



# Insurance Recovery After Natural Disasters

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## **KEY INSURANCE ISSUES**

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# **BEFORE A LOSS**

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- **Establish relationships with relevant service providers**
  - **Evaluate and update your recordkeeping system**
  - **Review your insurance program**
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# AFTER A LOSS

- Read your policies to identify deadlines and other conditions
- Fulfill all of the policy requirements, which might include:
  - Documenting losses
  - Collecting records
  - Performing mitigation
- Give prompt notice
- Correspond appropriately with insurer



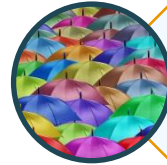
# Types of Insurance

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**Your coverage profile might include:**



Commercial General  
Liability (CGL)



Umbrella and other  
Excess



Property Insurance  
(including business  
interruption)



Pollution Policies



Special Risks  
(Flood, Tornado,  
Fire, etc.)

# Other Sources of Coverage

Remember to check for other avenues of insurance, such as:

- Policies of predecessors or successors
- Policies adding you as an additional insured
- Agreements with indemnity provisions





# Notice

**Give notice  
as soon as possible**

**AND** no later than required by the  
policy

**Fulfill  
the policy conditions**

**BUT** keep it simple

**Demand that the insurer fulfill  
its obligations**

**Give enough information  
for the insurer to identify  
the policy**

*e.g., if another entity is the named insured, provide  
that info*

**AND** reserve rights under any other  
policies



# Corresponding with the Insurer

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- Object to all grounds for denial and reservation
  - Insurer requests for information may implicate coverage issues
  - Carefully consider before handing over anything protected by privilege
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# Key Policy Clauses

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## Sublimits

Your policy may be for \$25 million, but if there is a flood sublimit of \$250,000, recovery for a hurricane could be severely limited.

## Anti-Concurrent Causation Clause

If a covered and non-covered event both contribute, you may get no coverage. (e.g., both wind and water damage in a hurricane)

## Proximity limitations

Property coverage is going to be tied to distance from a covered location.



# Key Policy Clauses (continued)

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## **Partial vs. Total Suspension of Operations**

Business interruption coverage may be contingent on total suspension.

## **Valuation**

Methods vary for valuing property damage and business interruption claims.

## **Appraisal Clauses**

Your property policy may require a formal appraisal for certain losses.

# Key Policy Clauses (continued)

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## Civil Authority Clauses

If a civil authority orders a closure, you may have coverage, but it is likely tied to direct physical loss.

## Liability Issues

GL policies often have exclusions for acts of war, contractual liability, pollution, asbestos, and terrorism.

## Other

There may be other important provisions implicated throughout the policy.



## Remember!

### Before Loss

- Establish relationships with service providers
- Evaluate/update recordkeeping system
- Review your insurance program

### After Loss

- Read policies carefully
- Fulfill policy requirements
- Give prompt notice
- Correspond appropriately

# Questions?

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