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## Chuck McFadden and Barbara McFadden: From the ashes: Rules for recovering

**By Chuck Mcfadden and Barbara McFadden -  
Published 12:00 am PDT Tuesday, July 3, 2007**

For South Lake Tahoe residents whose homes are in ruins, the most common pragmatic concern now becomes: Are we going to come out of this all right financially?

We were among the thousands of Oakland Hills homeowners who faced that question in October 1991, after a firestorm destroyed nearly 3,000 homes, including ours. From that, we learned several lessons that may be useful to those who are starting to pick up the pieces.

- Insurance companies are not your friends. They spend millions on reassuring commercials to make you think they are, but they are not. They don't have to be your enemy, either, but realize the money they pay you doesn't help their bottom line. Sure, that's obvious, but it may be hard to remember faced with a sympathetic claims adjuster who presents you with a large initial check to begin the settlement process. What will the company pay for a rental home while yours is being rebuilt? What about furniture rental? What is "replacement" value? You want what you are entitled to, and the company wants to minimize losses. It is not a win-win situation.
- Get together with your neighbors. There really is strength in numbers. United Policyholders salvaged millions of dollars for Oakland Hills homeowners that would otherwise have remained in company bank accounts. As a group, you and your neighbors have more clout. You can exchange information and invite in experts. Public agencies will pay more attention to a document signed by 150 people than one signed just by you.
- In face-to-face negotiations, bring your contractor. Companies like to have their own contractors on hand when they negotiate settlements. These hired guns are there to knock down your claims that your house had special features. So if you plan to rebuild, and have a contractor, bring him or her to the table and level the playing field. Check credentials of contractors and independent adjusters you may consider hiring, of course, and ask for references. Many phonies are already descending on your area.
- Contact friends and relatives for evidence. In the world of insurance companies, all houses are tract houses. See if you can obtain photographs that will bolster your claim -- pictures of the interior showing expensive finishes, or intricate woodwork, for instance. The same holds for a uniquely expensive roof or fence. Obtaining records from stores that sold you items relatively recently might help; so can credit card records. Your building department may also be a source of material.
- Keep everything. That means copies of all correspondence with your insurance company, public agencies and anything else having to do with your claim. Does the agent who sold you the house still have a brochure on file talking about how wonderful it is? Can the real estate agent give you a list of recent sales prices for comparable homes in your neighborhood?

- Be polite. You may have to write many letters to your insurance company, public agencies (the state Department of Insurance can help) or elected officials. A polite letter with facts and figures tells the recipient you are a substantive person to be taken seriously. A rant full of misspellings and innocent of punctuation tells the recipient you don't have much behind you and can safely be blown off.

Following this minimal advice isn't going to remove the anguish you feel. But it will give you something to think about besides the loss of grandma's walnut buffet. And the more energetic and knowledgeable you are during this period, the better off you're going to be over the long haul.

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