

[North Bay Fire Victims Face Dire Deadline Ahead of Anniversary](#)

NBC Bay Area

Weeks ahead of the North Bay wildfires' two-year anniversary, families are bracing for a financial shock. Several homeowners told NBC Bay Area their property insurance providers will stop paying for temporary living expenses, even if their new homes aren't ready for move-in.

The Sonoma and Napa County fires first ignited on Oct. 8, 2017. By the time the flames were under control, 44 people were dead and more than 8,000 homes and businesses were lost.

Among those burned homes was the Santa Rosa house owned by Brad Silvestro. After 22 months, it's almost rebuilt.

"It's been a challenging process from the very beginning," Silvestro said. "Nothing has been easy." Like thousands of others, Silvestro has been building on his property while renting elsewhere, and only making ends meet thanks to insurance payments for temporary housing. Insurance agents call those payments "additional living expenses", or ALE.

"ALE saved us," Silvestro said. "ALE has allowed us to live comfortably, safely; keep our dogs and cats; and have that stability that you have to have, to recover from something like this."

Silvestro expected ALE payments to continue until his home was complete. It turns out insurance contracts aren't written that way. Silvestro says his insurance provider, Allstate, will stop paying temporary living expenses at the two-year anniversary of the fires. Other insurance companies operate the same way; ALE payments will halt in October, regardless of whether homes are ready for move-in. Silvestro says that decision ignores the delays in debris removal, obtaining permits, and construction faced by so many families.

"It was pretty well stated in the first few months after these fires that this was not going to be just a regular rebuild," Silvestro said.

Silvestro expects he might miss one or two months of ALE and lose out on a couple thousand dollars. Still, he considers himself lucky.

"My next door neighbors, they're just getting started" with rebuilding, Silvestro said.

The North Bay is a long way from fully recovering after the fires. Sonoma County officials estimate just 50 percent of homes that burned in October 2017 will be rebuilt by the end of this year.

In Knights Valley, construction is only just now starting on Madonna Day's house, with move-in pushed back to next year.

"I just keep thinking, 'I want to go home,'" Day said. "If I'm fortunate, perhaps next spring."

But Day says her insurance provider, State Farm, will cut off her temporary living expenses much sooner: at the two-year anniversary of the fires.

With soaring demand for housing as so many families were displaced, the price of rent on houses in the North Bay has soared since late 2017. Zillow shows many homes for rent in the \$10,000 per month range and higher.

Day, who we first met on the fires' one-year anniversary, fears she'll be paying out that five-figure rent herself unless State Farm extends her benefits.

"They should take care of me until I am home," Day said.

Currently, California law entitles homeowners to ALE for three years after a disaster. But at the time of the 2017 fires, the law granted just two years.

Janet Ruiz, a spokesperson for the Insurance Information Institute, says that two-year requirement in 2017 informed the amount of risk insurance companies used to determine rates and premiums.

"The Legislature did give the 24 months, so that's what the contracts say," Ruiz said. "We do have to adhere to contracts."

But California Insurance Commissioner Ricardo Lara sent insurance companies a letter in May of this year, saying insurance providers can and should go beyond their contracts and extend ALE to three years for North Bay wildfire victims.

"In the aftermath of the 2017 wildfires, the CDI and the California State Legislature recognized that, in these large scale natural disasters, 24 months does not provide sufficient time to remove debris, obtain all necessary building permits, locate and hire a contractor and multiple subcontractors, and completely rebuild these destroyed homes," Lara wrote.

Some insurance companies have adhered to the commissioner's request, but not all. We asked Ruiz why insurance providers don't just extend ALE for as long as it takes to rebuild customers' homes.

"That's a great question," Ruiz said. "Each claim is unique and evaluated on its own merits."

NBC Bay Area asked State Farm and Allstate to re-evaluate Day and Silvestro's cases on their own merits. Neither company responded to our request for comment.

"They need to take care of their clients," Day said. "We relied on them when we bought their insurance package."

Silvestro has an invitation for the insurance companies that are cutting customers off. He wants them to pay a visit to the many half-built homes and empty lots in the North Bay.

“Come take a walk through here,” Silvestro said. “See what it’s really like.”