

[Homeowners struggle to rebuild six months after devastating wildfires](#)

KTVU

SANTA ROSA, Calif. – Retired Air Force combat fighter pilot Scott Rooks and retired military medic Laney Wall lost their home in Santa Rosa to the firestorm. When they bought their home, 4 years ago, Rooks said he wanted more insurance than USAA, an insurance company that caters to veterans, wanted to offer. Rooks said the sales representative told him not to worry if the worst ever happened. “He could understand that and he said, ‘Colonel Rooks, we’re gonna rebuild your house,’” said Rooks. So, Rooks and Wall said, they thought they had enough insurance for their home and contents. “A hundred percent; I just knew we were gonna be OK.,” said Rooks. It turns out, they were wrong, by a country mile. “I would say we’re probably in the 30 to 35% under insured situation,” said Rooks. United Policyholders, founded after the 1989 Oakland Hills Fire, surveyed almost 800 Wine Country homeowners whose homes were totally destroyed. 66% said they’d learned from their insurers, that they were underinsured on their dwellings and 47% were underinsured on their contents. Even if an insurance representative didn’t sell you enough coverage, the law protects the agents and insurers from liability. “The laws says the that this guy, the agent, only has a general duty to procure you insurance. They don’t have a specific duty to procure you enough insurance,” said Amy Bach, Director of United Policy Holders. Six months after the fire, 80% of the dwelling claims were unsettled and 60 percent of contents claims were also unsettled. And, 42% did not get an advance on their Alternative Living Expenses. Only 23% got a check or their total contents claim without having to create an inventory. The majority had to list each item and what it cost; a source for major conflicts. Only one in four had the time or ability to file a complaint with the insurance commissioner.

In the intense battle for your insurance business, United Policyholders said the coverage that they actually sell you, to get and keep you business, is often less than the actual replacement value of your home. That’s because few people ever lose the entire home. So they gamble that, “Oh, we know we’re under insuring homes, but that’s what the customers really want anyway. That’s how we keep the prices down and it’s never gonna really matter for most people,” said Ms. Bach. When homeowners buy, the

insurance company's representative asks a few basic questions, such as the number of square feet, the type of roof and so on. That goes into a computer which spits out the amount of your premium payment. "That number is a low ball number over and over and over again," said Bach.

Now, throw in a disaster with thousands of homes destroyed. Extreme high demand, in a high priced area, with a shortage of labor and a spike in material prices and the price per square foot to rebuild has doubled or tripled. This is hardly different than what happened after the Oakland firestorm. "The insurance industry has continued to do their same kind of chronic low balling on home replacement values and so, we just haven't solved that problem," said Bach.

That is probably why as many as 37% of victims left or haven't yet decided to stay including the fighter pilot and medic. "What are we gonna do? You just can't build half a house," former Colonel Rooks. Insurers argue they adequately insure homes and that there are inflation clauses to up the recovery. But, it's up to the policyholders to make sure their coverage is adequate with sharply rising costs.

We have not yet heard back from USAA, which prides itself on serving active and retired military members such as Colonel Rooks and medic Wall.