’08 Wildfire Victims Insured with AIG Get $$$ Help from CDI and UP

Survivors to receive an average $100,000 to $125,000 in Additional Coverage
Insurance Commissioner Steve Poizner today announced that the California Department of Insurance CDI) has
secured between $37 million and $46 million in additional coverage from AIG for Sayre Fire survivors in Sylmar.
Commissioner Poizner was joined by Los Angeles City Councilmember Richard Alarcón; Amy Bach, executive
director of United Policyholders and a Sayre wildfire survivor and AIG policyholder who, until this agreement was
reached, was unable to afford to rebuild her home.
“Losing your home and all your belongings in a wildfire is absolutely devastating,” said Commissioner Poizner.
“After years of making payments on their policies, homeowners count on their insurance companies to come
through when they need them most – when they lose everything. I am pleased that through our decisive action and
firm negotiations, the Department of Insurance and AIG were able to enter into an agreement that will secure up to
$46 million in additional coverage for wildfire survivors.”
The Sayre Fire tore through Sylmar in November, completely destroying 485 mobile homes. AIG insured 370 of
those mobile homes. It is CDI’s position that all 370 AIG policies included a stipulation that provides either 110
percent or 125 percent for additional coverage in the event of a total loss. After the Sayre Fire destroyed the

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homes of 370 AIG policyholders, the company advised the policyholders that the 110 percent enumerated in their
policies actually meant 10 percent additional coverage, and 125 percent actually meant 25 percent additional
coverage for policyholders. As many wildfire victims attempted to rebuild their lives, they found that the policy limits
being offered by AIG were insufficient to replace their mobile homes.
Upon receiving complaints from fire survivors, CDI took immediate action. CDI took the position that coverage
should be afforded for 110 percent or 125 percent of additional coverage and urged AIG to offer the higher policy
limits to all wildfire victims. While CDI and AIG had different positions on how the policy should be interpreted, after
weeks of negotiations, New Hampshire Insurance Company an AIG company) agreed to offer its insureds the
additional 110 percent or 125 percent of coverage being sought by the CDI. In reaching this agreement, the best
interests of the policyholders are being served. The agreement Commissioner Poizner announced today will result
in up to $46 million in additional coverage for fire survivors, an average of about $100,000 to $125,000 in additional
coverage per policy.
“We commend the Commissioner and his team for negotiating this important agreement on behalf of the hundreds
of AIG policyholders who lost their Sylmar homes and need every promised dollar of insurance coverage to rebuild,”
said Amy Bach, a consumer rights advocate and executive director of United Policyholders.
Los Angeles City Councilmember Richard Alarcón said, “I want to thank the local disaster recovery advocates who
brought this to the attention of my office so we could work with the Insurance Commissioner to ensure that the
Oakridge residents received what they were entitled to and I thank the Insurance Commissioner for following

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through.”
In January, Commissioner Poizner hosted an Insurance Recovery Forum for Sayre Fire survivors, where he was
joined by local, state and federal officials, as well as representatives from the insurance industry, to answer specific
insurance questions for fire victims. CDI has received 46 complaints involving a number of insurance companies
from Sayre Fire survivors. These complaints mostly involve claims delays. Some involve claims denials and five
involve an underinsurance allegation. The Department is currently investigating and mediating all these complaints

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