MEMORANDUM

To: Select Committee on Emergency Preparedness and Response and Coastal Legislators

From: Wayne Goodwin, North Carolina Commissioner of Insurance

Re: Department of Insurance and Office of State Fire Marshal Summary of Response to Hurricane Irene

Date: February 27, 2012

It has been six months since Hurricane Irene struck North Carolina on August 27, 2011. Since that time, I have traveled the state to visit the areas hit hardest by the storm, to meet with consumers and to help them find the assistance they need to rebuild and restore their homes and property. My staff has provided direct assistance and response to consumers through phone calls, responses to written complaints and face-to-face encounters.

On eight different dates in Craven, Dare, Pamlico, Beaufort, Hyde and Tyrell counties, my staff provided help to consumers on the ground. Employees from our Consumer Services Division also provided unprecedented full-day coverage at the FEMA/NFIP call center in Garner, N.C., for two weeks, Monday through Saturday. We’ve also provided indirect assistance through our Disaster Mediation Program.

As of the end of December 2011, we had handled 272 written complaints and 725 calls regarding complaints about insurance companies, adjusters and the federal flood program operated by FEMA. Through the 272 written complaints filed with the Department of Insurance, over $400,000 was recovered for policyholders.
The majority of complaints were for unsatisfactory settlement offers, delays in settlement payment and denials of claims. There was concern vacation rental insurance would no longer be offered in Dare County. The Outer Banks Visitors Bureau endorsed my efforts and at my request Stonebridge Casualty Company agreed to extend its agency agreement for 180 days for impacted properties.

After the storm many consumers complained that their mortgage lenders refused to sign off on claim checks, thereby delaying repairs to damaged properties. The banks would not release the money until the repairs were complete; however, the homeowner could not complete the repairs without the money to do so. I have shared this concern with the North Carolina Commissioner of Banks and hope that action may be taken after future storms to prevent this from happening again.

I’ve worked to encourage our representatives on Capitol Hill to extend the National Flood Insurance Program for at least five years, stressing how important it is for North Carolina that the NFIP not be handled like a political football. I’ve also met with FEMA representatives in North Carolina to tell them directly and firmly where FEMA was falling short for our citizens. My staff and I arranged for FEMA representatives to be present in affected areas to meet face-to-face with folks in need so that their flood insurance problems could be addressed.

Given the overall complaints and complications North Carolina suffered as a result of the NFIP and FEMA, I am also encouraging our Congress to examine the response to Irene. In light of known concerns shared by other officials in other states on this point, I anticipate that other states may be interested in just such a Congressional review and inquiry.

I’ve traveled the state and met with costal legislators, insurance agents and advocacy groups, such as NC 20, to hear their concerns and help them get help to their people.
The Office of State Fire Marshal was especially busy after the storm, though it was one of the State agencies with boots on the ground even before Irene made landfall. OSFM served as a member of the State Emergency Response Team and helped get firefighting equipment and manpower to counties in need. OSFM staff helped secure help from 18 fire departments from central and western regions of the state to respond to assist local fire departments in Hyde, Pamlico and Carteret Counties.

OSFM provided 15 engineers to perform preliminary damage assessments after the storm. Two engineers were loaned to Beaufort County to assist with disaster occupancy inspections of damaged residences and businesses. We also coordinated the deployment of several additional Level II building inspectors from other local government agencies.

In addition, OSFM staff provided 24-hour staffing at the State Emergency Operations Center, served on the Incident Management Team, and assisted with command functions and served as a liaison to fire departments at the Carteret County Emergency Operations Center. OSFM also deployed one employee to serve on the North Carolina Helo Aquatic Rescue Team to conduct search and rescue functions by air after the storm.

When local law enforcement agencies requested assistance, OSFM coordinated the response of the Department of Insurance’s criminal investigators to Dare, Hyde, Pamlico and Lenoir counties to assist with security issues, traffic control and re-entry to Ocracoke and Hatteras islands.

Finally, my office created a special Hurricane Irene section of our website and was in constant contact with members of the media to provide North Carolinians with the most up-to-date insurance-related information before, during and after the storm.
I hope that this information is helpful to you. I applaud your efforts to help North Carolina citizens recover from Hurricane Irene and from future storms. I will continue to provide assistance in any way possible, including providing feedback and suggestions from the perspective of state Commissioner of Insurance and State Fire Marshal.

With kindest regards,

Wayne Goodwin
NC Commissioner of Insurance and State Fire Marshal