

[Long after the wildfires, paperwork and worry](#)

Sonoma Valley Sun

Having to become an expert on insurance is one of the many surprising and not so pleasant aspects of the “new normal” after a wildfire takes your home. I know more about insurance now than I ever thought I would.

Learning that your home insurance is not the instant safety net you thought it was – that it’s actually a contract written by your insurance company’s lawyer and it’s on you to prove the value of what you lost – can be incredibly discouraging. It’s the luck of the draw whether you get a cooperative claim adjuster, and promises made to you about the adequacy of your coverage are useless unless you can prove them. These are the realities that so many have found themselves in after the fires of 2017.

For many survivors who lose homes, at first it seemed that the worst part was behind them and now they could move forward towards rebuilding. Unfortunately, this rarely proves true. I know that for my husband and me, the insurance process is a source of continuing frustration. Many of my fellow survivors were assigned adjusters who are not overly familiar with the laws of the State of California or local construction costs, which made it even more difficult for them to get access to the insurance benefits they were entitled to. This leaves us all trying to educate ourselves, as well as sometimes our adjusters, regarding the insurance company’s obligations.

Similarly, many of us have struggled to get timely access to the benefits that we are entitled to. Most insurance policies require that the insured literally repurchase their personal property and incur costs associated with rebuilding, replacing, or repurchasing their home before their insurance company will agree to pay all of the benefits the survivor is entitled to. Not only is this a hardship, but it makes it difficult to actually get to the work of rebuilding a home – if you were a contractor, would you rather take a job from someone who has the money now, or someone who promises that their insurance will pay you just as soon as you bill them, and they pass the bill along?

Legislative solutions adopted in 2018 have tried to solve some of the problems faced by fire survivors. For example, the State has successfully extended the time period that survivors have to use their coverage – including Additional Living Expenses, Extended Replacement Cost Coverage on dwelling, and other coverages – from 24 months to 36 months; frustratingly, these legislative fixes so far have only

been extended to the victims of the 2017 fires in a hit or miss way, even though Insurance Commissioner Lara has requested insurance companies to extend the benefits to the 2017 fire survivors.

The state legislature also created additional training requirements for out-of-state adjusters to ensure that adjusters will be more familiar with California laws. Finally, the State legislature extended the time period for required renewal or offer to renew for insurance coverage to two years from one year.

Our state representatives worked hard for us in Sacramento last session and passed new laws to alleviate underinsurance and to improve claim payouts. These new laws will make things better going forward. But in the here and now, what are our lessons to share with the community at large?

When choosing an insurance company and policy, it is important to understand the limitations of the experience. Because your insurance company doesn't owe you a fiduciary duty, they are not required to make sure you are adequately insured. This means that it is your responsibility, as the insured, to know and request the amount of insurance that you need to protect your assets. You need to be assertive, as insurance companies will not necessarily agree to ensure you for the construction costs that we are experiencing during our current rebuilding climate. Be proactive before purchasing an insurance policy. Talk to builders and contractors, and understand what expenses you would actually incur if you lost everything, and make sure your coverage adequately addresses those needs.

Ask questions of your insurance agent. If you lose everything, will you be required to complete an inventory of contents listing everything you lost with information about the age of the item, how much you paid for the item, condition, and replacement cost? Or will you receive a full payout of your policy coverage without the inventory of contents? (It took me seven months to complete my inventory, and the insurance company depreciated most items and refused to pay out any more to us.) What are the "buckets" in your insurance policy – debris cleanup, vegetation removal/replacement, accessory structures, code upgrades? Talk to friends or family members who lost homes to really understand insurance – the good, the bad and the ugly. What would they look for now that they didn't think about before?

Pay attention to your home insurance now, don't wait until you need it. There are some great resources out there, like "Wise UP," the Savvy Consumers Guide to Buying Insurance, which was compiled by United Policyholders. Do your best to adjust your policy so it truly covers your assets and you're not relying on blind trust. Create a record of your assets – video your home inside and out with a smart phone or camera and store it where you'll be able to retrieve it. Include the contents of all drawers and closets, garages, attics, storage units, etc.)

California's home insurance market is not in great shape right now as insurers recoup losses from recent wildfires by dropping long-time customers and raising rates. The issue of non-renewal presents major



problems, particularly for those living in or near areas of high fire danger, such as the Wildland Urban Interface that includes many of our beautiful hillsides and canyons.

If getting insurance becomes an issue for you, shop around or talk to a broker (not an individual insurance company) to find other potential options for coverage you may not have been aware of. If you have a mortgage, talk to your mortgage holder, they may be able to provide insurance options that you, your agent or your broker were not aware of. Obtaining insurance from the State funded insurance program is also a potential option, but you may have to get separate coverage for liability insurance.

If you find yourself in this situation, help is available. United Policyholders has some great resources, and the California Department of Insurance has an insurance shopping tool.

Learn from the experiences of so many in our community. Prepare now for our next emergency with your "go bag" ready with copies of essential documents, lists of what you need to take with you during an evacuation, emergency water, food, and a NOAA weather radio.

The information presented in this publication is for general informational purposes and is not a substitute for legal advice. If you have a specific legal issue or problem, United Policyholders recommends that you consult with an attorney. Guidance on hiring professional help can be found in the "Find Help" section of www.uphelp.org. United Policyholders does not sell insurance or certify, endorse or warrant any of the insurance products, vendors, or professionals identified on our website.

Source: <https://uphelp.org/long-after-the-wildfires-paperwork-and-worry/> Date: July 2, 2024