

[A year after the Marshall Fire, homeowners are still slowly piecing together money to rebuild](#)

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Colleen and Greg Ehrnstrom finally broke ground on the plot where their five-bedroom home once stood in Louisville earlier this month.

After a year of dealing with their mortgage company, the Federal Emergency Management Agency, builders, architects, the Colorado Division of Insurance, and, of course, their insurance company – the couple finally has a plan for how to pay to rebuild the house that burnt to the ground in the Marshall Fire.

“It’s like a puzzle coming together. And if you add that up, we are still short, but I’m very confident that ... the way that this is going down, that we’ll figure it out,” Colleen Ehrstrom said.

The price tag is about \$400 per square-foot, which equates to \$1.1 million in total, she said. Their insurance company is giving them a little over \$400,000 toward the cost of rebuilding. To make up the difference, the Ehrnstroms stiched together a government loan, GoFundMe donations, and cash from a Boulder community fund that’s available to people who are rebuilding. But a big chunk of the difference will come out of their property insurance, which is supposed to pay for all the stuff that was lost inside the home but is instead paying for the house itself.

“I really think it’s awful that we have to use it, but I know a lot of people are,” she said. “We should be using it to replace our contents like furniture, clothing.”

It’s been a year since the Marshall Fire destroyed more than one thousand homes in the most destructive wildfire in Colorado history. It’s been an ongoing battle for many homeowners to get what they feel they’re owed from insurance companies.

Like a lot of victims, the Ehrnstroms were shocked to find out they didn't have enough coverage to rebuild. They felt they weren't adequately advised when they purchased the policy, and filed a complaint with Colorado's Division of Insurance, which didn't go anywhere.

"We got a letter that said 'Your insurance denied any problems, case closed,'" Colleen Ehrnstrom said.

Craig Swift also lost a home in Louisville, and also filed a complaint about his insurer, State Farm. He said the complaint is technically still open, but he doesn't expect anything to come of it. The insurance company pointed to a software program that's commonly used by insurers to calculate how much it should cost to rebuild in the event of a total loss, he said.

"Basically, State Farm's response was that since the agent used the software correctly ... there was no fault of theirs," he said.

Swift thinks the software doesn't accurately predict the true cost of construction. In a statement to CPR, a spokesperson for State Farm said they can't comment on specific claims.

"We responded to the division of insurance's inquiries earlier this year regarding our customers' concerns," the State Farm statement said.

Colorado's insurance division received 196 complaints stemming from the Marshall Fire, and 115 of those are still open, according to a division spokesperson. So far, the commission has recovered about \$1 million for people that filed complaints, typically due to being denied coverage or being paid too little. To put that number in context, the insurance commissioner estimates total claims could eventually exceed \$2 billion, though there's no data available yet on how much insurance companies have actually paid out.

According to United Policyholders, a homeowner's insurance advocacy group, two-thirds of wildfire victims in the U.S. are underinsured. The insurance industry steadfastly maintains that it's the homeowners responsibility to decide on how much coverage to buy. For people that find themselves in a deep hole in the wake of a wildfire, there aren't a lot of options if lodging an official complaint with state regulators doesn't work.

For Swift, who said he is between \$150,000 and \$180,000 underinsured, going to court didn't seem worth

it. Similar to the Ehrnstroms, his family is using debt and property insurance to cover the difference.

“Our only other recourse was to ... get a lawyer, and while we are underinsured, we’re not so underinsured that we can’t rebuild. And so we decided not to get a lawyer assuming that we can still get the rest of our funds,” he said.

One of the biggest hurdles for homeowners with a large shortfall is that they have to commit to rebuilding in order to receive all the assistance they might be entitled to, said Colleen Ehrnstrom.

“We needed to take the risk and move forward And I think that’s terrifying,” she said.

Kathe Perez didn’t hire a lawyer or file a complaint when she realized her insurance coverage was also going to come up well short of replacing her Louisville home of 30 years. At first, she was leaning toward not rebuilding at all.

“I think it was gathering information, and it was determining what I wanted to do. Did I even wanna live there again? That was certainly a part of it,” she said. “Being a single woman at 67, that’s a big task to take on. That’s a lot to do – a lot a lot to do. “

But, in the end she decided to make it work, taking what she could get from the insurance company, filling in the gaps with loans, help from friends and family, and cash from the community fund.

“I’m excited about building my dream home,” Perez said. “I’m excited about finishes and thinking about colors and cabinetry and countertops. That feels very joyful, actually.”