

## [Keep insurers' fingers out of Maui wildfire survivors' pockets](#)

Honolulu Star Advertiser

For Maui wildfire survivors, the global settlement of lawsuits provides a degree of certainty and closure. With lawsuits behind them, survivors can begin the long process of rebuilding and recovering without the specter of long legal battles.

Under the proposed settlement, many wildfire survivors reached agreement with the utility companies, government entities and private landowners. They are ready to move on. To begin the long slow process of rebuilding their homes, their community and their lives. All in the shadow of mind-numbing losses.

Not only were most survivors significantly underinsured by the insurance companies, though, they are still trying to get full payouts for their claims. Survivors need every cent they are able to get to rebuild.

Let me ask you to close your eyes for a minute. Imagine smoke and wildfire chasing you from your home. Imagine you are Nelda Pagdilao with her husband of 49 years. Imagine trying to help him to safety, but not having the strength to do so. Imagine him begging you to leave for the sake of their children, their grandchildren. Imagine barely making it over the seawall as you know, behind you, your husband is dying in the fire.

Then ask yourself, "is there any amount of money that will erase that day from your memory?" There is not.

Ms. Pagdilao's experience stands out, but each survivor I have met has a story that will bring you to your knees.

Insurance companies paid only for property loss. They did not pay for death of family members' loved ones. Insurance companies did not pay for severe burns and lung damage. Insurance companies did not

pay for severe emotional distress.

Further, insurance companies are not fully paying for survivors' loss of use of their property while they continue to pay mortgages. In fact, many survivors are facing the loss of housing as insurers are only covering loss of use for one year. That one year is up Aug. 8, today.

Now those insurance companies have shoved their way to the survivors' table. They want a piece of the reported \$4 billion settlement wildfire survivors are considering.

The money available to settle the claims related to the Maui wildfire is limited. The insurance companies' insistence on getting paid first is unconscionable. It's not like they need the money.

These companies are in the business of insuring against losses from fire. They get paid a premium each month for doing so. They enjoyed the benefit from the bargain, and now that they have to pay out against losses, they want more.

A similar scenario played out in 2017 and 2018 in California's North Bay and Camp Fires. Just like the insurance companies in the Maui wildfire lawsuits, the insurers there sued PG&E (California's utility company) wanting repayment for the claims they paid out to their policyholders.

We need to ensure what happened in the Camp Fire and North Bay Wildfires does not happen here on Maui.

In the California lawsuits against PG&E, the insurance companies' repayment (subrogation) claims had a significant impact on the settlements received by wildfire survivors. The \$13.5 billion allocated to insurance companies meant a substantial portion of PG&E's funds was directed toward reimbursing insurers for the claims they had paid out to policyholders instead of to the policyholders themselves.

The complexity of managing both individual claims and subrogation claims contributed to delays in the payment of funds to survivors — adding to the trauma they had already experienced.

Maui wildfire survivors deserve better.

The insurance companies have an opportunity to do the right thing here. They have an opportunity to be

the good neighbor they told us they were. They have an opportunity to hold a community by its good hands instead of reaching into its pockets.

Having enjoyed years of profitable business in Hawaii, the insurance companies need to absorb the losses. They are in a much better position to do so than the survivors who are relying on this settlement to move on with their lives.

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This article is written by Kula-based Sherry Peterson is a Equal Justice Works fellow and with United Policyholders, a nonprofit that advocates for insurance consumers.

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Source: <https://uphelp.org/keep-insurers-fingers-out-of-maui-wildfire-survivors-pockets/> Date: May 31, 2026