



Understanding Insurance & Debris Removal

Navigating Debris Removal: Insurance Considerations

- Following a wildfire, debris removal is a crucial step in the recovery process. Maui County residents and businesses whose properties were destroyed by the wildfires have the ability to use the government-operated Maui County Consolidated Debris Removal Program to ensure that their property is cleared of hazardous materials and debris. To obtain service through the government-sponsored program, a property owner must complete a Right-of-Entry (ROE) form to allow these agencies to clean up a property. For more information and to learn how to sign up for this debris removal program, visit <https://www.mauirecovers.org/debrisremoval#about>
- This guide aims to clarify the interaction between your insurance and the debris removal efforts, ensuring you are not financially overburdened. The following information explains how participation in this program may affect your insurance proceeds. For more detailed information on debris removal as it relates to insurance, please visit <https://www.mauirecovers.org/debrisremoval#faq> and/or contact State of Hawaii Maui Disaster Relief Call Center at 808-727-1550.

Insurance and Debris Removal:

1. For Insured Property Owners:
 - *Specified Coverage for Debris Removal:* If your policy explicitly includes a set amount for debris removal, this specific amount will be dedicated to the cleanup costs after any costs you incurred from any additional debris removal needs after the government cleanup.
 - *No Specified Coverage for Debris Removal:* In cases where debris removal is not separately listed but included in the overall insurance coverage, any contributions towards the cleanup will come from remaining funds, if any, after rebuilding.
 - *If Not Rebuilding:* Should you decide against rebuilding, the program is still available for you.
 - If you had specified coverage for debris removal, it would still work the same way.
 - If you were paid out at Actual Cash Value due to your policy type, no additional money will be owed for government debris removal.
 - The only time you would owe money for the government debris removal is if your payment from the insurance company was at Replacement Cost Value, debris removal was part of your General Coverage, **and** you haven't exhausted the funds by any additional debris removal needs you had after the government debris removal.
2. For Uninsured Property Owners:
 - Assistance is available without any cost implication, ensuring equal support for all affected.

Insurance Implications and Financial Protection:

- The system is designed to prevent "duplication of benefits," which occurs when a property owner gets assistance from multiple sources for the same purpose within the same timeframe. Homeowners may be required to remit that portion of their insurance proceeds specifically reserved for debris.

Debris Removal Coverage Explained:

- Specified Amount Coverage: This is when your insurance policy states an exact amount for debris removal. This might be a separate line item or endorsement to your policy.
- General (No Specific Debris Removal) Coverage: When debris removal costs are included within your total coverage amount.

Key Points to Remember:

- Understanding the specifics of your insurance coverage is crucial. *If unsure, consult with your insurance claims representative.*
- The intention of this arrangement is to streamline the recovery process, reducing financial stress and facilitating a smoother transition to normalcy post-disaster.

Visual Guide to Coverages:

Example 1: Insurance Policy with Specified Amount Debris Removal

Coverage Type	Coverage Limits	Specified Additional Debris Removal Coverage	Coverage Available for Debris Removal
Coverage A: Primary Structure	\$200,000	5% of Cov A: \$10,000	\$10,000 (from Coverage A)
Coverage B: Other Structures	\$20,000	5% of Cov B: \$1,000	\$1,000 (from Coverage B)
Coverage C: Contents	\$100,000	5% of Cov C: \$5,000	\$5,000 (from Coverage C)
Total Direct Coverage Available	N/A	N/A	\$16,000
Sample Debris Removal Cost	N/A	N/A	\$75,000
Deficiency (if in Consolidated Debris Removal Program)	N/A	N/A	\$59,000 (Not liable for)

Note: The homeowner is not liable for the \$59,000 deficiency if they participate in the Consolidated Debris Removal Program Right of Entry. Without participation, the deficiency would reduce the primary coverage for rebuilding.

Example 2: Insurance Policy with General Coverage Debris Removal

Coverage Type	Coverage Limits	Coverage Used by Insured to Rebuild	Amount Available for Consolidated Debris Removal
Coverage A: Primary Structure	\$200,000	\$200,000	\$0,000
Coverage B: Other Structures	\$20,000	\$18,000	\$2,000
Coverage C: Contents	\$100,000	\$93,000	\$7,000
Total Coverage Available	N/A	N/A	\$9,000
Sample Cost on Invoice	N/A	N/A	\$75,000
Deficiency (if in Consolidated Debris Removal Program)	N/A	N/A	\$66,000 (Not liable for)

Note: In this scenario, the County only collects for debris removal if there are leftover funds in the coverages after rebuilding. Without participation in the program, the full cost of debris removal would reduce the primary coverage for rebuilding.

Hawaii Insurance Division
Fire Claims Information
cca.hawaii.gov/ins/fire-claim-information/

