

Smoke, Maggots, and Mold: Fire Survivors Fight Insurance Company's Denials

NBC Bay Area

In the Santa Cruz mountains, the charred scars of the CZU fire stretch in every direction. But every once in a while, the scorched landscape yields to a house that survived. Theresa Brees' home is one of the lucky ones.

"Our house is basically an island in the middle of a forest fire," she said. "Our next door neighbor survived. And then, all the other houses are lost."

Brees was spared a total loss. But she's nonetheless locked in a fight with her insurance company, State Farm.

"The first phone call I had with our agent was actually very comforting. He said he'd gone through a fire, so he knew what we were going through," she explained. "After that it's been an absolute nightmare."

Case in point: her moldy and maggot-infested refrigerator.

Ooze, Mold and Maggots

There were "flies everywhere. It was just disgusting," she said.

Theresa's power lines and box burned. Their remains lie in the driveway. So, the fridge sat idle for a month while the fires raged. When Brees' family returned to survey the damage, the fridge was grotesque.

"There's an inch of ooze," she said. And "food in the ooze. There's mold."

Brees says State Farm refuses to replace it. "We were immediately told it wouldn't be covered," she said.

She says State Farm recommended she clean it with baking soda. And that's what she's reluctantly doing now.

Its white plastic walls look better. But when we asked the manufacturer about Brees' predicament, Electrolux told us it should be replaced. The company said, "Mold could have been transferred to the airflow and it could be in the air tower and vents, etc."

Nearly Invisible Fight

Brees' refrigerator is the most visible part of her battle. The rest is somewhat hidden: smoke damage. Smoke clearly inundated her home. There are singed trees for 360 degrees, a hole burned in the deck, ash on the garage door. Inside, we saw soot and smelled smoke.

"The whole house needs to be cleaned," she said.

But Brees says State Farm refuses to pay for professional smoke remediation. Thumbtack.com says those services cost anywhere from \$3,000 to \$50,000. Brees said State Farm told her she can hire an ordinary maid for less. Her proposed claim paperwork suggests she also do 45 loads of laundry herself. State Farm says it'll pay her \$8.50 per load.

"I'm disgusted," she said. And feeling her luck might've run out when her house survived the CZU firestorm.

Considering how close the fire marched to Theresa's house — and survived — the odds seem like one in a million. But the reality is: many of her neighbors are in the same boat.

"The fire came right to the back. it melted the siding," said State Farm policyholder Ian Welter.

Their homes were also surrounded by fire.

"We had thought at first our home had burned for a while," said policyholder Jae Cee.

And they're now also fighting State Farm.

"We're definitely in the hole quite a bit, just waiting for them to respond to us," said policyholder Pauline

Lopez.

More than a dozen people recently met with NBC Bay Area by video conference. They shared stories about partial damage and, yes, moldy refrigerators.

“We had maggots and mold in our refrigerator,” said policyholder Anna Sramek. The adjuster “said you can clean the refrigerator. Just use baking soda,” Sramek said.

People who attended the meeting also spoke about homes that still reek of smoke. Don and Charlotte Ferris say State Farm offered them \$1,000. We asked: How much do they think it will actually cost to professionally clean?

“Probably closer to \$14,000 to \$20,000,” Mr. Ferris said. As for the \$1,000 offer. “It’s unacceptable,” he said.

Company’s Response

We collected people’s complaints and asked State Farm to address them. It did not speak on camera, but issued the following statement:

“Each claim is unique – based on the nature of the loss and the type of policy coverage – we handle each claim on its own merits. State Farm’s commitment to our customers is the same for all claims. That commitment is to pay what we owe promptly, courteously, and efficiently. We are working directly with our customers to help explain their coverage and provide them assistance as they recover from the recent wildfires.”

Expert’s Advice

We turned to an insurance expert.

“I’m not sure what is going on at State Farm and why people are having trouble,” said Amy Bach, president of United Policyholders, a San Francisco-based advocacy group that helps homeowners with insurance claims.

Bach said the CZU policyholders’ frustration mirrors what homeowners in other fire zones have faced

over the years. She said it's a cautionary tale for all policyholders.

"Forget about all those ads you've seen," she said. "This a business negotiation."

Brees, who has already amassed a stack of papers and forms, is embracing Bach's recommended mentality. But, she concedes that she did not expect the fight she's facing.

"I no longer sleep through the night," she said, "I feel like I'm in a nasty chess game."

Official Complaint

Several State Farm customers tell us they turned to the California Department of Insurance to help them. That's a key step. If you ever feel an insurance company has cheated or ignored you, you can file an official complaint with the state. The insurance department says the company is then required by state law to respond.