

[California Today: Now Comes the Insurance Challenge](#)

The New York Times

New York Times – Hundreds of anguished Californians who lost their homes in an outbreak of wildfires this week now get to face another burden: dealing with insurers.

Some are almost certain to experience a rude awakening.

Roughly 60 percent of American homes are underinsured by an average of about 20 percent, according to CoreLogic, a company based in Irvine that provides data to home insurers.

That means someone whose house was valued at \$500,000, for example, would be short \$100,000 on the cost of rebuilding after a disaster.

“It’s a huge problem,” said Amy Bach, executive director at United Policyholders, a San Francisco nonprofit that represents consumers.

Ms. Bach said homeowners are sometimes misguided by agents who rely on formulas for insurance coverage that don’t capture all the costs of rebuilding.

In other cases, homeowners fail to update their policies after making improvements to their houses such as a new deck or room addition, said Janet Ruiz, California representative for the Insurance Information Institute, a trade group.

“That changes it dramatically,” she said. “If you don’t let the insurance company know, then they’re not aware.”

Santa Rosa, the county seat of Sonoma County, appeared to be the hardest hit by wind-driven wildfires on Sunday night and Monday that killed at least 17 people and destroyed or damaged an estimated 2,000 buildings across California.

Residents returned to find entire neighborhoods reduced to ash, chimneys and twisted metal.

Ms. Ruiz said mobile units of the big home insurers — including U.S.A.A., State Farm and Allstate — had already been dispatched to Santa Rosa to guide victims through the process of starting over.

She urged affected homeowners to reach out right away to get initial help with living expenses.

“It’s a process. There are a lot of elements,” she said. “But get yourself on the radar of the insurance

companies so that they can help you.”

For California homeowners spared from disaster, the state’s insurance department offered some advice on Tuesday.

First, make sure your insurance policy covers not the value of your home, but the replacement cost. And second, said Angie Kinkade, a spokeswoman for the agency, take an inventory of the contents of your home.

Homeowner’s insurance covers not just the structure, but everything inside.

“At a minimum,” she said, “just turn on a video camera and walk around your house because you won’t even remember some of the things you own.”