



MIKE CAUSEY
INSURANCE COMMISSIONER

BULLETIN

24-B-18 ADVISORY

To: All Insurance Companies Writing Property & Casualty Insurance Coverage in North Carolina

From: Mike Causey, Commissioner of Insurance

Date: October 31, 2024

Subject: Hurricane Helene FEMA-related Coverage Inquiries

This advisory bulletin is to remind insurers of the requirements of N.C. General Statute § 58-36-115 as it relates to inquiries made by policyholders seeking financial assistance from FEMA.

Please be advised that insurers should not take underwriting actions, such as consent to rate adjustments or policy modifications, in response to flood-related claims or inquiries on homeowners insurance policies when no coverage exists.

N.C. General Statute § 58-36-115 states:

§ 58-36-115. Prohibitions on using inquiries to terminate a policy, refuse to issue or renew a policy, or to subject a policy to consent to rate.

An insurer writing residential real property insurance subject to this Article shall not terminate an existing policy or any coverage under an existing policy, refuse to write a policy, refuse to renew a policy, or subject a policy to consent to rate as specified in G.S. 58-36-30(b) based solely on either of the following:

- (1) An inquiry about policy provisions that does not result in a claim; or
- (2) A claim that was closed without payment, provided the notice of loss that was the subject of the claim was only an inquiry regarding policy provisions, and no claim for payment was requested by the insured or a third party.

FEMA's Individuals and Households Program (IHP) provides financial assistance to eligible individuals and households impacted by disasters. To qualify for IHP assistance, FEMA often requires a letter from the policyholder's homeowners insurance carrier verifying that the loss is not covered under their existing policy. This letter enables a consumer to access critical disaster recovery funds.

Taking underwriting action in response to requests for these letters unfairly penalizes policyholders who are seeking only to confirm the lack of coverage and may be in violation of N.C. Gen. Stat § 58-36-115.

We ask insurers to recognize these requests as FEMA eligibility verification requirements rather than as claims activity. We would encourage insurers to ensure that your frontline claims representatives be proactive in asking questions to ensure that the inquiries are related to Hurricane Helene.

Thank you for your attention to this important matter and for supporting our collective disaster recovery efforts.

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