

[San Bruno fire victims struggle with insurance companies](#)

ABC 7 News

SAN BRUNO, Calif. (KGO) — More than a year after the San Bruno pipeline explosion, recovering and rebuilding is slow-going. Homeowners are having a hard time getting what they need from their insurance companies.

The intersection where a PG&E pipeline exploded over a year ago will reopen Wednesday. While that is progress, the homeowners are still mired in difficulties with their insurance companies.

Charlie and Carolyn Gray live in rented house just up the hill from where their house used to be. For 43 years they lived in their home at the corner of Claremont and Fairmont. It's just several hundred feet away from where PG&E's natural gas pipeline exploded last year; they barely made it out.

"He tried to open the front door to see if we could just walk out that way and the heat was so intense there was no way," said Carolyn.

Their dog, Brandy made it out with them in their car. Everything else was gone. They want to rebuild, but their insurance company is creating more problems that it's solving.

"When we turned in the information that we got from the insurance company to our architect, he said 'They've got to be kidding!' He said, 'They obviously don't know what costs are here in the Bay Area,'" said Carolyn.

United Policyholders is a non-profit advocacy group for insurance consumers. It just did a survey of San Bruno households that found 45 percent have yet to reach a settlement on the part of their claim dealing with the home, 50 percent are underinsured by an average of more than \$200,000, and 50 percent said they received "lowball" repair-rebuilding estimates from their insurance company.

"Generally between 50 to 75 percent of the people who lose everything in a disaster come up short on their insurance coverage," said executive director Amy Bach from United Policyholders.

Bach says in some ways San Bruno is unusual, but the challenge with insurance after the nightmare of total loss is the same all over.

"United Policyholders has heard over and over from disaster victims that dealing with insurance was a

second nightmare, second nightmare,” said Bach.

Charlie says even the lowest bid means rebuilding the house will cost double what it was worth. They realize now they are underinsured by hundreds of thousands of dollars, even though when he bought the policy, he questioned the rebuild coverage and was assured it was adequate.

“They said, ‘No, that’s good enough.’ So we still have some things on our computer that says that, so if we ever need it,” said Charlie.

The Insurance Information Network of California, an industry group says the reason for underinsurance is often that people don’t bother to update their policies. They need to stay in touch with their agent over the years and the reason for the lowball estimates is probably just a communication or a misunderstanding.