

[Fourmile Canyon rebuilding slowed by claims disputes](#)

Denver Post

Nearly nine months since a wildfire ripped through Fourmile Canyon, frames for new homes are beginning to dot the once ash-covered foothills west of Boulder.

But for many victims, the rebuilding process is moving excruciatingly slowly, as they continue to grapple with insurance companies over settlements.

Building permits have been issued for 28 of the 169 homes destroyed. Meanwhile, complaints over insurance claims are rolling in at a greater clip than in the wake of the 2008 Windsor tornado.

Most involve disputes over estimates for home-replacement costs and valuation of personal items.

Victims seeking a little sympathy after losing everything have described what they encountered as insurance adjusters focused on minimizing damages for their employers.

“There is absolutely no compassion in the way that they process the claims,” said Bruce Honeyman, who lost his home of 18 years in the fire. “The whole insurance process is a brutal, mean, nasty business.

“If a month after the fire State Farm had just written us a check for our policy limits, we’d be fine,” said Honeyman, 57, a professor emeritus at the Colorado School of Mines. “Here we are nine months later, almost, and we still haven’t finished our claim.”

He has received all but \$15,000 of his policy limits. But that came only after waging a battle.

Honeyman lodged a complaint with the state Division of Insurance and hired an attorney after State Farm provided him with what he believed to be an underestimate on the cost to rebuild his 3,400-square-foot home.

He and his wife each spent a month’s time documenting a list of 2,000 personal items destroyed in the fire.

“It is an emotionally wrenching process,” Honeyman said. “It’s like being forced to look at a corpse every day.”

No companies have been cited

Insurance companies say they’re working well within the law. Indeed, the Division of Insurance has not

cited any of the companies for violations.

The office has received 13 complaints, representing nearly 8 percent of the 169 homes destroyed. Windsor tornado victims filed 42 complaints, or about 5 percent of the 800 homes and businesses that were damaged.

“We are working with all the resources available to us,” State Farm spokeswoman Angela Thorpe said. “I hear that frustration from our customers those folks who are really shell-shocked following this unbelievably traumatic event.”

She encourages customers to proactively fill out inventory checklists that are available on the company’s website.

“By them filling out that home inventory well before they ever need it, that’s going to make that claims process go a lot easier for them,” Thorpe said.

For John Rising, who lost his 3,400-square-foot home in the Fourmile fire, that advice is too little, too late. To receive his personal-property policy limit of \$322,000 from Shelter Insurance, Rising has to document lost items and repurchase them. Insurance companies typically only pay out a depreciated value of personal items until they are replaced.

While that type of reimbursement process is standard, some companies such as USAA have paid policy limits in full without requiring repurchases.

Rising requested a cash settlement from Shelter for his personal property claim and sought assistance from the state Division of Insurance, which counts his case among the 13 complaints on file. The state closed his case after determining that Shelter did not violate Colorado insurance laws by requiring documentation of items replaced before issuing full reimbursements.

“I’m spending 40 to 60 hours a week buying, accounting, replacing, submitting to the insurance company for reimbursement and fighting with them over what they’re going to give us,” said Rising, 63, a retired architect. “We’re going to do this for two years. It is a living nightmare.”

Rising has received \$426,000 from Shelter for structural coverage and is in the process of rebuilding. He says he was underinsured, noting that the building permit for his new home lists a valuation of \$722,000.

61 percent underinsured

Rising isn’t alone, as 61 percent of Fourmile fire victims said they didn’t have enough coverage, according to a survey conducted by United Policyholders, an advocacy organization. Seventy-three victims participated in the survey.

Another Shelter customer, Robert Vermillion, also believes he was underinsured. After initially refusing to accept a check for his policy limit of \$254,900, Vermillion recently gave in.

“When you have 169 homes that burnt down, and you have 28) building permits, you know something’s wrong,” Vermillion said.

The 80-year-old and his wife are now living in a two-bedroom apartment in Louisville.

“We went from 3,500 square feet to around 800 square feet,” he said. “It’s a real adjustment for my wife.”

Shelter spokesman Joe Moseley said the company is bound by policy limits.

“It’s unfortunate that these situations arise,” Moseley said.

Some cases have proceeded smoother. University of Colorado professor David Barnett is moving forward with rebuilding his Sunshine Canyon home even though the cost is expected to exceed his Allstate coverage.

“The future debt is making me a bit nervous, but we’re excited to get back up there,” Barnett said.

The digging has begun at his site.

“You’re starting to see homes now, framing and roofs being put on,” said Garry Sanfaçon, Fourmile fire recovery manager for Boulder County. “There’s more visible signs that people are rebuilding.”

Others, though, have decided to wipe the chalkboard clean. With their claims process completed through USAA, Doug Looney and his wife recently closed on a house in Niwot.

“I just thought driving by all the destruction up there and having to look at it every day,” Looney said, “was just more than what we wanted to do.”