

Insurance issues linger well after California North Coast wildfires are out

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As the North Bay welcomed 2018, it was clear to survivors of October 2017's wildfires that much of the year would involve dealing with post-fires insurance claims, which reached \$9.5 billion, according to state Insurance Commissioner Dave Jones.

And after another season of historic fires in 2018, the impact of the fires from both years began to touch those whose homes were not burned. Some insurance companies declined to renew policies and others who would write new protections, increased the cost and limited the scope of that protection.

A year later in Sonoma County — hardest hit by the October 2017 fires — few of the more than 5,300 destroyed had been completely rebuilt, according to the Press Democrat, citing insurers' delays in paying homeowners' claims as the main reason for the slow rebuild.

"We're still very much in the recovery process," Jones told the Press Democrat. The insurance commissioner's office said at that time there were \$7 billion in residential insurance claims from Sonoma County as a result of the fires, with about \$5 billion of them paid by insurers as of mid-May.

San Francisco-based 501(c)(3) nonprofit organization United Policyholders has been helping North Bay fire survivors navigate the claims process through its network of volunteer lawyers and insurance professionals.

The group has held numerous workshops and clinics this year, and continues to monitor the insurance-claims process through regular surveys.

Its six-month post-fires survey confirmed what Amy Bach, the advocacy group's co-founder and executive director, has seen time and again after a disaster: Insurance claims don't move swiftly.

"Eighty percent of more than 800 respondents) had not settled the dwelling portion of their insurance claims in how much would be paid," Bach told the Business Journal in May. "There is not nearly the kind of progress that people think gets made after a disaster."

Key findings included:

53 percent of survey respondents have not settled the dwelling portion of their claim.

67 percent of survivors who said they do not plan on rebuilding 17 percent of respondents), reported their insurance company is restricting their benefits to buy elsewhere i.e., deducting land value, not willing to pay Extended Replacement Cost and/or not willing to pay code upgrade coverage). 34 percent of survey respondents reported experiencing delays in communication with their insurer, such as getting answers to questions and returned phone calls and emails. 30 percent of survey respondents reported delays in payment of benefits. 31 percent of survey respondents reported receiving a “lowball” settlement offer. The bottom line, as Bach told the Business Journal: “Recovery is a marathon, not a sprint.”