



Special Insurance Industry Hurricane Florence Information

By Glenn C. Raynor

Hurricane Florence made landfall just south of Wrightsville Beach, North Carolina on the morning of September 14, 2018. Despite having weakened from its maximum strength as a Category 4 hurricane to a Category 1 hurricane at the time of landfall with maximum sustained winds of 90 miles per hour, Florence's huge size and extremely slow progression following landfall has resulted in catastrophic damage, particularly in the eastern half of North Carolina. AIR Worldwide, one of the world's leading catastrophe modeling companies (including hurricane modeling), has run post-storm models estimating that total losses for wind and storm surge damage alone will be in the range of \$1.7 billion to \$4.6 billion. This forecast specifically excludes damages resulting from precipitation related flooding, which is currently estimated to represent a 1 in 1000 year flooding event. Given the widespread and extensive flooding caused by rainfall related to the storm, flood damages may well exceed those resulting from wind and storm surge. There has also been a major disaster declaration for much of North Carolina. It is clear that Florence will have a profound and prolonged impact on the residents of North Carolina and on the personal and commercial property insurers providing insurance coverage on property in this state.

Florence presents unique challenges to the management of insurance claims. For example, in the immediate aftermath of the storm, insurers have been delayed or unable to reach many of their insureds' property due to continued flooding. Communications within many of the areas affected by the storm is difficult if not nonexistent. Once access and communications are restored, the sheer volume of claims is going to present a challenge to insurers seeking to address the needs of their insureds. In addition to the numerous insurance coverage issues presented by damages related to wind and storm surge, the fact that much of the damage inflicted by the storm relates to flooding from rainfall in many unexpected locations is likely to present many cause of

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loss and anti-concurrent causation issues where flood damage is not covered especially where insured locations may have sustained damage from covered perils as well. Other issues due to the disaster declaration will arise such as mandatory mediation, suspension of proof of loss requirements, premium and debt deferrals, policy appraisal, and coverage for loss of use.

Our insurance practice group has extensive experience in every aspect of claims handling, coverage analysis, and where necessary, appraisal, mediation and litigation of issues pertaining to the management of property insurance claims. We regularly represent insurers in all state and federal trial and appellate courts for North Carolina on these issues. In our role as general counsel for the North Carolina Rate Bureau, our firm has been integrally involved for more than thirty years in the drafting of policy language submitted to and approved by the N.C. Commissioner of Insurance for use in residential policy forms utilized by all insurers in the state. As coverage counsel to the North Carolina Insurance Underwriting Association (NCIUA) and North Carolina Joint Underwriting Association (NCJUA), we have unique experience in storm-related claims. We routinely represent both the NCIUA and member companies on disputed claims. Because of our frequent consultation and interaction with our Department of Insurance, we also routinely assist clients with regulatory issues before the Department.

Regardless of the claims, coverage, regulatory or litigation issues you may encounter in the process of resolving claims arising out of Hurricane Florence, Young Moore has the experience and expertise to guide you through that process. For more detailed information about Young Moore's insurance practice group and how we may be of assistance to you, please visit www.youngmoorelaw.com and select Insurance under Our Services.

Related Links:

- [Hurricane Florence / Amended Order Re: 58-2-46, September 19, 2018](#)
- [Hurricane Florence Disaster Declaration – Amended Bulletin 18-B-12 Re: 58-2-46, September 19, 2018](#)
- [Hurricane Florence Disaster Declaration – Amended Bulletin 18-B-12 Re: 58-2-46, September 25, 2018](#)
- [Hurricane Florence / Amended Bulletin Re: Activation of NCDI Disaster Mediation Program, September 17, 2018](#)
- [Hurricane Florence / Amended Order Re: Disaster Mediation Program, September 18, 2018](#)
- [Hurricane Florence / Amended Order Re: Disaster Mediation Program, September 24, 2018](#)
- [Bulletin 18-B-13 Re: Hurricane Florence Data Call, September 25, 2018](#)
- [Hurricane Florence Wind/Hail CAT Loss Claims Adjusting Requirements, September 27, 2018](#)
- [Memo Regarding Anti-Steering Laws, October 4, 2018](#)
- [North Carolina General Statute 58-2-46§ 58-2-46](#)

The information contained in this article is of a general nature and does not constitute legal advice. If you would like advice related to your particular situation, please contact Glenn Raynor, Walter Brock, or Matthew Gray.