

HORIZONS

Office of Cerro Grande Fire Claims



Federal Emergency Management Agency

December 7, 2001

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SERVICE CENTER

Los Alamos:
Located in the Mari-Mac Plaza,
across from Furr's, between GNC
and Blue Window Bistro

Hours:
9 A.M. – 6 P.M. Monday – Friday
9 A.M. – noon Saturday

OMBUDSMEN:

Individuals
Veronica Verde
Office: 661-3121
Cell: 505-934-9728

Businesses
Bill Lehman
Office: 661-3121
Cell: 505-934-9698

MITIGATION SPECIALIST:

Chris Berti
Office: 505-661-3121 X2208
Cell: 505-934-9768

Individual Mitigation Made Easy

FEMA is committed to assisting those who were impacted by the Cerro Grande Fire in making their individual residents and their communities more fire resistant. Mitigation funding that goes beyond the requirements of the Cerro Grande Fire Assistance Act has been set aside by FEMA.

Mitigation compensation has been set up for individual homeowners whose homes were damaged or destroyed by the fire to assist them in making their homes and property more fire-resistant. Community mitigation provides funds to communities for projects such as defensible space and reducing fuel loads in adjacent forest lands.

We worked to make the process of receiving individual mitigation funds up front as easy as possible. The OCGFC Mitigation Specialist, Christopher Berti, consistently hear from claimants that the process was much easier and faster than they had imagined.

To set up a one-on-one meeting, stop by our Los Alamos Service Center or call, Christopher Berti, Mitigation Specialist, at 505-661-3121, ext. 2208. He will meet with you, and if needed with your architect and or contractor, to assist you in creating a personalized mitigation plan.

OCGFC's Policy on Public Adjusters

OCGFC's responsibility is to the claimant who incurred losses as a result of the Cerro Grande Fire.

OCGFC staff work with a representative of the claimant at the claimant's request. If at any time the claimant wishes to work directly with OCGFC, they simply need to inform us in writing of that decision.

A claimant's contract with a representative is outside the scope of our program and will not in anyway impact the claimants ability to pursue compensation.

Cerro Grande Compensation Tops \$254 million

Individuals.....	\$117,695,438
Total Burns	\$93,895,981
Businesses	\$29,479,839
State and Local Governments	\$42,337,965
Tribal Governments	\$33,159,935
Not-For-Profit.....	\$187,882
Individual Mitigation.....	\$2,822,353
Community Mitigation.....	\$25,028,694
Total Paid	\$254,814,356
Claims submitted	15,561
Claims Completed	13,048

Numbers as of 12/02/01



Survey of Total Burn Community

A joint survey by the Cerro Grande Fire Survivors Association and OCGFC was sent out to those who lost their homes in the Cerro Grande Fire and who have not yet completed their claim or submitted a claim.

The idea for the survey came out of a recent meeting of Norm Hamer's survivor's group and was developed in partnership with members of the survivor's community.

Fifty-six surveys have been returned.

We urge those who haven't yet responded to the survey to complete and return it.

Surveys may be picked up at the OCGFC Service Center in Los Alamos or call Veronica Verde at 661-3121 to request a survey.

Of the 56 responses, these are the results as of Dec 4, 2001:

- Estimated total amount of compensation pending: \$9,370,762.00. (44)
- Overall appreciation of Claims Reviewers for their dedication and hard work. (12)
- Overall staff has been helpful (8)
- Overall program satisfaction (11)
- Overall program unsatisfactory (10)
- Subrogation should not be paid (5)
- Survey was a good idea (4)
- Survey was a bad idea (1)
- Inquiries about mitigation, change of address, general questions (3)

Acting Director Addresses Subrogation

We have heard concerns regarding the Office of Cerro Grande Fire Claims paying insurance subrogation claims and would like to address those concerns.

The Cerro Grande Fire Assistance Act made it clear that the top priority for our program was to those people and local businesses that were injured as a result of the Cerro Grande Fire. That has been, is, and will continue to be the highest priority.

The Act also dictates that our office must pay insurance companies. The Act directs that injured parties be paid "to the maximum extent practicable" before insurers are reimbursed for their claims. Yet, the language of the Act does not require that subrogation claims be paid only after all individual claims have been paid.

The decision regarding subrogation payments is NOT BASED ON A TIMEFRAME but instead is based on specific standards that must be met before we begin paying a dime of subrogation claims. We announced earlier this year that a January 2002 date was a projection of when we believed two important criteria would be achieved:

- 1) OCGFC will have paid 90% of all claims we project will be filed during the two-year life of the program.
- 2) When we reach the 90% mark we have confidence there is sufficient funds to pay all claims, including subrogation.

The 90% percent projections will be based on the rate of claims being filed, the number and type of claims already filed, and a survey and review of the total burn community.

Also being studied are other categories of claimants—smoke damage, evacuees, government and tribal claims. To get a more accurate picture of what our liabilities are, we expect that a report from one of the top five accounting firms in the country will be completed in December.

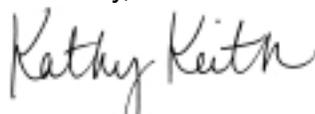
We will meet with the key leadership of the affected communities in December to share our liability report, our statistics of claims paid, projected claims left to pay, and our liability estimates.

There are two conditions that must be met at the end of the year before a decision is made on subrogation payments.

- We must reach 90% of claims paid by the end of December.
- After thoroughly reviewing all the data in December, we are certain there are sufficient funds to pay all claims.

If these conditions are not met, then we will NOT begin paying subrogation in January.

Sincerely,



Kathy Keith, Acting Director
Office Of Cerro Grande Fire Claims



Acting Director Kathy Keith