loss assessment" of over \$5,600 per unit to cover their quarter-million-dollar insurance deductible. (Note: If you live in a condo or townhome community with a master insurance policy and purchase a "condo" policy, consider paying for a rider that covers such loss assessments — with its own deductible, of course!)

I'm told that "split deductibles" have been introduced over the past several years, with some companies applying different fixed deductibles for wind/hail losses vs. other losses, and others applying deductibles of up to 5% of the home's valuation on such claims. If you've been with the same company for over 10 years, you probably have a policy without a higher deductible for hail, but if you change insurers thinking you'll save on insurance, you may end up losing more than you save if you suffer a wind or hail loss in the future.

Many Coloradans saw an increase in their insurance premiums following the 2013 floods and the more recent wildfires, and we'll quite likely see more increases because of this hail storm and other severe weather events, both past and projected.

It's the nature of the insurance industry that the risk and cost of weather-related losses is spread out among all policy holders. So, just because you were

not affected directly by the May 8th hail storm does not mean that you won't pay a price for it and for other weather-related losses when your policy renews.

This should be a wake-up call for homeowners regarding the impact of climate change, and that impact goes beyond increases in insurance premiums. Earlier this month the Union of Concerned Scientists released a study concluding that within 20 years almost 200 coastal American cities may become unlivable due to chronic flooding caused by rising sea levels. Chronic flooding is defined as 26 or more flooding events per year — or one every two weeks. When that becomes the norm, people start thinking about moving to higher, safer ground.

Climate change is also responsible for the increase in severe weather events such as tornadoes. I watch national news programs each night and am struck by how places like New England are now experiencing tornadoes and other weather events which I don't recall happening when I lived there.

Yes, the premiums on homeowner's insurance will increase, but consider for a moment the possible impact of more people moving to Colorado from cities which experience more flooding or other severe weather. People looking to move out of areas impacted by flooding, tornadoes or other weather-related catastrophes will be looking at the map for states with less flooding and severe weather. Fortunately, Colorado is blessed — for now — with fewer severe weather events than many other areas of the country.

I've always wondered why insurance companies "gave" us a new roof after a hail storm, even if the roof was already quite old. This is different, say, from car

REAL ESTATE TODAY



By JIM SMITH, Realtor®

On This Week's Radio Show:

We'll be diving deeper into this subject on the "Golden Real Estate" show this **Saturday at 3pm on AM 630 KHOW**. All our shows are streamed on Facebook Live, where they are also archived. Find them at [Facebook.com/GoldenRealEstate1](https://www.facebook.com/GoldenRealEstate1).

We'll have insurance experts as guests and will also take your phone calls.

insurance, where an insurer will "total" a car when the cost to repair the car exceeds a certain percentage of the book value of the car.

Insurers are already "depreciating" the value of wood shake roofs, meaning that they assign a certain "life span" to a wood shake roof — say, 15 years. If that roof is totaled, they will allow only its depreciated value instead of applying a deductible to the total cost of replacing it. If the roof is 15 years old, you might get very little — even though you've been paying a premium for having a roof that is considered a fire hazard.

Liberty Mutual paid an additional \$7,000 to remove and reinstall the solar panels on my roof, even though I don't pay a higher premium for those panels. I hesitate to say it, but I wouldn't be surprised to see insurance companies begin charging more for homes with solar panels to cover that cost.

Come to Golden This Coming Weekend for Buffalo Bill Days



Golden Real Estate is once again a co-sponsor of this signature event in downtown Golden and, as always, our two moving trucks and Tesla will be an entry in the "Best of the West Parade" on Washington Avenue at 10 a.m. We like "fueling up" for it at the annual pancake breakfast in the 10th Street fire station, which benefits Golden's volunteer fire department. Come join the fun!

Why Aren't Carbon Monoxide & Fire Detectors Required in Garages?

Most garages have gasoline and other flammable liquids stored in them and have cars which can kill you with their emissions, so I find it interesting that building codes don't require smoke/fire or carbon monoxide detectors in the garage. The code requires self-closing fire doors and fire-rated drywall construction to slow the movement of fire from garage to house, but why not smoke and CO detectors?

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We Enjoy Speaking to Service Clubs and Other Groups About Real Estate

Do you belong to a group that welcomes outside speakers? My broker associates and I are happy to give complimentary presentations on all aspects of real estate. For example, we have a presentation specifically geared to senior audiences, with advice on how to avoid being manipulated or cheated regarding real estate. We also have presentations on sustainable practices and electric cars. Call me at **303-525-1851** if you'd like an outline of these talks.



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Listen to the Golden Real Estate show on AM 630 KHOW Saturdays at 3 p.m.



If Living 'Off the Grid' Is Your Dream, This Is Your Dream Home!

By JIM SMITH, Realtor®

Regular readers of my YourHub column know that Golden Real Estate and I are totally committed to sustainable living. So you can believe me when I say that this 7-acre, 3-bedroom, 2,072-sq.-ft.

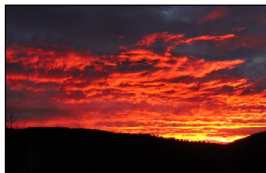
home at **1795 York Gulch Road** is my favorite listing ever. If I were ready to retire or could telecommute, I'd move here myself. It is a well engineered home, completely self-sufficient regarding electricity and water, with a passive solar design. Eighteen solar panels with battery storage provide uninterrupted electricity, with two backup generators that are hardly ever needed. County maintained roads lead right to this property, and a firehouse is less than a mile away. With its surprisingly good cell service and internet access, this would be a great home for a telecommuter. At 9,000 foot elevation — with a great view of the Continental Divide — it needs no A/C and is so well insulated that you could heat it using its two wood stoves, although it does, of course, have a

forced air furnace and two wall heaters. (It has been years since the buried 1,000-gallon propane tank was refilled, and it currently has 300 gallons in it.) The acreage is entirely south facing, so snow

melts quickly, making this a fine year-round home, considering its elevation and long driveway with six switchbacks. If you like the idea of being in the mountains yet only 30 minutes from Denver and ski areas, you should watch the narrated video tour which I created at www.MountainTopHome.info, then call your own agent (or me at **303-525-1851**) for a private showing! This home is 3 miles from the Fall River Road exit of I-70 (Exit 238). Enjoy the proximity to hiking, skiing, biking & more. An adjoining buildable 5-acre lot is also available for \$95,000.

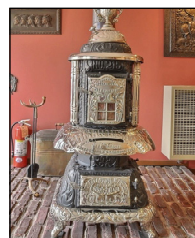


Meadow with stream



KEY FEATURES OF THIS HOME:

- ◆ Designed by a former NASA engineer
- ◆ 2x8 construction and super insulated
- ◆ Solar powered with battery storage
- ◆ Majestic view of Continental Divide
- ◆ Mostly surrounded by National Forest
- ◆ Horse barn plus lush meadow on stream
- ◆ Excellent cell service and Internet access



Offered for \$595,000



Showings are granted only to buyers who have first watched the narrated video tour at www.MountainTopHome.info. Then call your agent or listing agent Jim Smith of Golden Real Estate at 303-525-1851