

The Wildfire Litigation Series: Part 1 — Fast Action in the Aftermath

In the aftermath of wildfires, rapid action is essential for both victims and their legal teams. Part One of our Wildfire Litigation Series explores the immediate steps forensic experts must take to assess economic damages and support claims. From gathering critical data under intense time constraints to assembling a team of local experts, this article offers a comprehensive guide to navigating wildfire litigation in its early stages.

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September 23, 2025

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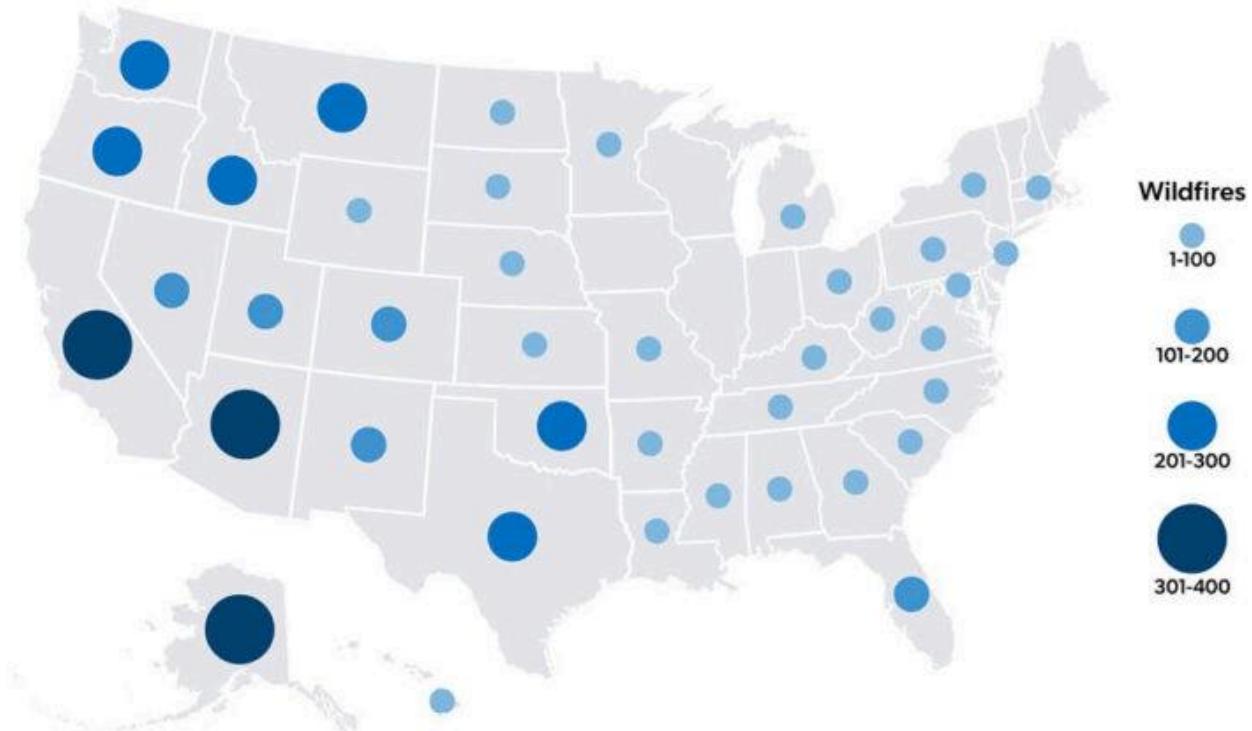


This is Part One of a three part series on wildfires and economic damages. To navigate to Part

Two, **please click here**, or to read Part Three, **please click here**.

Wildfire season is no longer confined to the traditional fire months of late summer and early fall—it has become a year-round threat.

Total U.S. Wildfires by State (2015-2024)



Source: Monitoring Trends in Burn Severity (MTBS), www.mtbs.gov and the U.S. Census, www.census.gov

As climate patterns shift and development expands into wildland-urban interface zones, communities across the United States face increasing frequency, intensity, and geographic spread of devastating wildfires. According to the National Interagency Fire Center, the U.S. experiences an average of over 70,000 wildfires annually. The financial fallout from these disasters continues to mount, with wildfires estimated to cost as much as \$893 billion per year.

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70,000 wildfires

**70,000 wildfires annually
at a cost of \$893B***

*National Interagency Fire Center

Recent fires serve as stark reminders of the economic devastation that follows in their wake.

The 2025 Los Angeles wildfires have estimates for damage and economic loss in the hundreds of billions. The 2023 Maui fires impacted many victims and resulted in an estimated \$12 billion in clean-up costs, while a collection of Northern California wildfires from 2015-2018, which again had many victims, saw PG&E face \$13.5 billion in settlements. The 2017 Tubbs Fire was estimated to drive a loss of \$8.7 billion. These estimates represent just the tip of the iceberg, as they may not capture the full scope of uninsured losses, business interruption impacts, and long-term economic consequences that ripple through affected communities for years.

Insured Losses by Fire¹ (\$ millions)

ESTIMATED INSURED LOSS		
	Data when occurred	In 2024 Dollars ²
1 Camp Fire (2018) CA:	\$10,000	\$12,524
2 Tubbs Fire (2017) CA:	\$8,700	\$11,134
3 Woolsey Fire (2018) CA:	\$4,200	\$5,260
4 Maui Wildfire (2023) HI:	\$4,300	\$4,421
5 Oakland Firestorm (1991) CA:	\$1,700	\$3,906
6 Atlas Fire (2017) CA:	\$3,000	\$3,839
7 Glass Fire (2020) CA:	\$2,950	\$3,578
8 CZU Lightning Complex (2020) CA:	\$2,500	\$3,032
9 Thomas Fire (2017) CA:	\$2,250	\$2,881
10 Marshall Fire (2021) CO:	\$2,500	\$2,831

Insured losses estimates understate the amount of damages.

(1) Includes losses sustained by private insurers and government-sponsored programs such as the National Flood Insurance Program. Subject to change as loss estimates are further developed. As of January 2025.

(2) Adjusted for inflation by Aon using the U.S. Consumer Price Index.

Source: Aon.

previously unaffected regions. Recent wildfires in Texas, North Carolina, New Jersey, and other traditionally lower-risk areas demonstrate that no region is immune. Communities without established wildfire response protocols and adequate legal frameworks may find themselves with limited recourse to obtain reparations when the fires are caused by negligence.

For forensic experts and economic analysts, whose role it is to measure the economic impact of these fires in order to assist victims (individuals, businesses and their counsel, local or other governments), this evolving landscape presents a dual challenge: working in the immediate aftermath of unprecedented destruction while navigating legal gray zones where liability has not yet been determined.

A Partner to Counsel in Uncertain Times

In the chaotic aftermath of a wildfire, attorneys representing victims face immense pressure to act quickly while information remains limited and liability questions unresolved. Forensic experts serve as essential advisors during these early stages, providing counsel with credible information needed for initial settlement negotiations and helping establish a strong foundation for their clients' claims.

The primary objective is to provide clarity, through rigorous research and experience, and employ supportable and accepted methodologies, while simultaneously helping victims in securing stable footing from the outset. This requires developing scenario-based analyses that can accommodate rapidly changing sets of facts as investigations unfold and liability theories evolve.

The key to effective early-stage support lies in maintaining flexibility while adhering to established professional methodologies. As new information emerges—whether through government investigations, utility company disclosures, or forensic engineering reports—economic models must be structured to incorporate these developments without requiring complete reconstruction of the underlying analysis. Prior experience in dealing with these

issues is important and provides efficiencies essential in these situations.

Rapid Response, Data Gathering, and Adaptive Strategies

Traditional forensic approaches often fall short in wildfire scenarios. Certain data sources may be literally reduced to ash, key witnesses displaced, and normal business records destroyed. Reliable data from disparate sources, some of which are not traditionally used for measuring damages of this sort, have to be identified, secured and vetted under extreme time pressure. Success requires recognizing these limitations and developing creative strategies to source reliable and relevant information quickly.

Engaging Local Perspectives

The first critical step involves rapidly assembling a team of qualified local experts who understand the unique characteristics of the affected region. This multidisciplinary team typically includes construction professionals familiar with local building codes and replacement costs, arborists and foresters, satellite imagery experts who can assess vegetation losses and restoration requirements, medical experts capable of evaluating non-economic damages, and insurance professionals who understand coverage nuances specific to wildfire losses.

Learning from individual victims' experiences provides invaluable insights into the specific impacts and conditions that generic models might overlook. For example, each family's story, or each business owner's account of their losses, contributes to a more comprehensive understanding of the disaster's true economic (and human) toll.

Site access challenges require innovative solutions. When traditional on-site inspections are impossible due to safety concerns or ongoing investigations, alternative methods become essential. Satellite imagery analysis can track pre- and post-fire conditions, drone footage provides detailed views of damaged structures, and emergency response documentation offers contemporaneous records of conditions immediately following the disaster.

Establishing the Economic Baseline

While wildfires share certain common characteristics, each disaster occurs within a unique context that significantly influences both the scope of damages and the legal framework for recovery. In short: every impacted community is different, even if the devastation may look similar from fire to fire. The community's legal, geographical, cultural, historical, socioeconomic, and economic context may all play crucial roles in shaping both the impact assessment and the path to resolution.

Key damage components requiring assessment vary depending on the specific legal context, but typically include:

- affected population analysis and structural density assessment;
- comprehensive business interruption evaluation covering lost revenue and profits, destroyed inventory, and asset losses;
- emergency expenditure documentation including cleanup, mitigation, and evacuation costs;
- detailed cataloging of destroyed or damaged structures with particular attention to varying degrees of damage such as smoke and ash contamination;
- infrastructure impact assessment;
- quantification of loss of use damages;
- potential diminution of value;
- alternative living expenses;
- evaluation of community-wide impacts; and
- the challenging task of assessing non-economic damages.

Critical to this baseline establishment is recognizing the legal inconsistencies that may exist across jurisdictions. For instance, some states have specific statutes providing compensation for the value of mature trees, which can represent substantial economic losses in forested communities. Other regions may have unique considerations for ancestral lands or culturally significant properties that require specialized valuation approaches beyond traditional market-based methodologies.

Evidence Preservation

The window for comprehensive evidence gathering is often narrow following a wildfire disaster. Beginning the compilation of financial documentation immediately is essential, requiring outreach to various entities to gather both current and historical data sets. This process involves conducting preliminary economic modeling as early as possible, using basic assumptions informed by experience and the facts gathered in previous investigative steps, all guided by counsel's strategic direction and legal knowledge.

Close coordination with legal teams ensures that important valuation evidence is not only preserved, but also defensible and leverageable in future proceedings. This collaborative

approach helps establish a solid foundation for what may become lengthy and complex litigation processes.

Conclusion

The immediate aftermath of a wildfire presents a critical window of opportunity for forensic experts to establish the groundwork for successful negotiations and claims resolution. By acting swiftly while maintaining methodological rigor, assembling the right multidisciplinary teams, and adapting traditional approaches to the unique challenges posed by wildfire disasters, they can provide invaluable support to victims and their counsel during their most vulnerable moments.

The strategies outlined in Part 1 of this series—early partnership with counsel, rapid response protocols, creative data gathering approaches, and comprehensive baseline establishment—form the foundation upon which successful wildfire claims are built. As we will explore in subsequent articles, these early actions directly influence the effectiveness of long-term damage quantification and the ultimate path to recovery for devastated communities.

If you have any questions or would like to discuss this topic please reach out to Xavier Oustalniol, Kristofer Buchan or Kimberly Ratto.

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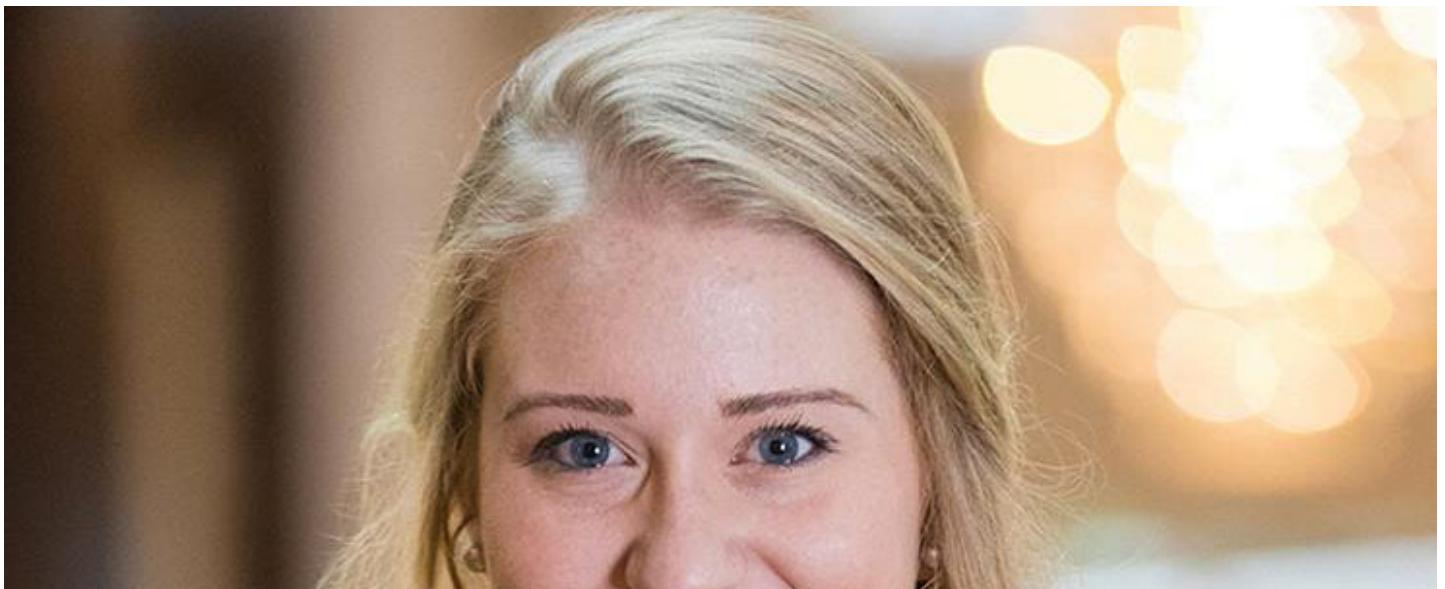
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