Number 24-B-14

To:	All Property Insurance Companies Licensed in North Carolina
Date:	October 1, 2024
Subject:	Activation of the North Carolina Department of Insurance ("NCDOI") Disaster Mediation Program

Disaster Declaration (FEMA-4827-DR) and the NCDOI Mediation Program Activation Resulting from North Carolina Tropical Storm Helene for the incident period of September 25, 2024 and continuing.

https://www.fema.gov/press-release/20240929/president-joseph-r-biden-jr-approves-major-disaster-declaration-north

Insurance Commissioner Mike Causey has ordered activation of NCDOI's Disaster Mediation Program, following the President's September 28th, 2024, Declaration of Disaster for North Carolina in **Alexander, Alleghany, Ashe, Avery, Buncombe, Burke, Caldwell, Catawba, Clay, Cleveland, Eastern Band of Cherokee Indians of North Carolina, Gaston, Haywood, Henderson, Jackson, Lincoln, Macon, Madison, McDowell, Mitchell, Polk, Rutherford, Transylvania, Watauga, Wilkes and Yancey counties.**

North Carolina General Statutes §58-44-70 thru §58-44-120 established a non-adversarial mediation program ("Program") to facilitate the effective, fair, and timely resolution of insurance claims arising out of damages to residential property as the result of a disaster. The Program becomes available to first party claimants only if the following occurs:

1) A state of disaster has been proclaimed (by the Governor or the President) for all or part of North Carolina, within 60 days following the event, and
2) The Commissioner of Insurance subsequently orders Program activation.

NCDOI has contracted with the American Arbitration Association to serve as Program Administrator.

Please immediately review these statutes in their entirety to ensure your company's full compliance.

"Right to Mediate" Notice Required for Certain Disaster-Related Claim Disputes

North Carolina General Statute §58-44-80 requires insurers to notify all first-party disaster claimants in identified counties of their right to mediate "disputed claims" (as defined in §58-44-75). In order for a disputed claim to be eligible for the Program, the claimant and insurance company must be at least $1,500 apart in their settlement negotiation.

A "Right to Mediate" notice template is attached. To access Program information online, please visit the NCDOI website's Disaster Mediation page at:

https://www.ncdoi.gov/disaster/after-storm/disaster-mediation

Questions about this Bulletin can be directed to Angela Hatchell, Senior Deputy Commissioner of NCDOI's Consumer Services Division, at (919) 814-9847 or Angela.Hatchell@ncdoi.gov.

[Date]

[Policyholder Name and Address]

{Policy number and/or Claim Number]

NOTIFICATION OF THE RIGHT TO MEDIATE RESIDENTIAL PROPERTY DISASTER INSURANCE CLAIM

The General Assembly of North Carolina has enacted a law to facilitate fair and timely handling of residential property insurance claims arising out of disasters. The law gives you the right to attend a mediation conference with your insurer in order to settle any dispute you have with your insurer about your claim. An independent mediator, who has no connection with your insurer, will be in charge of the mediation conference.

The mediator does not decide the dispute but will facilitate discussion/negotiation between the parties. There is no cost to you for this service.

Disputed Claim
For the purpose of this mediation program, a "disputed claim" does not mean a claim denied because of exclusions, terms or conditions in the policy, or because the policy was not in force at the time of loss. "Disputed claim" also does not mean a claim that the insurer has reported to the Department of Insurance's Investigations Division due to suspected insurance fraud.

Eligibility
To be eligible for a mediation conference:

1) You must have a disputed claim arising from a declared state of disaster in which the insurer has denied payment in whole or in part.
2) The dispute must be over the insurer's findings on the cause of loss or the amount of the loss.
3) The disputed amount (difference in position between you and your insurer) must be at least $1,500 unless both parties agree to mediate a smaller dispute.

Requesting a Mediation Session
You must request mediation within 60 days of your claim being denied, or your right to mediation is lost. Failure to request mediation does not prejudice any other legal right or remedy that you may have to pursue your claim. **To request mediation, you may contact the Mediation Administrator at:**

> American Arbitration Association
> ATTN: NC Insurance Mediation 1301
> Atwood Avenue, Suite 211N Johnston,
> RI 02919
> P: 866-293-4053
> F: 866-644-0234
> Email to: NCDisasterMediation@adr.org

https://www.adr.org/sites/default/files/document_repository/MediationRequestForm.pdf

Your request must include the following information, if known:

- o Your claim number and policy number.
- o Your name, mailing address, and (if different) property location.
- o A daytime telephone number where you can be reached.
- o A brief description of the nature of the dispute.
- o The name of your insurance company and the name, address and phone number of a contact person (if other than you) for scheduling mediation.
- o Information on any other policies of insurance that may provide coverage of the insured property for named perils such as flood, earthquake or windstorm.

Once your request for mediation is received, the Administrator will contact you to schedule your mediation conference, and to provide further information such as the location of the mediation session, how to prepare, etc. The Administrator will select the mediator.

If you need further information
If you have any questions or need additional information concerning this notification, you may contact:

< insert name and address of insurer, contact person/division and phone number>