



MEMORANDUM

To: All Licensed Property/Liability Insurance Companies
All Adjusting Firms

From: Mike Causey
North Carolina Commissioner of Insurance

Date: April 24, 2025

Subject: Fair Claim Settlement Amounts for Helene Victims

I would like to thank all companies for their quick response to the disaster in western North Carolina caused by Hurricane Helene. The devastation suffered by many North Carolinians is truly heartbreaking and it is only made worse knowing that many of the losses will not be covered because very few people had flood insurance. I have heard from many consumers who feel that their insurers are delaying paying claims or making offers to settle claims that are less than what the insured believes the fair value of the claim to be.

As a result, I would like to remind all insurance companies about the importance of handling claims quickly and making fair settlement offers. General Statute § 58-63-15 identifies claims practices that if committed with such frequency as to indicate a general business practice, are unfair methods of competition and unfair and deceptive acts or practices. These claims practices include:

- Failing to acknowledge and act reasonably promptly upon communications with respect to claims arising under insurance policies.
- Failing to adopt and implement reasonable standards for the prompt investigation of claims arising under insurance policies.
- Refusing to pay claims without conducting a reasonable investigation based on all of the information available.
- Not attempting in good faith to effectuate prompt, fair and equitable settlements of claims in which liability has become reasonably clear.
- Attempting to settle a claim for less than the amount to which a reasonable person would have believed he or she was entitled.

Delays in the handling of claims can lead to financial hardship, emotional distress, and prolonged inconvenience for consumers. Delays in claim resolution should be minimized to ensure that consumers receive the coverage and compensation they are entitled to under their

insurance policies. We recognize that with these losses there may be instances where two insurers may not agree on who is responsible for covering a loss, like where there is a question of whether damage was caused by flood or wind and rain. In these situations, payment of a claim should not be unnecessarily delayed while coverage issues are resolved. Additionally, I would like to stress the importance of communicating frequently and clearly with consumers, so they understand how their claims are being handled.

The Department closely monitors insurer practices and will take appropriate enforcement action against any insurer it finds to be in violation of our laws.

Please refer any questions regarding this memorandum to the Department's Consumer Services Division at CSD@ncdoi.gov or 855-408-1212.

Thank you for your immediate attention to this issue.

Respectfully,

Mike Causey
Commissioner of Insurance