

Survey: One-third want to rebuild after Camp Fire, over 60% under-insured

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United Policyholders one-year survey released

Less than one third of the Camp Fire survivors who responded to a survey about their insurance claims a year after the disaster said they had decided to rebuild.

Those who said they planned to rebuild their home was 28 percent, while those who did not plan to rebuild their home was nearly the same, 29 percent. About 34 percent of people were still deciding whether they would rebuild. United Policyholders — Contributed)

The rest are split in half between not rebuilding and undecided. The number is one of several findings released by United Policyholders, a nonprofit that advocates and advises policyholders after wildfires, following a voluntary survey.

Sixty-two percent of respondents said they had filed a claim with their insurance company, while six percent said they had not and 32 percent said they did not have insurance. United Policyholders — Contributed)

By comparison, around two-thirds of households surveyed after the 2017 fires in the North Bay had decided to rebuild and stay in the area at the one-year mark. The lag is reflected in rebuilding efforts: around 3 percent of homes lost in the Camp Fire have new permits to rebuild after a year, according to government records, compared to nearly half of the homes lost in Santa Rosa in 2017. Amy Bach, the executive director of United Policyholders, attributes the difference to both the scale of the destruction in Butte County and the persistent lack of reliable water and power.

About 60 percent of respondents said their insurer offered to pay for the contents of their home without requiring an itemized inventory of home items. United Policyholders — Contributed)

Her group holds webinars and workshops for Camp Fire survivors negotiating with their insurance companies. The survey represents the best snapshot available of the community's progress on insurance claims following the Camp Fire, which burned 14,000 homes. Around 1,000 insured households representing 2,600 individuals participated in the survey, which wrapped up in early November.

Only a third of respondents said they were not offered the full amount of available "dwelling" benefits.
United Policyholders — Contributed)

The results show that the insurance claims process is a continued source of stress for many people. That includes homeowners with partial losses, which can be even trickier to negotiate with insurers, said Bach. Half of the respondents marked the insurance claims process as their top stressor after the fire. Around a quarter of respondents said they experienced a delay in communications or a delay in payment; 18 percent said they received a "lowball" settlement offer. Those rates are slightly lower than after other wildfires, but still represent unnecessary hurdles for wildfire victims.

"That should just not be the case," said Bach.

Widespread under-insurance

Some people, particularly renters, had no insurance at all; and those who did have a policy were likely to be under-insured, according to the survey results.

Sixty percent of respondents said they did not have enough insurance to cover the cost of repairing, replacing or rebuilding their homes. On average, they were under-insured by \$163,000. Seven percent were under-insured by \$400,000 or more.

Widespread under-insurance is a pattern across the state and after each catastrophic wildfire. It has slowed rebuilding efforts in Butte County as people scramble to fill the gap with loans, grants or savings. One finding that's different in the Camp Fire footprint than in other areas was the high share of those who've already settled with their insurance companies, said Bach. Two-thirds of respondents had settled by the one-year mark. Nearly one-third had settled within two months of the disaster. In other areas, only about half of wildfire victims had reached settlements with their insurance companies one year afterward.

But faster doesn't mean better. Insurers often pay full benefits faster to those who are significantly under-insured.

"My interpretation is that people are feeling fatalistic and settling and moving on, while in Sonoma, people were feeling more empowered to fight over the long term," said Bach.

She has seen some improvements in the claims process after the Camp Fire compared to other fires. For

example, it has been very difficult in the past for wildfire victims to get insurance companies to pay out benefits for the full contents of a home without providing a list of every single item. Only a quarter of the victims of the 2017 North Bay fires received full compensation for their possessions without having to complete a full home inventory, according to the one-year survey there. After the Camp Fire, it was 40 percent.

“We are seeing some fruits of our labor, there,” said Bach. “Requiring that fire victims sit down and list everything is outrageous.”