

Survivors of Northern California wildfires are facing ‘no win’ decisions on rebuilding

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At a recent event for people who lost their homes in last year's fires, a local yoga business owner led the room through a mediation exercise.

She led off by sharing that her childhood home had been destroyed in the fires, and then dimmed the lights for a short interval. It was a perfect contribution to the evening's main purpose.

The audience was there to get answers to technical questions about insurance, construction, permits and rebuilding from a panel of experts. The yogi helped the audience better absorb information on those stressful, dry but important topics.

The event was a microcosm of the North Bay's community-supported fire recovery effort: Professionals who were not personally impacted are giving generously of their time and expertise to help those who were.

Government agencies are working to remove obstacles to rebuilding but not abdicating their responsibility to ensure safe and smart construction.

Genuine empathy for impacted neighbors is palpable everywhere you turn in Sonoma and Napa.

Community members with various talents ranging from yoga to counseling to art, food and wine are filling in to help where they can.

Sonoma and Napa counties' deep bench of public and private sector experts have been fully committed to making themselves available to help the impacted households and businesses on their road to recovery since the darkest days last October.

That alone is something to mark at this milestone anniversary. An impressive display.

In partnership with this deep bench, United Policyholders, the national nonprofit based in San Francisco, brought its time-tested Roadmap to Recovery program to this region even before the fires were fully contained.

In the early weeks, our Disaster Survivor Support Network volunteers came from San Diego, Calaveras County, Oakland and Berkeley to lend a shoulder to cry on, listening ear and pragmatic "been there done

that” guidance. We then launched the monthly series of workshops, clinics and problem-solving resource offerings that will continue as long as we are needed.

But if you ask those two-thirds who are dealing with the second nightmare of finding out their insurance limits will not cover the cost of replacing their homes, you will probably get a very different opinion on how the recovery is going.

These underinsured homeowners are mired in no-win decisions: Increase debt by taking out a loan? File a lawsuit? Build a smaller home? Move out of the area? None of these are particularly appealing options:

So, what is the deal with all these underinsured homes?

Why have so many people found themselves in this predicament?

What are the lessons to be heard by those whose homes were spared last year?

Insurance companies advertise asset protection through a trustworthy company at a reasonable price.

Insurance is not anyone’s favorite way to spend money, and insurance companies know that.

So they price the policies to sell, and bank on the fact that it will never matter that their customers’ homes are underinsured. For the type of claim most people experience in their lifetime — a break-in, kitchen fire, overflowing toilet...most insurance is adequate.

Lesson No. 1: If your home could be destroyed in a future wildfire, in the words of a Tshirt made by victims of the 2003 Cedar Fire in San Diego — “I’m underinsured and so are you.

Lesson No. 2: If you want your home to be properly insured, don’t blindly trust your agent and/or insurance company. Do some homework. There is competitive pressure among insurers to keep insurance prices low. Full coverage gets sacrificed in the interest of selling policies, and because total losses are relatively rare, most people never need to use all their benefits so they never find out they’re underinsured. Don’t just shop for low price, shop for adequate asset protection.

Lesson No. 3: Wise UP. Not all insurance policies, agents or companies are alike. Be pro-active in asking questions, choosing your trusted financial advisers and making adjustments so your assets are insured to value. Inventory those assets and store the records in a safe place.

Lesson No. 4: Don’t blindly trust and count on winning in court. Courts have historically tossed out lawsuits where the underinsured customer cannot produce specific evidence of misleading statements by an insurer or agent about the adequacy of their coverage limits.

Given the number of homes destroyed and damaged and the fact that two thirds were underinsured, this community is progressing well. It is an honor and a privilege to be serving a region that is so actively engaged in helping itself.