

Fire-weary California homeowners face long road to recovery

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Californians who lost a home to the state's wildfires could face a nightmarish recovery as they try to rebuild.

It's always a challenge to recuperate after any disaster, but California residents face a unique problem. Experts say the seemingly endless series of devastating wildfires in recent years has increased costs and limited the available pool of workers needed to rebuild.

Homeowners can also find themselves confused by the insurance system and even underinsured, leaving them to bear more of the costs of rebuilding than they might have expected.

Blazes have been so frequent that the state government recently passed a spate of laws intended to help victims of wildfires, but experts say it can still sometimes take years for a home to be rebuilt.

California is currently fighting three fires — the Camp Fire in the northern part of the state and the Woolsey and Hill fires just outside of Los Angeles in the south. Statewide, thousands of people have been evacuated, more than 225,000 acres have burned and 44 people have died.

The Camp Fire is now deemed the most deadly in the state's history — killing at least 42 people and burning more than 125,000 acres. That follows this summer's Mendocino Complex fire, which burned more than 459,000 acres and led to more than \$56 million in insured losses, and a particularly brutal fire season in 2017.

Credit rating agency Moody's on Monday estimated that insured losses for the three current fires will be between \$3 billion and \$6 billion. The staggering price tag is due in part to the size of the fires but also the costs of rebuilding — both materials and labor.

Dan Dunmoyer, president and CEO of the California Building Industry Association, said builders were having trouble finding enough workers prior to the fires because of high demand for housing in the state. The spate of fires has only worsened the problem and that adds to the delay for consumers.

"If your home burns down by itself, you have no problem rebuilding, but if it burns down with 2,000 others, you have to wait," Dunmoyer said.

Homeowners also sometimes find themselves struggling to navigate the insurance system.

United Policyholders, a nonprofit that aims to help consumers with insurance issues, said that it regularly hears from policyholders struggling with their insurer following a disaster. Policies may not have been updated in some time or estimates of rebuilding costs were too low, so homeowners find themselves on the hook for large expenses. The group estimates, based on polls of communities affected by disasters, that roughly two-thirds of insured households are underinsured. Or, they simply are struggling to jump through the hoops.

"The insurance piece really gets people because they felt like it was the rug getting pulled out from under them," said Amy Bach, executive director of United Policyholders. "OK, I lost everything, but at least I have insurance. But then insurance is a fight."

While it can be a smooth process for some, others feel like "mother nature just took my house, now insurance took my sanity," she said.

The process became so problematic that a series of laws were passed to help protect homeowners. Under the new rules, homeowners have three years to rebuild and a six-month extension if the delays are out of their control. Insurance companies must also now provide an updated cost for rebuilding every time a policyholder renews, to help prevent the sticker shock some victims suffered. Other changes allow more time to sue their insurer following a declared disaster, given that it now takes longer to rebuild. All the same, Insurance Commissioner Dave Jones has expressed disappointment the state couldn't do more. Californians are still able to find property and casualty insurance, although Jones has previously warned that the increasing number and severity of wildfires will limit availability and increase costs in the future.