

**FOR IMMEDIATE RELEASE:** November 13,  
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**MEDIA INQUIRIES ONLY:** Darrel Ng 916.492.3566  
(#174)

## **NEWS RELEASE**

### **INSURANCE COMMISSIONER POIZNER ANNOUNCES MORE THAN \$17 MILLION RECOVERED FOR 2008 WILDFIRE SURVIVORS**

On the eve of the one-year anniversary of the Sayre, Tea and Freeway Fires in Southern California, Insurance Commissioner Steve Poizner today announced that the California Department of Insurance (CDI) has recovered \$16.9 million from insurance companies by standing up for consumers and helping to mediate disputes in those fires and more than \$17.4 million for victims of 2008 wildfires throughout the state.

“We continue to be vigilant and help whomever calls and asks for assistance in recouping money from insurance companies,” said Commissioner Poizner. “I am pleased that our efforts have helped victims of those terrible wildfires last year recover almost \$17 million to help rebuild their homes and rebuild their lives.”

To date, CDI has recovered \$17.4 million for 2008 wildfires throughout the state. That includes:

- \$13.2 million for Sayre/Sylmar wildfire survivors (124 total complaints including 13 for underinsurance)
- \$3 million for Tea wildfire survivors (41 total complaints including 19 for underinsurance)
- \$873,714 for the Triangle wildfire survivors (23 total complaints including 3 for underinsurance)

CDI was able to recover these funds for consumers that notified the Department of their problems and suspected unfair treatment by their insurer. CDI received 234 consumer complaints since late 2008.

Of the 234 complaints received from consumers, 40 have involved underinsurance allegations. CDI recovered more than \$2.8 million for consumers who had complaints stemming from underinsurance issues.

Included in the amount recovered for Sayre fire survivors is [millions of dollars](#) from an AIG insurance company for residents of the Oakridge Mobile Home Park. In April, Commissioner Poizner announced that the California Department of Insurance secured tens of millions of dollars in additional coverage. AIG insured 370 of the 485 mobile homes destroyed in the fire. It is CDI's position that all 370 AIG policies included a stipulation that provides either 110 percent or 125 percent for additional coverage in the event of a total loss. After the Sayre Fire destroyed the homes of 370 AIG policyholders, the company advised the policyholders that the 110 percent enumerated in their policies actually meant 10 percent additional coverage, and 125 percent actually meant 25 percent additional coverage for policyholders. As many wildfire victims attempted to

rebuild their lives, they found that the policy limits being offered by AIG were insufficient to replace their mobile homes.

Upon receiving complaints from fire survivors, CDI took immediate action and urged AIG to offer the higher policy limits to all wildfire victims. While CDI and AIG had different positions on how the policy should be interpreted, after weeks of negotiations, New Hampshire Insurance Company (an AIG company) agreed to offer its insureds the additional 110 percent or 125 percent of coverage being sought by the CDI. In reaching this agreement, the best interests of the policyholders are being served. The agreement Commissioner Poizner resulted in up to \$46 million in additional coverage for fire survivors, an average of about \$100,000 to \$125,000 in additional coverage per policy.

“I also want to remind wildfire survivors struggling with their insurance company who haven’t contacted the Department that we are here to help,” continued Commissioner Poizner. “I urge anyone having difficulty with their insurance company to contact the CDI Consumer Hotline at 800-927-HELP.”

California has suffered through the most damaging consecutive wildfire seasons on record. Five of the Top 20 worst fires in state history in acres burned and structures destroyed occurred in 2007 and 2008. The Sayre fire destroyed 604 structures, making it the eighth most damaging wildfire in the state’s history in terms of structures destroyed, according to the California Department of Forestry and Fire Protection, which first started keeping damage records in 1932.

The Tea Fire in Santa Barbara County was relatively small in terms of acreage burned at 1,940, but destroyed 210 residences, CalFire said. The Triangle fire, also known as the Freeway Complex fire, burned 30,035 acres and destroyed 361 structures.

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Please visit the Department of Insurance Web site at [www.insurance.ca.gov](http://www.insurance.ca.gov).

Non-media inquiries should be directed to the Consumer Hotline at 800.927.HELP.

Out-of-state callers, please dial 213.897.8921. Telecommunications Devices for the Deaf (TDD), please dial 800.482.4833.