



INVESTIGATIONS

Homes destroyed. Neighbors perished. Now, Surfside survivors face insurance companies.

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SURFSIDE, Fla. — The walls of unit 303 told Jay Miller's story.

A rare carved head from the Solomon Islands believed to offer supernatural protection. A bronze statue from Greek mythology. A hand-knotted Indian carpet.

The trinkets and relics encapsulated Miller's memories of a life teaching in the South Pacific, Southeast Asia and Europe. He had placed each one throughout his two-bedroom condo next to inherited family heirlooms and photos of his daughter.

All of it disappeared on June 24 when the Champlain Towers South condominium collapsed in Surfside, Florida, killing 98 people and crumbling everything to pieces.

Latest: 'Something that lives with all of us forever:' Final victim of Surfside condo collapse identified; Death toll at 98

Now Miller, like some other survivors whose homes were destroyed that day, is struggling to get an insurance payout to replace what was lost in one of the largest building disasters in U.S. history.

Some insurance companies have delayed payments or routed them to third parties. At least one — State Farm — has yet to decide if it will issue payments to Miller and possibly others.

Documents provided to USA TODAY show State Farm won't decide whether to pay until the cause of the collapse is determined – a process investigators say could take months if not years.

"One would expect a company as large as State Farm to facilitate the process for the policyholders who have just suffered through a tragedy," said Miller, whose policy is with State Farm. "I would have expected more."

State Farm confirmed in a statement that it does not move forward with payments without the cause. The company did not answer questions about how many other Champlain Towers South residents it insures and whether they're also awaiting payments.

It's not an isolated situation, said Michael Capponi, the founder of Global Empowerment Mission, a Miami-based nonprofit that is working to rehouse survivors in new condos by covering a full year's rent.

"I know many people are waiting for the money from settlements and insurance to come in, but what are they going to do in the meantime?" said Capponi. "The things survivors face are just horrible."

The payouts from individual policies are especially important since the policy that covered the replacement cost of the building itself is woefully inadequate. There's only \$48 million available from Champlain Towers South's policy, according to a judge in a recent court case stemming from the disaster. The price tag for the loss, by contrast, is estimated at close to \$1 billion.

At least one insurance company, Universal Property and Casualty Insurance, has already begun disbursing the maximum policy payouts for Surfside collapse survivors. But even that process has seen problems.

Universal insured 42 units at Champlain Towers for repairs or personal-property loss, according to court documents obtained by USA TODAY.

Steve Rosenthal, who escaped the collapse with little but the clothes he was wearing, said it took him weeks to get one of his payments after the company sent it to his mortgage company.

"We're not talking about thousands of survivors or policies here," Rosenthal said. "Why is it taking so long to come up with an answer?"

Surfside collapse sheds light on the limitations of insurance policies after disasters

For decades, Miller's primary residence was a house in Pennsylvania.

But as for many retirees, living in a warmer climate and close to the beach had an irresistible allure. In 2018, he purchased the unit where he would eventually spend six months of the year.

Miller has insured the Pennsylvania home with State Farm for 20 years. As part of that policy, once he became a condo owner, State Farm would cover 10% of the value of his personal property. For Miller that was unit 303 at Champlain Towers South.

He never missed a payment.

By his own account, Miller, 75, had always been forehanded. Prudent. So he knew where to turn: page 13 of his State Farm Insurance homeowners policy.

Earlier this month, Miller said he was shocked to receive a letter from State Farm asking for "documentation that explains the cause of the building collapse," before giving the claim consideration.

After all, horrific images of the collapse had gone around the world. And authorities imploded what remained of the building on July 4, as Tropical Storm Elsa threatened South Florida.

More: Death toll rises to 36 in Surfside condo collapse as rescue effort faces challenges from strengthening Tropical Storm Elsa

"I'm not exactly sure how to proceed," said Miller. "Do I need to take those pictures from other people's reporting that have been in the media, and send those to State Farm? Seems to me they could have done it themselves."

According to the 40-page policy document reviewed by USA TODAY, State Farm will pay for "accidental direct physical loss to covered property involving the abrupt, entire collapse of a building structure or any part of a building structure."

The fine print, however, states that no part of the policy will be paid out if there was any "earth movement" including earthquakes, erosion and movement resulting from improper compaction or excavation.

The Florida insurer will not pay for any part of the policy if the "conduct, act, failure to act, or decision of any person, group, organization or governmental body whether intention, wrongful, negligent or without fault."

Investigators have not determined the cause of the collapse.

In previous calls with State Farm, Miller said the agent told him the company does not cover all causes of a building collapse.

"Determining the cause of loss is necessary to review if coverage applies and it is a typical part of the claims investigation. It is NOT the same as 'denying benefits'," Justin Tomczak, a State Farm spokesperson, wrote in an email to USA TODAY.

If approved, Miller would have to list and itemize all of his possessions with purchase dates, a standard practice for most insurance claims. While 10% would not cover the value, it would be something, he said.

"All those things that were in the apartment were irreplaceable," Miller said. "I can buy another, you know, 50-inch screen TV, but these things that I collected over the

years are gone. I'll never get them.”

Potential insurance payouts might not make Surfside collapse survivors whole

Some insurance companies have already begun disbursing the maximum policy payouts for Surfside collapse survivors.

Travis Miller, a spokesperson for Universal, said the Ft. Lauderdale-based company rented out a conference room in a nearby hotel the day of the collapse so that policyholders could file their claims without any delay.

“The response has been very immediate. It has been prompt throughout,” Travis Miller said. “We’ve tried to go beyond fair to the point of looking at things with great empathy and generosity to what has been paid.”

Jay Miller also had an additional condo insurance policy, with Universal. He said the company called him and had paid out the maximum amount from the policy he had purchased no questions asked.

His payout: about \$20,000.

"They said, ‘We know the apartment is a total loss. We know that the amount of your policy is not going to cover everything, so we're not asking you to document it," Miller said.

The bigger issue – adding to the slew of separate lawsuits the condo association for Champlain Towers South is facing – is how dramatically under-insured the building was.

During an emergency hearing earlier this month, Judge Michael Hanzman of the 11th Judicial Circuit of Florida said the \$48 million insurance coverage would be “inadequate to compensate everyone fully for the extent of their losses,” first reported by the Miami Herald.

The Condo Association for Champlain Towers South told the judge it knew of two policies, \$30 million with Great American and \$18 million in liability insurance.

Florida has more than 1.5 million condo units – more than any other state in America, buying an entire insurance industry.

The policies are designed to cover damage from hurricanes and tropical storms, not rebuilding a condo from the ground up.

At Champlain, that means other insurance companies could fear they'll never get paid back through subrogation, a practice where insurance companies sue the party ultimately believed to be at fault to recover the amount paid by the claim.

"Insurance companies are wondering whether they are going to get money back and from whom," said Mary Ann Ruiz, a Miami-area condominium attorney who represents mostly individual owners.

Collapse survivors could still face challenges with mortgage companies

The only thing left of Rosenthal's apartment is a prayer shawl rescue workers found in the rubble.

Twenty years of memories turned into dust.

Rosenthal, 72, made it out alive with a pair of jeans, sneakers, a colorful button-down shirt and the couple of watches he was able to put in a messenger bag before running out to the balcony where he would eventually be rescued amid the cloud of dust.

Rosenthal had purchased two policies with Universal that covered the loss of his belongings – one for \$8,000; the other for \$20,000. Both were paid out to him immediately.

Rosenthal had a third policy for \$92,000 to cover the cost of potential repairs inside the unit. But when Universal issued this last check, it was made out to both him and his mortgage company, Caliber Home Loans.

Under normal circumstances, while the property is still mortgaged, the Texas-based lender would put the funds in an escrow account and reimburse Rosenthal after he provided receipts for the repairs.

"In my situation there's nothing to rehab; there's no kitchen to fix, there's no bathroom to fix, the building was imploded," said Rosenthal.

For the last month, he has been going back and forth with the mortgage company's legal department while he is staying at a hotel in Miami Beach that is donating the room.

"We're not talking about thousands of survivors or policies here," Rosenthal said. "Why is it taking so long to come up with an answer?"

On Wednesday he got the call he'd been long waiting for: The mortgage company said they'd sign over the check for him to deposit.

"Clearly this is the first time something like this has happened in America," said Rosenthal. "It's the \$120,000 together that helps me move forward."

If only for a time. That's something Miller deeply understands as he waits to hear what comes of this nightmare.

What was supposed to be a quick trip up north in June ended up saving his life. He wasn't in his apartment the night of the collapse.

"But I don't have a house in Miami anymore," said Miller. "Neither of those two insurance policies are going to cover very much."

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