

# San Bernardino "Old Fire" Victims

Meeting Minutes

Sunday November 17, 2003

## About this group

Your strongest resource is to band together with fellow victims for mutual emotional support and to share resources and information. There is strength in numbers.

The Calvary Baptist Church at 3701 Sierra Way, SB CA 92405 has generously donated their facility to host these meetings. Their church burnt down a couple of years ago and they recently finished rebuilding so they know what we're going through. The pastor's name is Paul Reinhard and their phone number is 909-882-2564. Their web site is <http://www.calvarysbdo.org>. They offered to be an information "clearing house", but have not yet worked out how this would happen.

Victims should meet weekly at first until the process is underway and running more "smoothly". They will need to discuss what days are best since Sundays might not be best for all. A meeting will take place next week at the same time and place (Sunday at 3PM) and future scheduling will be discussed. A representative from CARE volunteered to come back next week. (Charlotte has their contact information.)

## Expectations

Expect that it will take 2 years before you are in your house, sometimes longer. In Fallbrook, only one out of 42 residence was in their house within 12 months. Many people didn't even get anything settled with their insurance company for 6-7 months (see Scope of Loss etc below). You can't start anything until you have the insurance companies "blessing".

## Department of Insurance

The Department of Insurance will be a resource. Len Riccio helped the Fallbrook victims. He is in their LA office and can be reached at 866-225-6585 x6874. His fax number is 213-897-5961. They have a Department of Insurance booklet available, but the insurance companies wrote it, so take the information with a grain of salt.

This department does not have many teeth, but they will assist with the teeth they have. For example, they cannot force an insurance company to pay your claim, but they can fine a company for not doing so. A customer may also file complaints at this department. They have a Claims guide as well as some standard forms such as a complaint form and a request for assistance form. They have created a "full claims settlement act" which has been published in a 12-page booklet. Not everything pertains to home damage, but what is there can be useful.

<http://www.insurance.ca.gov>

## Record Keeping

Keep a notebook with you at all times. It is impossible to remember everything. Take notes about everything.

When communicating with insurance companies make sure to request a written response within 15 days. They are required by law to do so if you state this in your correspondence. Do all correspondence in writing or follow up in writing.

It is typical to go through several adjusters and/or claim reps during the process. The insurance company does it on purpose so that information is lost during the process. You need to keep everything so that nothing is lost because the insurance company will lose things.

Keep every receipt for everything you do until you move into your house. You can file them by the way the insurance company will divvy up your money to keep things straight (i.e. demo, landscaping, personal items, structural items, loss of use, etc.) Make photocopies of them all before turning them in.

Make sure you keep copies of everything you give to your insurance company. They have a tendency to lose things. Make sure you keep everything the insurance company sends you. Every time you have a phone or face-to-face conversation, follow up with a letter stating what you thought the meeting was about. Keep copies of these notes, as you will need them later. Remember, the insurance company is starting a file on you in case this goes to litigation. Be as prepared as they are.

### About Insurance Checks

Do NOT sign anything saying you are being paid in full for any part of your claim. Make sure the checks they give you do not have verbiage on EITHER side of the check stating you are being paid in full for ANY part of your claim. If it does say so, take the check, but write "This is not a full settlement, full settlement amount to be determined at a later date" and then deposit it. Remember, you are not legally obligated to sign anything when they give you a check. If they request a signature, tell them you'll get back to them. If they will not give you a check without signing, it is illegal and you must file a complaint against them with the Department of Insurance.

If the check they give you is actually a "draft", it will take about 2 weeks before you can actually spend the money.

### Homeowners Resources

The attorney's office in San Bernardino (Charlotte has name and number) has offered free contract reading services.

### When dealing with Insurance Companies

Some insurance companies are starting to do "recorded phone interviews". Try to avoid them at ALL costs. Tell them you are busy or distracted. Ask them to send the questions in writing. They might push you to meet face to face with someone to ask the questions. If they will NOT send them in writing, do a face-to-face interview, but bring a tape recorder and a friend (preferably a lawyer) to witness the conversation. Follow up with a written letter as previously suggested.

You will need an updated copy of the insurance declarations page and a copy of each endorsement with the appropriate dates (check against declarations page). Make sure you have the entire thing. Ask the insurance company to overnight you a copy.

Remember, nothing is final until you move into your house. Even the price of lumber will change between now and next year when you really need it.

The insurance company will try to get you to sign agreements amending your policy. Do not sign them. You will be limiting your rights and they are legally obligated to give you the coverage you paid for without signing anything to change your policy. It will not be presented as a contract to change your policy. It will be whitewashed as an "agreement to

rebuild" or some other type of "release". Just remember, you do NOT need to sign this to get your money, but if you do, you are limiting your rights.

### Demolition

Do not start demolition until the insurance company signs off. You want to be sure you have all of your ducks in a row (see Scope of Loss below) before starting to clean up. You may seriously limit your ability to claim anything if you start too early.

The insurance company will lead you to believe that the debris removal will be 5% of the cost of the structure (and will try to only pay a contractor for this amount). It is actually part of all of parts A, B & C, not just A (the structure). All property needs to be removed and the personal goods cannot be differentiated from the structure since it is one big pile of ash.

If you sign a contract with a contractor to clean up the site for an amount the insurance company contests later, the contractor can put a lien on your property until you pay the amount agreed upon. Be careful about the contracts you sign.

On the other hand, tree/landscape removal is 5% of only A, dwelling.

### Scope of Loss

The insurance company is required to give you a Scope of Loss. It is a long document (they showed approx. 25 page examples) of a line item of EVERYTHING you lost. It includes every 2x4 and window it takes to build your house. You will also get one for your personal property. Do NOT accept their scope. They will low-ball and hope you sign. Get at least 2 additional scopes including a forensic Scope of Loss. This will document any special items or construction techniques used to build your house. Ask the insurance copy not just for a written copy, but also for a computer disk. This will help the contractor (or you) create the other Scopes.

The insurance company is required to give you money based on what YOUR HOUSE was before the loss, not the cheapest way to rebuild it. For example, if you had lath and plaster walls, they could cost up to 3 times the amount as dry wall. The insurance company is required to pay for the lath and plaster to be rebuild (but you can use drywall and spend the money on other details). If you had tile work in your house that is no longer in production, you can require the insurance company to pay for those tiles to be custom made. (In our case, also wiring pulled through conduit, and raised foundation with hard wood flooring and the aged brick on the back porch. Also check for true cut lumber.)

Go to your house and get physical examples of everything, put them in a box and save them until you are satisfied that your claim is settled. Take a million more pictures then you think is necessary and make 6 copies of all of them. You will need them since the insurance company tends to loose things.

### Getting the Most of Your Insurance

If anyone does any work on your house... even volunteer work... make sure they sign a time sheet. The insurance company should pay an appropriate hourly rate for anyone working to rebuild the house. This money will come from the appropriate settlement area (i.e. demo or construction).

Some insurance companies will push you to use a relocation company. Try to avoid it since they will require renting furniture which can cost as much as the rent. This will eat up your loss of use money very fast and you might need that money for longer than you think (the insurance company might lead you to believe you can be in your new house in a year... don't believe them).

Do not cancel your insurance for at least 3 years after your claim. No big company will pick you up.

### The Insurance Company's Rights

The insurance company has the right to hold back up to 25% of your claim until the very end. If they think you didn't need that money, they can keep it. You might need loans to cover this money.

### Working with a Contractor

Once you get to the stage where you're working with a contractor, do NOT use a contractor the insurance company refers. The contractor will be more likely to try to make the insurance company happy than you since they want more work from the insurance company. Do NOT let the contractor talk to the insurance company. Be the intermediary at all times. Have the contractor give you explanations of changes in writing so you can correctly convey the information to the insurance company. The contractor does not have the power to negotiate in your behalf with the insurance company. They can not change your claim or negotiate your claim.

You can hire a contractor to be the "supervising contractor" instead of the general contractor. I think this means that the owner will be in charge of the general contracting (i.e. owner build), but you are hiring a contractor to watch over everything.

### Future Meeting Ideas

Someone in the audience asked why and if they should hire an architect. One of the "survivors" suggested that the look of the house would be nicer. Maybe we should have an AIA rep come and talk to us at a future meeting. I read that in San Diego, the AIA has already started speaking engagements.

Eventually victims will benefit by a speaker from the City Department of Land Management or who ever is in charge of permitting etc. Other departments that would be useful are the health department for those with septic systems. Any other agencies involved with the rebuilding/permitting process will also be helpful.

Politicians should also be in the process. Senator Jackie Speier is the lead senator of Insurance. Her phone number in Sacramento is 916-445-0503. Her San Mateo number is 650-340-8840.