



FEMA

W-11026

April 29, 2011

MEMORANDUM FOR: Write Your Own (WYO) Principal Coordinators and the  
National Flood Insurance Program (NFIP) Servicing Agent

A handwritten signature in black ink, appearing to read "James A. Sadler".

FROM: James A. Sadler, CPCU, AIC  
Director of Claims  
National Flood Insurance Program

SUBJECT: APRIL 20, 2011, North Carolina Department of Insurance  
Bulletin Number 11-B-03

This bulletin is being issued in response to North Carolina Insurance Bulletin Number 11-B-03, and pertains only to the Standard Flood Insurance Policies ("SFIPs") issued by insurance companies participating in the Write Your Own ("WYO") program authorized and operated by the Federal Emergency Management Agency ("FEMA") pursuant to the National Flood Insurance Act of 1968, as amended (42 U.S.C. §4001, *et seq.*).

The National Flood Insurance Program ("NFIP") is a Federal program administered by FEMA under the authority of Federal law. Federal procedural requirements, including requirements related to the purchase of SFIPs and the timing and handling of claims, apply to issues related to and arising out of SFIPs.

The above-referenced bulletin issued by the North Carolina Department of Insurance relating to the proof of loss and policy renewal requirements for private lines of insurance does not affect the operation of the NFIP or SFIPs issued by and through the private insurance companies participating in the NFIP. NCGS §§58-2-46 and 58-2-47, and all other states' laws, regulations, or directives from insurance commissioners, are not applicable to the requirements or time limits for presenting a proper and timely proof of loss or for payment of renewal premiums for SFIPs.

Unless and until FEMA issues a bulletin modifying the deadlines for submitting a proof of loss or payment of premiums to renew an SFIP, the terms of the SFIP will control such issues. The WYO Companies are to only follow the directions from FEMA as they pertain to their SFIPs.

April 29, 2011

Page 2

Again, we ask for your full support. Any questions regarding this bulletin should be directed to James A. Sadler, CPCU, AIC, Director of Claims, National Flood Insurance Program. Mr. Sadler may be reached by email at [James.Sadler@dhs.gov](mailto:James.Sadler@dhs.gov).

Attachments

cc: Bob Mack (by email only: [Bob.Mack@ncdoi.gov](mailto:Bob.Mack@ncdoi.gov))

Vendors, IBHS, FIPNC, Government Technical Representative

Suggested Routing: Claims Department, Training, Underwriting, Adjusting Firms, Independent Flood Adjusters, and Staff Adjusters Handling NFIP Claims

ARCHIVED APRIL 2018

## BULLETIN

---

Number 11-B-03

To: All Insurance Companies and other Entities Licensed under Chapter 58  
Of the North Carolina General Statutes

From: Wayne Goodwin, Commissioner of Insurance

Date: **April 20, 2011**

Subject: North Carolina Disaster and Emergency Operations

**Disaster Declaration (FEMA DR-1969) from North Carolina Severe Storms,  
Tornados, and Flooding on April 16, 2011.**

<http://www.fema.gov/news/event.fema?id=14092>

This bulletin pertains to all insurance companies licensed to transact business in the State of North Carolina and is intended to remind insurance companies of compliance requirements under a state of disaster. As used in this bulletin, "insurance company" includes, but is not limited to, a service corporation, HMO, MEWA, surplus lines insurer, and the underwriting associations under Articles 45 and 46 of this Chapter.

North Carolina residents and personal property have been severely damaged as a result of **North Carolina Severe Storms, Tornados, and Flooding on April 16, 2011**. The following counties have been declared a disaster and the President of the United States has issued a major disaster declaration for the State or for an area within the State under the Stafford Act, 42 U.S.C. § 5121, et seq., as amended. Those counties include:

**Bertie, Bladen, Craven, Cumberland, Currituck, Greene, Halifax, Harnett, Hertford, Hoke, Johnston, Lee, Onslow, Pitt, Robeson, Sampson, Wake, and Wilson.**

As required under NCGS § 58-2-46, the application of any provision in an insurance policy insuring real property and its contents that are located within the geographic area designated in the proclamation or declaration, which provision requires an insured to file a proof of loss within a certain period of time after the occurrence of the loss, shall be stayed for the time period not exceeding the expiration of the disaster proclamation or declaration and all renewals of the proclamation or 45 days, whichever is later.

All insurance companies, premium finance companies, collection agencies, and other persons subject to this Chapter shall give their customers who reside within the geographic area designated in the proclamation or declaration the option of deferring premium or debt payments that are due during the time period covered by the proclamation or declaration. This deferral

period shall be 30 days from the last day the premium or debt payment may be made under the terms of the policy or contract. This deferral period shall also apply to any statute, rule, or other policy or contract provision that imposes a time limit on an insurer, insured, claimant, or customer to perform any act during the time period covered by the proclamation or declaration, including the transmittal of information, with respect to insurance policies or contracts, premium finance agreements, or debt instruments when the insurer, insured, claimant, or customer resides or is located in the geographic area designated in the proclamation or declaration.

Likewise, the deferral period shall apply to any time limitations imposed on insurers under the terms of a policy or contract or provisions of law related to individuals who reside within the geographic area designated in the proclamation or declaration. The Commissioner may extend any deferral period in this subdivision, depending on the nature and severity of the proclaimed or declared disaster. No additional rate or contract filing shall be necessary to effect any deferral period.

With respect to health benefit plans, after a deferral period has expired, all premiums in arrears shall be payable to the insurer. If premiums in arrears are not paid, coverage shall lapse as of the date premiums were paid up, and preexisting conditions shall apply as permitted under the insurance contract; and the insured shall be responsible for all medical expenses incurred since the effective date of the lapse in coverage.

All entities that are subject to N.C.G.S. § 58-2-46 and that are subject to North Carolina's External Review Law, shall allow consumers, whose requests may have been impacted by the disaster, additional time for their requests to be received and reviewed. Additionally, for cases that have been accepted and additional information is being submitted, the timeframes for receiving this information will also be extended.

In addition to the requirements of N.C.G.S. § 58-45-35(e), for separate windstorm policies that are written by an insurer other than the Underwriting Association, losses shall be adjusted by the insurer that issued the property insurance and not by the insurer that issued the windstorm policy. The insurer that issued the windstorm policy shall reimburse the insurer that issued the property insurance for reasonable expenses incurred by that insurer in adjusting the windstorm losses.

Pursuant to N.C.G.S. § 58-2-47, regardless of whether a state of disaster has been proclaimed under N.C.G.S. § 166A-6 or declared under the Stafford Act, whenever an incident beyond the Department's reasonable control, including an act of God, insurrection, strike, fire, power outage, or systematic technological failure, substantially affects the daily business operations of the Department, the Commissioner may issue an order, effective immediately, to stay the application of any deadlines and deemer provisions imposed by law or rule upon the Commissioner or Department or upon persons subject to the Commissioner's jurisdiction, which deadlines and deemer provisions would otherwise operate during the time period for which the operations of the Department have been substantially affected. The order shall remain in effect for a period not exceeding 30 days. The order may be renewed by the Commissioner for successive periods not exceeding 30 days each for as long as the operations of the Department remain substantially affected, up to a period of one year from the effective date of the initial order.

Please refer any questions regarding Life & Health to Ted Hamby at [Ted.Hamby@ncdoi.gov](mailto:Ted.Hamby@ncdoi.gov)

Please refer any questions regarding Property & Casualty to Bob Mack at [Bob.Mack@ncdoi.gov](mailto:Bob.Mack@ncdoi.gov)

Please refer any questions regarding External Review to Susan D. Nestor at  
[Susan.Nestor@ncdoi.gov](mailto:Susan.Nestor@ncdoi.gov)

ARCHIVED APRIL 2018