

# Claims Scuttlebutt

Insurance happenings in Florida, Louisiana, Texas and North Carolina

**Scuttlebutt:** Naval term for drinking fountain where the latest news is shared.

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## Hurricane Helene

Expansive storm brought historic wind and flood damages

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## Private Flood Insurance

NFIP faces financial strain and a long term solution is needed.

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## Florida Emergency Rules

Florida Insurance Commissioner issued emergency rules for adjusting

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## Florida Flood Disclosure

New law in effect to disclose flooding when selling residential property.

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## Louisiana Appraisal Law

New law in Louisiana to register and codify who can be appraisers.



Image: Sean Rayford / Getty Images

## Deadly Floods from Hurricane Helene

Hurricane Helene made landfall as a major hurricane in late September killing 231 people, making it the second deadliest hurricane in the United States behind Hurricane Katrina. It brought storm surge up to 15 feet in Florida and the hurricane force winds persisted far into inland Georgia knocking out power to over 1.4 million people.

The devastation was particularly acute in western North Carolina, where Helene brought over 30 inches of rain resulting in catastrophic flooding in Asheville and western mountain towns. The flooding was so severe as to collapse or wash away portions of interstates I-26 and I-40, some parts are not expected to fully reopen until next October. Over a month later municipal water supplies have not been restored to some towns in western North Carolina.

Only about 2.6% of North Carolina properties have flood insurance, and those are mostly in the coastal areas. So, many residents will rely on federal disaster assistance, but without flood insurance they will be left with a significant financial burden to rebuild and restore their lives. As unique as Helene seemed, Hurricane Camille in 1969 caused widespread flash floods in the Blue Ridge mountains of Virginia following 27 inches of rain. These storms demonstrate the need for preparedness far inland from the coast where hurricanes make landfall.

The financial impact of Helene will not be known for years, but current predictions place it in the top five costliest US Hurricanes at an estimated \$88 billion in property damage.

### Private Flood Insurance Gap

Back-to-back hurricanes, particularly the damages in North Carolina and Florida, have highlighted the limitations of standard homeowner and commercial property insurance policies, which typically do not cover flood damage.

The NFIP, established in 1968, aimed to protect property owners from flood risks but has faced significant debt, worsened by major hurricanes. Although Congress forgave \$16 billion of this debt in 2018, the program remains financially strained. The NFIP's Risk Rating 2.0 was introduced to better align rates with actual flood risk but has led to higher premiums, pushing some policyholders toward private insurance options leading to substantial growth in the private flood market in 2022. However, the overall private market has remained relatively stable since then. Florida represents a large portion of the flood insurance market, although private flood insurance uptake there is still below the national average.

The NFIP is currently extended only through December 20, 2024, due to a spending resolution by Congress. As the program faces a mounting debt crisis, the NFIP's future may be subject to continued debate, especially without a long-term solution to make it financially sustainable. This leaves a substantial gap that private insurers are not entirely prepared to fill.

[Role of Private Flood Insurance Has Room to Grow with NFIP Instability](#)



Image: Trevor Hughes / USA Today

### Emergency Rules Milton and Helene

Following Florida Governor Desantis' declaration of emergencies for Hurricanes Helene and Milton, the state insurance commissioner issued the orders suspending cancellations and non-renewals of policies. However, despite the significant claim volume expected from Hurricane Milton, Commissioner Yaworksy did not relax the timeframe an insurer must pay or deny claims that was shortened to 60 days in 2023. In fact, following Hurricane Milton, the state CFO, Jimmy Patronis issued an emergency rule providing additional requirements for insurance carriers to improve the transparency of claims adjusting. In one point the rule changed Florida Statute 626.9541 requirement that any reductions in a field adjuster's estimate must be explained, so that going forward any changes (reductions or additions) must include who made the changes, what changes were made and why they were made. This will greatly improve the transparency of the claim adjustment process and will provide the carrier and the policy holder with a record of all changes throughout the life of the claim. The full emergency rule can be found below.

[Emergency Rule 69BER24-4](#)

### Flood Disclosure Law

In 2024 Florida experienced wide spread flooding from four weather events due to combinations of storm surge and heavy rain, so the timeliness of Florida's new Flood Disclosure law could not be more opportune. Effective October 1, Florida's House Bill 1049 created a requirement for sellers of residential real estate to complete a flood disclosure form before executing the sale. It created Florida statute 689.302 which requires that the seller must inform the buyer whether they have filed claims or received federal assistance for flood damage. The bill will help reduce the likelihood of homebuyers facing "unexpected" flood damage in the future.

## Louisiana Codifies Appraisers in New Appraisal Law

Louisiana House Bill 609 modified the appraisal process for property claims in Louisiana. The key provisions include requirements that all appraisers and umpires must be registered with the commissioner of insurance who can prohibit individuals from performing as appraisers or umpires for violations of laws, regulations or unethical behavior. Furthermore, it codifies minimum appraiser qualifications where the individual must have at least three years of experience in their licensed profession, and they must have an active license as a: professional engineer, architect, insurance adjuster, public adjuster or general contractor. Only someone who qualifies as an appraiser or is a licensed attorney may act as an umpire. The law goes into effect for policies issued or renewed after January 1, 2025.

## Lozano Update

We are pleased to share that Heritage Insurance contracted Lozano to help with claims from Hurricane Milton. It was an opportunity to implement our new deployment and quality assurance team who oversaw 22 field adjusters who did excellent work on behalf of Heritage and their policy holders. Three weeks past landfall, 99% of all claims have voice to voice contact, 74% of our claims are inspected, and 98% of our most severe assignments are complete. Our team was ahead of industry standards in every metric averaging 1.2 days to customer contact, 6.1 days to onsite inspection and 8.5 days to uploaded estimate. We are very appreciative of the hard work done by the team for this deployment.

As we look to grow Lozano next year, there are several opportunities that we are exploring. First, as this season demonstrated, flooding has become more frequent and more common, so we are building a flood claim team to help NFIP and private flood carriers with the increased number of claims. Second, we plan to grow our support for insurance carriers in other states including Texas and Louisiana. We anticipate that TWIA / Texas Fair Plan and Louisiana Citizens will publish requests for proposals for new adjusting firms at the end of this year, and we look forward to sharing how well Lozano will work for these carriers.



Lozano Insurance Adjusters is a customer-centric adjusting firm that has worked over 300,000 claims in the southeastern United States. Our executive team combines years of military leadership and management experience running an independent adjusting firm. We understand the challenges and concerns of insurance carriers as well as their customers, and we tailor our work to their specific needs. We strive to deliver personalized service and empathy to develop the best outcome for the claims entrusted to us. Your claim is our commitment. If you are interested in joining our team register on our [website](#).