

[After losing homes in the Thomas Fire, the next challenge is insurance](#)

Ventura County Star

Carl Zaid wasn't sure how to tell his wife their house had just burned to the ground, so he did it with the help of a flamingo.

Her name was Miss Pink, and she was perched in her usual spot in the front yard the night the family fled as flames approached from the canyon behind them.

And she was there the next day, singed but still standing, when Zaid and his two daughters came back to find their house a heap of concrete, rubble and countless screws. Christmas lights straddled the mailbox.

Zaid called his wife. He broke the news.

"Miss Pink's feathers are a little ruffled, but guess what — she's looking for a new home," he said.

Losing the Ventura home they moved into almost 40 years ago was hard. Really hard.

Finding out their insurance won't come near to covering the cost of rebuilding has begun to feel like an equally devastating blow.

Standing recently on dirt and next to slabs of old wall and roof that used to be home, Zaid said it has been a three-step process working with State Farm, his insurer.

"Stage 1 is the friendly stage. Stage 2 is the 'Who said that? I'm not quite sure. Let me check on it,'" he said. "Stage 3 is the 'no' step. 'No, no, no.' Then you've got yourselves a battle."

If the Thomas Fire is like other recent major disasters in Southern California, most who lost homes will soon learn their insurance money won't go nearly as far as they thought. By how much depends on an

individual policy, but hundreds of people could end up in the position of not being able to rebuild without significant out-of-pocket spending. Or, as in the case of Zaid, not without a fight.

Underinsured more often than not

United Policyholders hosted a workshop this week geared at educating homeowners on their insurance policies.

There are many reasons a person may be underinsured, but many of the problems stem from the complicated ways the policies are written in the first place, said Amy Bach, co-founder and executive director of United Policyholders, a nonprofit consumer advocacy group.

“When the wrapping comes off the box, there you are with the product, and it turns out it’s nothing like it’s advertised,” Bach said. “It’s a cold, hard, legal contract that was written by lawyers to protect the insurance companies’ interests.”

The group advocates for clearer policies that disclose what adequate coverage, to include rebuilding the same structure to current code, would cost.

“They should at least go in with eyes open,” Bach said.

A State Farm spokesperson said the company is focused on working with its customers through the recovery process.

“While we cannot discuss claim specifics with third parties for customer privacy reasons, I can tell you that we are currently actively working on this claim,” regional State Farm spokesperson Sevag Sarkissian wrote in an email.

In general, coverage amounts are selected by customers, who are advised to check their policies annually and make any necessary changes, he said. Sarkissian said once a policyholder receives an estimate from State Farm after a loss, they can counter with their own estimates.

About 60 percent of U.S. homes are underinsured by 20 percent, according to CoreLogic, an Irvine-based company that provides data to most major home insurers.

In Ventura County's expensive housing market, that difference could mean big dollars. The owner of a \$900,000 Ondulando home in that scenario, for example, would need \$180,000 to rebuild.

Because insurance can be complex, the best practice is to get a local qualified agent who knows area building rules and regulations, said Chase Fiscus, CEO of Fiscus Commercial Insurance Services in Simi Valley.

"Not all insurance policies are created equal," he said. "It's really important when you're hiring an insurance professional they know what they're doing and are familiar with local code and changes that affect replacement costs."

Fiscus no longer offers residential insurance, in part because so many people were going online to get insurance. That has arguably led to a further disconnect in what a policy actually offers and what a person thinks it does, he and others said.

Insurance companies send out a notice as a policy is set for renewal, typically each year. Many homeowners file it away, looking at it as just another bill in a stack of mail.

Salena Maloney-Bracamontes, a Ventura-based State Farm insurance agent, suggests people visit their policy each year around their birthday so as not to forget.

"If there were a claim, I'd want you to be happy," she said. "I don't want you to find out after the fact there wasn't enough coverage."

Upgrades, a pool or addition — those are all reasons a customer might want to revisit the policy. That said, Maloney-Bracamontes knows many people have not reviewed their policies in a while.

"The contract is, basically, you tell us what you want or need, and we'll answer to your request," she said.

When it matters most

After the fires in Sonoma County, hundreds of people found themselves underinsured, with nowhere near enough money to rebuild. Ten of them are suing USAA, alleging the company fraudulently

underestimated the coverage they would need to rebuild, the Press Democrat reported.

On Monday, Ventura City Council member Matt LaVere voted against the city's Thomas Fire Recovery Plan after he unsuccessfully sought to get permit fees cut in half for homeowners looking to rebuild.

LaVere said he has heard repeatedly from people concerned about what insurance is offering, how rebuilding costs are pushing \$500 per square foot and other concerns.

"When push comes to shove, they're not going to have enough insurance," he said.

LaVere argued that a resident instead could use that money for rebuilding. The rest of the City Council disagreed, noting that the city already is already spending significantly on the fire — at least \$5 million — and staff said insurance should cover the permitting costs. Halving the permit fees could have added millions to that cost.

Prepared ... and still not

The state Department of Insurance has a guide to residential insurance for homeowners and renters. It advises shopping around, taking time to fully understand your policy and potentially adding endorsements, or riders. That includes building code upgrades, which would cover the cost of bringing plumbing, electrical and heating up to current regulations.

Zaid said he regularly visited his insurance broker, and his daughter Lisa Zaid said the house had both building code and extended replacement riders.

"Even with these additional coverages, the State Farm policy limits fall substantially short of what is needed to rebuild a comparable home," she said.

State Farm insures not only the home Zaid lost but also his mother's home, a rental property, his brother and his business. He's been with the company for decades. When he invested \$250,000 into a sprawling deck to take advantage of the property's ocean and island views, he brought in photos to show his agent. Carl Zaid said he has since learned the more than 1,000-square-foot deck, a storage area and landscaping were covered at only a fraction of what he had spent.

Lisa Zaid said she provided State Farm an initial estimate of building costs and will be putting together a more formal estimate soon.

No matter the money, there are things the family won't ever be able to recover. There are audio recordings and photographs forever lost from Carl Zaid's parents, who survived the Holocaust. They met in Cyprus after World War II, and that's where he was born in 1948.

In Ventura, they were able to create a new life. Carl, his dad and brother opened Muntz Stereo in Ventura in the early 1970s. Carl's mom, a survivor of Auschwitz, still lives in east Ventura.

The Zaid family is now working with dozens of other people struggling to make sense of their policies and contesting them. United Policyholders put on a "Roadmap to Recovery Insurance Orientation" a few days ago, and about 200 people attended, Bach said.

"To be able to build a life and a home in a new country, just one generation after the Holocaust is extraordinary," Lisa Zaid said via email. "Ventura is the most permanent home my family has known, and we love this community. We will rebuild and do whatever we can to ensure that insurance companies treat people the right way."