

[Insured Losses From California Fires Top \\$1B](#)

Insurance News

Damages from two destructive Northern California wildfires that killed six and sent thousands fleeing their homes topped \$1 billion in insured losses, according to a preliminary estimate by the state's insurance department. The two fires started days apart in September, burning more than 200 square miles of remote, mountainous territory north and northeast of San Francisco. The preliminary figure announced Monday includes \$700 million from a fire centered largely in Lake County that killed four and destroyed nearly 2,000 structures, including some 1,300 homes. The so-called Valley Fire is the third most destructive wildfire in state history, based on the number of structures lost, and the fifth-costliest based on insured losses. Another fire in Amador and Calaveras counties caused an estimated \$300 million in insured losses. That fire killed two people and destroyed more than 800 buildings, making it the seventh-most destructive wildfire to hit the state. "A year-round fire season is California's new reality," said Insurance Commissioner Dave Jones in a statement. "Residents and communities, especially those in high-risk fire areas, must take precautions now before the next devastating wildfire strikes." This is the first damages estimate from the California Department of Insurance for the fires, compiled from insurance claims filed through December. A final damages figure is months away. Insurers report they have received 5,600 claims for commercial and residential properties, vehicles and other items. Lake County residents have filed the bulk of claims. Lake County Supervisor Jim Comstock said \$1 billion sounds right. "I'm not at all surprised because this Valley Fire sought out property with structures on it to burn, it seemed like," he said. As for Lake County's place in wildfire history, he said, "It's an infamy, unfortunately." The \$1 billion does not include uninsured losses nor does it include damage to public roads and utilities. For that, global insurance company Aon Benfield estimated last year that the two fires did nearly \$2 billion in economic damage, including business interruption. About \$1.5 billion of that was in Lake County alone. Aon reported insured losses for the two fires topped \$1.2 billion, including \$975 million in Lake County. That's within ballpark range of the state's figures, said Aon associate director Steve Bowen. "These two fires by themselves were two of the costliest in the state of California since 2007," he said. "We're talking about a once-in-a-decade type of event in the losses alone." Bowen said the fire in Lake County is the fifth costliest wildfire in state and U.S. history in terms of insured losses.

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The costliest remains the Oakland Hills Fire of 1991, with damage covered by insurance costing \$2.9 billion when adjusted for inflation. The second costliest is a 2007 wildfire in San Diego County that caused about \$1.8 billion in damages covered by insurance. The cause of both Northern California fires remains under investigation.

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