

Camp, Woolsey and Hill wildfire property losses reach \$9 billion

John Woolfolk

Insurance costs already rival last year's nearly \$12 billion in losses from wildfires

This year's wildfire season is already California's deadliest and most destructive. On Wednesday, state Insurance Commissioner Dave Jones said it is also among the costliest in private property losses with claims totaling nearly \$10 billion.

The staggering figures come only a year after Californians suffered nearly \$12 billion in losses from a devastating year of wildfires.

Claims from last month's Camp, Woolsey and Hill fires already total \$9.05 billion in insured losses, said Jones, who expects those figures to grow as claims are revised. Together, the three massive blazes damaged or destroyed nearly 20,000 structures and killed 89 people.

"They represent enormous losses for these communities," Jones said in a news conference, adding that "behind these numbers are real people."

Last month's Camp Fire, which destroyed the town of Paradise east of Chico, became the state's worst on record, killing at least 86 people and destroying 18,804 buildings. The Woolsey Fire near Malibu destroyed 1,500 buildings and killed three people, and the nearby Hill Fire in Ventura County destroyed four additional structures.

Those November fires followed two destructive wildfires earlier this year. The massive Mendocino Complex fires in July burned 459,123 acres, becoming the state's largest on record, and destroyed 280 structures and killed one person. The Carr fire in Shasta and Trinity counties burned 229,651 acres, destroyed 1,604 structures and killed eight.

The commissioner's office said insured losses in those fires top \$845 million. That would put this year's total close to \$10 billion.

So far, the insured losses have not eclipsed last year's nearly \$12 billion total, though it more than doubled the destruction of property. Jones said that reflects differences in home values between the Wine Country that burned last year and rural Butte County, and "in no way shape or form" indicates

those residents suffered less.

Last year's Northern California wildfires including in the Wine Country caused \$9.6 billion in insured losses, the commissioner's office reported. Those included the Tubbs Fire, which before this year's Camp Fire in Butte County had become the state's most destructive with 5,636 structures destroyed. It killed 22 people.

It was among a cluster of October 2017 Wine Country wildfires that also included the Nuns fire, which burned 1,355 structures and killed three, and the Atlas Fire, which destroyed 783 buildings and killed six. About the same time, the Redwood Valley fire burned 546 homes and killed nine in Mendocino County. The 2017 total, including the massive Thomas Fire in Ventura and Santa Barbara counties in December that year, reached \$11.8 billion.

Before that, the state's most destructive wildfire was the 1991 Tunnel Fire in the Oakland hills, which destroyed 2,900 buildings and killed 25, making it one of the state's deadliest.

To ease the burden on residents who lost homes in this year's fires, the commissioner's office urged insurers to expedite claims and issued an emergency declaration to allow insurance companies to use out-of-state adjusters.

But residents who rebuild and return are likely to see higher fire insurance premiums and have a harder time finding coverage.

Earlier this year, Jones said that more homes are likely to be reassessed as higher risk for wildfires, raising premiums. And Amy Bach, executive director of the consumer group United Policyholders, said earlier this year that "the days of people paying under \$1,000 for insurance are fast coming to a close in California."

The Camp Fire already bankrupted one insurer, Merced Property and Casualty Co., which state officials determined was insolvent with insufficient liquid assets to pay its liabilities as they became due and must be liquidated. Jones said no other insurers appear to be in such jeopardy. Insurers are required to renew policies at least for a year in disaster-stricken areas.

The loss figures reflect only those with private insurance, and don't include the value of destroyed government or uninsured or self-insured private property, or economic losses, Jones said.

Mark Sektan, vice president of the Property Casualty Insurers Association of America, which represents the homeowner insurance industry, said that the figures were in line with what the industry was projecting. He said that from what he has heard there were significant numbers of uninsured homeowners who suffered losses in the Camp Fire.

But he said despite the multi-billion dollar losses and ruination of a small insurer, the homeowner insurance market remains healthy. California provides for an insurance-of-last-resort plan for those

unable to obtain fire coverage — the FAIR plan — but Sektnan said he hasn't heard of a sharp rise in those policies despite the recent destructive wildfires.

"There's enough capacity in the industry to take care of it, which is what we do," Sektnan said. "We're still seeing a healthy competitive marketplace. Companies will continue to write in these areas. Prices may be a little higher, but we're not hearing that there's an availability crisis."