

[‘Almost everyone is getting screwed’: After climate disasters, homeowners find their battle with insurers is just beginning](#)

Fortune

[Please note the complete article is behind a paywall.]

A grant from the NIHCM Foundation helped fund reporting for this story.

Even against the backdrop of the past 18 months, and epic levels of American suffering, John and Jodi Philipp have had a rough go.

They both struggle with serious health issues—she a brain tumor, and he Stage 4 cancer that was diagnosed in November 2019 after experiencing a couple of strokes. As the pandemic began in early 2020, their rural Iowa businesses—2 Jo’s Farm and Periwinkle Place Manor—took a hit, since both depend on visitors and gathering for events. Then, on Aug. 10, as Jodi was driving John home from a cancer treatment at the University of Iowa to their farm in Van Horne, a town of 900-some people, they were caught in a freakishly intense windstorm—a derecho, or straight-line wind event—that wreaked havoc that day on a 770-mile swath across the Midwest and would go down in the books as the [most expensive](#) thunderstorm in history.

They pulled over, but as the torrential rain and hurricane-force wind blasts—gusts peaked at 140 mph—rattled their car, “we felt like we were going to die,” said Jodi, who was receiving a stream of texts and calls from her son at the farm until his signal went dead. His last message to her was that they should “be prepared.”

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Source:

<https://uphelp.org/almost-everyone-is-getting-screwed-after-climate-disasters-homeowners-find-their-battle-with-insurers-is-just-beginning/> Date: November 22, 2024

The drive, normally 50 minutes, took hours. As they passed silos that had blown onto the highway, and barns and crops that had toppled to the ground, they took in what seemed like a full preview of the storm's destruction.

Even so, what Jodi found at the farm, a 13-acre property off Highway 30 (the old Lincoln Highway) in Iowa's rural Benton County, left her dazed.

The Philipps' farm is not a traditional Iowa farm. The couple, who for decades have played Santa and Mrs. Claus at venues and holiday parties around the Midwest, raise reindeer and have a camel named Kringle. The property, which hosted events, also had a mini Western town and a riding arena. Their farm buildings were [demolished](#). Most of the trees were down, and the house and garage had too much damage to quickly process. The place was uninhabitable, she says, and most of their personal belongings damaged beyond repair. "It's still unbelievable," she told me when I first spoke with her. "When we go there, we just walk around and stare and wonder, what are we going to do?"

That conversation was in early January, when Jodi was making trips to Van Horne two times a day to feed and water the animals. She and John were living 30 minutes away, at their other business, Periwinkle Place Manor, a former funeral home that they bought and restored several years ago before converting it into a bed-and-breakfast (or dead-and-breakfast, as Jodi winkingly markets it) that hosts murder-mystery theater.

The manor, a Victorian mansion that dates to the late 1800s, is in Chelsea, Iowa, a low-lying, flood-prone town of 300 residents on the other side of the Lincoln Highway (so flood-prone that the city council [voted](#) to move Chelsea to higher ground decades ago; it hasn't). Chelsea got crushed by the derecho, too—its town library [was a casualty](#)—but the manor sustained only minor damage (though it did lose power for 2.5 months), and that's where the couple were staying with their intellectually disabled 26-year-old daughter and dog when both John, 72, and Jodi, 62, came down with COVID in late November. Jodi recovered quickly enough to take on a few Mrs. Claus jobs in December, but John, who had blood clots in his lungs and pneumonia, was in the hospital for a month. For the third time in a year, Jodi thought John was going to die. He came home on Christmas Eve day.

Yet, for the almost boundless trauma the Philipps faced in 2020, Jodi would argue that this year hasn't

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gotten better. In the aftermath of these events, and the effort to recover, things have only gotten worse.

That's largely because of a battle with her property insurer, which by Jodi's telling has been a frustrating, confusing, lonely, and increasingly desperate monthslong slog. To date, their insurer has paid out \$212,525.43 for derecho-related claims to the property—almost all of it for the demolished riding arena—a small fraction of the total cost of the damages and of the sum that Jodi and experts she has hired argue she and John are owed under their \$673,000 policy. Her home, on which the insurer has paid out just \$29,663.13, remains in tatters and exposed to the elements. The family remains living at Periwinkle Place Manor, in an austere limbo.

"We have good insurance, or we thought we did, for many, many years," said Jodi. "It's been a rough year, and for the insurance company to completely turn their back on you after you've paid for insurance for 20 some years and never had a claim—in my opinion that should be a crime."

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That piece of paper is key to the Philipps' dispute, as Benton Mutual argues it absolves it from covering roof damage or anything inside the house that was damaged because of a faulty roof, according to the public adjuster and attorney hired by the Philipps. It also reflects what Amy Bach, an attorney and the executive director of United Policyholders, the nonprofit she cofounded in 1991, calls a "problematic" trend in the insurance industry: the quiet modification of homeowners' insurance policies.

"Because of the increasing number of wind and water events associated with climate change, insurers have gotten more and more aggressive in limiting what they pay for roof damage and roof repairs," she explained, dating the start of the practice to around 2013. "That's a problem that's come home to roost in Iowa, and in a situation like the derecho because it involved wind and rain."

Bach said such changes, which reduce the value of homeowners policies but rarely the cost of them, are usually not communicated clearly to policyholders, and have been implemented too quickly for homeowners and regulators to keep up. (Ommen said this is another issue the IID is examining in light of the derecho.) Bach's organization launched a national initiative, Restoring the Insurance Safety Net Coalition, in 2020 to bring to regulators, officials, and courts an awareness of the issue and to institute

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standards that prevent excessive coverage-shrinking policy rewrites. What, after all, is the value of a house with no roof?

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