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Gina Keating

Four Insurers Sued over Calif. Wildfire Coverage

LOS ANGELES, May 5 (Reuters) - Some Californians who lost their homes in last year's deadly firestorms have filed a proposed class action lawsuit against four major insurers they say charged premiums for property that no longer existed.

The lawsuit was filed on Tuesday in Los Angeles Superior Court and names State Farm General Insurance Co., Allstate Insurance Co., Farmers Group Inc. and Safeco Insurance Co. as defendants.

The proposed class action, if certified by a judge, would include those who lost homes and property in what state officials have called the "October Fire Siege of 2003."

The fires in San Diego and San Bernardino counties killed 24 people, destroyed 3,710 homes and charred about 750,000 acres (303,500 hectares).

The homeowners paid the full premium at the time but now want their money refunded with interest and legal fees, and they asked a judge to order the insurers to disgorge profits made from the money, the lawsuit said.

The insurers were in the process of settling the claims but had not yet replaced the homes, the lawsuit said.

Los Angeles attorney Michael Bidart, who represents some of the plaintiffs, said the action also includes policyholders who paid their premiums shortly before the fires, then were refused reimbursement after their homes burned.

"Since there is no structure, our position is they shouldn't be charged for insuring property that's not there," Bidart said.

State Farm spokesman Scott Smith said the company has settled 73 percent of the 4,000 claims that arose from the California wildfires and had no comment on the pending litigation. "We are doing everything we can to help each and every policyholder through this process," he said.

Representatives for Allstate, Safeco and Farmers declined comment, saying they had not yet seen the lawsuit.

Allstate is a unit of Northbrook, Illinois-based Allstate Corp. (ALL.N: [Quote](#), [Profile](#), [Research](#)) , Safeco Insurance Co. is a subsidiary of SAFECO Corp. (SAFC.O: [Quote](#), [Profile](#), [Research](#)) , a Seattle-based financial services company. Farmers Group Inc. is a division of Zurich Financial Services AG (ZURN.VX: [Quote](#), [Profile](#), [Research](#)) , headquartered in Switzerland. Bloomington, Illinois-based State Farm is a mutual insurer.