

## Fire survivors faced insurance headaches

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Karen Reimus slowly pilots an SUV through her Scripps Ranch neighborhood of large Tuscan-looking homes with red tile roofs and meticulously tended lawns. As kids play and adults stroll the streets greeting each other by name, she points out the homes that vaporized eight years ago after the Cedar Fire leapt through the subdivision, leveling more than 300 homes.

"That one burned, that one burned, that one burned, that one didn't, that one did." It sounds like a grim version of "duck, duck, goose."

When Reimus returned for the first time after the fire, a deputy manning a checkpoint warned her of the devastation. "But," she said, "nothing could prepare me." Forty-six of 47 homes on her street were gone.

"It looks like a regular neighborhood now," Reimus said, "but at the time. ..." Her voice trails off.

Like many of her neighbors, Reimus and her husband rebuilt. But getting the money from their insurance company wasn't easy. "We bought this house four months before it burned down," she said. "I told my agent I want full coverage. This was not cheapinsurance.net. I got the earthquake rider and extended replacement policy, which meant if there was a demand surge that increased rebuilding prices, you'll still have enough money."

Yet almost immediately she found herself butting heads with the company. "My husband and I are both lawyers, so it's hard to imagine two people better positioned to advocate for themselves," she said. "And let me tell you, it was a nightmare."

It was a common complaint. Some insurance companies paid fully and promptly. But advocates who worked with Cedar Fire survivors said many did not, fighting policyholders on replacement values and offering appraisals far short of rebuilding costs.

"Almost everyone was underinsured to some degree," said Valerie Nash, a Vancouver, British Columbia-based consultant who helped communities recover in the aftermath of the fires. In some cases, she added, residents of poorer areas burned by the Cedar Fire were completely uninsured, either because they couldn't afford premiums, or because their homes had been deemed uninsurable because of their location in areas deemed at high risk of wildfire.

"It was very widespread," added George Kehrer, who founded Community Assisting Recovery — CARE — several years after losing his home in the 1991 Oakland Hills Fire, primarily to help survivors navigate the insurance maze, and who worked with Cedar Fire survivors. The organization also publishes "Disaster Recovery: A Survivor's Guide to Insurance."

He and other advocates counsel survivors to contact nonprofit consumer organizations for advice on how to avoid common pitfalls, such as settling too early for too little money. "We like to say: Your adjuster may be friendly, but he is not your friend," said Reimus, who after the Cedar Fire went to work for United Policyholders, which educates disaster survivors about insurance and distributes "The Disaster Recovery Handbook."

"If you have lost your house, you've just started a poker game for professionals who play all day long," added David Kassel, who founded the Cedar Fire Rebuilding Resource Group after losing his home.

"And you are a rank amateur and the pot on the table is your house." He eventually settled with his insurer through arbitration; his house took three full years to rebuild.

The industry insisted that intentional undercoverage and low-balling were not widespread after the 2003 fires. But in 2004, following public meetings at which angry Cedar Fire survivors vented about their coverage to state officials, California legislators passed a homeowner's bill of rights.

Among other reforms, it extended the amount of time, from one year to two, that insurers had to pay living expenses while policyholders rebuilt their homes during a declared emergency; allowed survivors to rebuild a new home wherever they chose; and prohibited companies from canceling policies while a burned home was being rebuilt.

Texas policyholders already have some comparable protections from the state's own consumer bill of rights, said Deeia Beck, executive director of the Office of Public Insurance Counsel, a government agency that represents consumers. But she added that some companies do write policies limiting living expense reimbursements to a year and requiring homeowners to rebuild on their burned sites.

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