

[Hills fire fueled changes in insurance practices](#)

SF Gate

After surviving the 1991 firestorm, thousands of Oakland residents faced a new nightmare: fighting insurance companies that stalled on making payouts and tried to lowball the costs of rebuilding.

“People don’t realize that you have the first disaster of the fire itself, then the disaster of picking up the pieces,” said Sue Piper, whose Hiller Drive home burned to the ground. “You’re in shock. ... It’s overwhelming.”

Oakland firestorm victims mobilized to seek fair settlements, exchanging information, meeting with insurers, testifying before legislators. Their efforts spurred not only settlements for themselves, but reforms that overhauled some insurance industry practices.

“Insurance companies were simply being dishonest and cheating people,” said John Garamendi, state insurance commissioner at the time and now a Democratic U.S. representative from Walnut Grove Sacramento County). “But that ended up leading to a homeowners’ bill of rights and more fair-claims practices.”

Nonprofit helped many

United Policyholders, a small San Francisco nonprofit, served as a catalyst in helping many victims deal with insurers, in the process generating a national movement of disaster victims helping one another.

“We had probably 25 fire victims) at our first meeting, but we gained steam and were getting 500 people coming to hearings we did with the Department of Insurance,” said Amy Bach, co-founder and executive director.

Twenty years later, United Policyholders continues to organize, educate and advocate for insurance consumers. On a lean annual budget of \$450,000, seven staff members and hundreds of volunteers help

disaster victims navigate the insurance maze, give tips on preparedness and promote policy reforms and legal protections.

“Over the years, United Policyholders has become a national model for helping disaster survivors cope with their insurance companies and have those companies do justice by them,” Piper said.

Sharing information

Piper, now communications director for Oakland Mayor Jean Quan, arranged for the nonprofit to be honored Thursday with proclamations from the city and state.

“United Policyholders was very helpful to us after the fire,” Piper said. “They gave us advice on how to deal with the insurance companies. ... We were sharing information about what adjusters were telling people. We communicated with each other to make sure we were all being treated equally.”

Cindy Ossias, who was a staff counsel with the California Department of Insurance 20 years ago, recalled the aftermath of the fire. “The fact that policyholders were organized was key to them getting what they deserved under their insurance policies,” she said.

The group continued to work with fire victims for years, helping them “pay it forward” by sharing their hard-won knowledge with other disaster victims.

Piper’s family was matched with a family who lost their San Diego home to fire in 2003. Her oldest daughter, 9 at the time of the hills fire, wrote them a letter about her experiences. “We felt good to help somebody by saying, ‘We’ve been there,’ ” Piper said.

Reforms in state

Statewide reforms initiated in the wake of the fire include a requirement for insurers to regularly inform customers of exactly what is covered in their policies, and to give consumers regular status reports during the claims process. Disaster victims now are entitled to at least 24 months of temporary rent, double the previous cap, can replace a destroyed home by buying a new one elsewhere rather than rebuilding, and must be repaid for destroyed items without extensive delays and negotiating.

“Every time there is a disaster, we’ve done a legislative push,” Bach said. “We grab the energy and momentum of the citizens, which helps us counter the insurance lobby.”

A book Bach co-wrote, “The Disaster Recovery Handbook & Household Inventory Guide,” lays out steps for disaster victims to start putting their lives back in order.

“Insurance is boring to most people, but if someone is talking from personal experience, it makes it more interesting,” Bach said. “The best messengers are people who lost a home telling how to benefit from the lessons they learned.”