

[Survivors of East Troublesome Fire sue insurance company](#)

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Fire survivors said State Farm low-balled them on rebuilding costs and took too long to pay their insurance claims after the East Troublesome Fire.

GRAND COUNTY, Colo. — There are survivors of the East Troublesome Fire in October 2020 who are suing their insurance company - they claim State Farm low-balled them on rebuilding costs and took too long to pay their claims.

“We found a number of other families with the same insurance company involved. People are waiting a year to get paid,” said Chip Merlin, an attorney representing two families who filed lawsuits against State Farm.

One couple in Grand County said State Farm submitted its initial estimate for damages to the property almost five months after they lost their home. The lawsuit said that estimate was way below the actual cost to rebuild.

In July 2021, according to the lawsuit, State Farm unreasonably delayed payment for contents coverage because the company wanted the price of cookbooks and the age of dog food. The couple claimed State Farm didn’t issue payment for content coverage until November 2021.

“The statute in Colorado actually penalizes insurance companies - it isn’t triple the amount, but double the amount if the insurance company unreasonable delays the payment,” said Merlin.

Another man who lost everything said State Farm low-balled him. According to his lawsuit, a second estimate from State Farm reflected less than half the actual cost to rebuild his home.

The man also claimed State Farm failed to timely issue payment for the Coverage B portion of the claim which protects the personal property in a home like clothes or furniture.

“State Farm’s failure to resolve Plaintiff’s Coverage B Claim until December 3, 2021, resulted in a delay of covered benefits to Plaintiff without a reasonable basis,” said the lawsuit.

A spokesperson for State Farm said they could not comment on the lawsuits because the matters are now in litigation.

“We have seen insurance companies take advantage of people when there’s large dollars at stake and they want to hold onto the money,” said Amy Bach with United Policyholders (UP).

Her group has been helping families navigate insurance issues after the Marshall Fire. Bach helped co-found UP after an urban area wildfire destroyed 3,000 homes in Northern California. After the disaster, residents struggled with serious gaps in their insurance coverage.

Bach, a consumer advocate and attorney, said a successful lawsuit somewhere else may not mean one in Boulder County.

“Some judges are always going to rule for the insurance companies,” she said.

More than 150 complaints have been filed against insurance companies due to the Marshall Fire. According to Colorado’s Division of Insurance, State Farm has 45 complaints, Allstate has 26 and Travelers has 17.

The agency said the most common issues after the Marshall Fire include underinsurance, additional living expenses (ALE) extension requests, and low estimates for a rebuild. Division of Insurance said people in Boulder County have not had to wait nearly as long for payments as people in Grand County.