

MEMBER COMPANY HANDLING OF CATASTROPHE WIND LOSSES

G.S. 58-45-35(e) states that catastrophic losses that are covered under the windstorm and hail coverage in the beach and coastal areas shall be adjusted by the licensed insurer that issued the essential property insurance and not by the Association. Catastrophic loss is defined as a windstorm loss due to a named storm, whether a hurricane occurrence or a tropical storm occurrence. A catastrophic occurrence begins at the time a named storm warning is issued for any part of North Carolina by the National Weather Service, and; ends 72 hours following the termination of the last named storm warning issued for any part of North Carolina by the National Weather Service.

1. Producer (insured's agent) refers claim directly to Member Company. The Producer will be responsible for forwarding a copy of the declaration page to the Member Company with notification of the loss. If the Producer does not have the current declarations page or there is no Producer, Member Company will proceed with the handling of the claim. Member Company may get coverage information from the Association's Dynamic Web. The application for access "Member Company Claims Inquiry Access Form" and "Member Company Claims Inquiry Manual" follow this procedure.
2. Producer sends a copy of the Loss Notice to us with notification that it has been referred to the Member Company. Each Loss Notice should be clearly marked to show that the claim has already been reported to the Member Company.
3. Loss Notices for claims on windstorm & hail policies must be separated in our office from other claims. The Association will be responsible for sorting these and determining whether Producer has assigned to Member Company. If Loss Notice is received without clear notification of referral to Member Company, we will forward.
4. NAIC Company codes will be utilized so that claims may be entered into the system to show that the claim is being handled by a Member Company. Acknowledgment cards will not be sent by NCIUA.
5. Member Companies should designate a contact person and provide it to NCIUA annually using the [Catastrophe Contact Form](#). Member Companies will be asked to provide us with catastrophe office telephone numbers so that inquiries from Producers or policyholders may be directed to those numbers.
6. Member Company adjuster (or independent adjuster assigned by Member Company) will handle claim and report directly to the Member Company.
7. Member Companies will be responsible for all file supervision, review, payment approval and denials, Insurance Department inquiries, defense of all claims, as well as questions from policyholders and Producers. If there are coverage questions, they will be handled as follows:
 - a. Decisions regarding whether a policy is in force will be made by NCIUA.
 - b. Decision/recommendation regarding payment or denial of claims based on policy provisions will be made by the Member Company.

8. Member Company may pay insured with Member Company draft or check and request reimbursement from NCIUA, or they may submit recommendation to NCIUA to pay insured directly. The [Wind and Hail Policy Claim Payment Request](#) will be used by the Companies for requesting payment. A copy of the adjustment report is not necessary. Payments will be issued by NCIUA within 14 days of receipt of request. The Member Company will be allowed a cap of 10% of the Fee Schedule for administrative costs incurred.
9. Loss adjustment expenses will be paid using the [NCJUA/NCIUA Catastrophe Expense Reimbursement Schedule](#). Member Companies may request reimbursement for reasonable expenses paid or requested payment to vendor direct. If requesting payment to the vendor direct, please attach a copy of the invoice with tax I.D. Payments will be issued by NCIUA within 14 days of receipt of a Member Company request.
10. The Claims Manager and another department member will be designated to serve as liaison with Member Companies.
11. Member Companies may use our Dynamic Web to verify coverage. Procedures are explained in the [Member Company Claims Inquiry Manual](#). A [Member Company Claims Inquiry Access Form](#) must be completed and authorized by our Automation Department prior to access. Allow two working days after the request is sent.