

Up In Smoke: Can More Be Done to Help Fire Survivors Settle Their Claims?

Location: Shadow Mountain Community Church
2100 Greenfield Drive
El Cajon, CA
Time: Starting at 7 p.m.
Date: November 15, 2004

The State Senate Insurance Committee will hold an oversight hearing at Shadow Mountain Community Church to determine if more can be done to help fire survivors resolve their insurance claims. Among many topics, the committee will hear from the public about how they tried to reduce the costs of their claims by using volunteers to clear debris, hoping they could then use debris-removal money to rebuild their homes. Some insurers may be refusing to pay debris removal under those circumstances, making the volunteer labor, in effect, labor donated to an insurance company. The committee will explore with companies the reasons why they are or are not extending the amount of coverage available for alternative living expenses, and about the extent of the underinsurance problem. The committee will also examine the responses of state agencies and insurers to requests for assistance with claims during the past year, and it will hear the public's suggestions for changes to homeowners insurance so that coverage can be improved and future problems avoided.

"I urge the public to come and explain to the Legislature what is happening," said Senator Speier. "We're going to shine a legislative spotlight on the problems that are occurring, see if we can move recovery forward more expeditiously, and gather ideas about how to change the law so that we can avoid future problems," she concluded.

This is the fourth on-site hearing that will be held by the Senate Insurance Committee to hear from the public in the aftermath of a declared disaster. Last year, the committee held hearings at San Bernardino City Hall where it was able to hear from the survivors shortly after the firestorm subsided in the Inland Empire. As a result of the hearing, the committee was able to obtain commitments from insurers that homeowners involved in the Inland Empire and San Diego fires would not be required to rebuild within 180 days of the fire in order to claim full value under the policies. Some companies had issued policies that required homeowners to rebuild within 180 days in order to obtain the limits of their policies, a time limit that was clearly not reasonable in light of the widespread destruction caused by the fires.

In 2000, the committee held public hearings at Granada Hills High School in Granada Hills to hear from more than 300 homeowners speak about problems related to their 1994 Northridge Earthquake claims. After that hearing, the committee received about 100 requests for assistance and was able to resolve about 20 of those long-standing, difficult claims. In 2001, the committee convened in Napa after a moderate quake to hear about claims settlement problems arising under earthquake policies.