

SUPERSTORM SANDY RECOVERY
NEW JERSEY RESTAURANT ASSOCIATION
INSURANCE

Prepared by:
Charles Yuen

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Property Insurance Generally

- Many variations
- Trigger: damage to covered property
- Exclusions and sublimits
- Deductibles
- “Conditions”
- Endorsements, special coverages, e.g., shrub and tree – is tree felled by wind covered?

- Typically excludes flood cause
- Storm surge often now expressly excluded
- Rain through roof & falling tree are not flood
- Carrier typically has burden to show exclusion
- Spoiled food coverage
- Concurrent causation clauses – Miss. Supreme Court says ambiguous – construe them narrowly (Corban 2009)
 - Wind damage “vests” immediately; cannot be usurped by CCC even if flood in same event
 - NJ/NY courts will read and consider this decision

Flood Insurance

- Can be separate or “package” enhancement
- Only flood-caused losses
- Contents limits
- Often inadequate limits (explore individual reasons for this with counsel)
- Limited coverage for basements, lower floors
- Consider FEMA as source for uncovered damage, including amounts of deductibles

Claims

- Comply: requirements/deadlines are in policy
- Document covered causes of loss
- Keep documents, records, photos
- Alternative costs (e.g., Home Depot price plus labor; contractors' estimates and contractors' bills)
- Document communications & all significant delays
- Lawyer needs policy documents, correspondence, reports, and placing (broker) correspondence
- Explore reasons for any coverage "gaps" with counsel, who may suggest appropriate options

Other Potentially Relevant Coverages/Enhancements (For Example)

- Property In Transit
- Boiler & Machinery
- Business Interruption
- Contingent Business Interruption
- Extra Expense
- Contingent Extra Expense
- Civil Authority
- Ingress/Egress
- Service (Utility) Interruption
- Rental Value & Rental Income
- Leasehold Interest

Utility Service Interruption

- Utility suffers covered physical damage and cannot supply
- Results from covered physical damage under the policy at issue (note flood exclusion)
- Documenting causes – utility letters, news reports, personal observations

Interruption By Civil Authority Ingress/Egress

- Damage elsewhere, & a civil or military authority prevents insured from accessing property
- Or, ingress/egress is physically impeded

Scarinci Hollenbeck, LLC

Address questions to:

Charles Yuen, Esq.

1100 Valley Brook Avenue

P. O. Box 790

Lyndhurst, NJ 07071-0790

1-201-806-3307

cyuen@scarincihollenbeck.com