

## Barry Buchman, Michael Scanlon: How Auto Dealers May Use Insurance to Cover Losses Incurred in Connection with Hurricanes

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Two major storms hit the Southeast within a single four-week period. Hurricane Florence struck the Carolinas in mid-September, while Hurricane Michael crashed into the Florida Panhandle on October 10. The two storms were quite different. A Category 1 hurricane by the time it made landfall, Florence stalled over the Carolinas and was basically a rain event, dropping almost three feet of rain in some areas on its way to becoming the eighth wettest storm in the contiguous United States. Michael, on the other hand, crashed ashore as a Category 4 hurricane with winds of over 150 miles per hour, a storm surge of about nine feet, and torrential rains, leaving a trail of destruction as it quickly moved through Georgia, the Carolinas, and Virginia.

Media attention has rightly focused on the human cost. Both storms killed people, cut off power to millions, and damaged or destroyed many people's homes. But, the media also has addressed the economic impact of the storms, including within the auto industry. Large-scale flooding in the wake of Florence devastated North Carolina's agricultural and livestock industries, and Michael may have caused \$1 billion in crop damage in Georgia alone. Many other businesses, including auto dealers, were also impacted by the storms and may be faced with financial ruin if forced to bear the full cost of cleanup.

Luckily, many dealerships likely have first-party property damage policies that will cover at least some of their losses. Such policies often provide coverage for lost profits in addition to physical property damage. And, depending on the precise policy language used, some businesses may be able to obtain coverage even if they did not sustain any physical damage to their own facilities.

This article focuses on the main categories of losses that might be covered under these policies and summarizes some of the coverage disputes that may arise. It also identifies the steps that businesses may take now to preserve their right to pursue a claim later.

To read the full article, click on the PDF linked below.

[Buchman-Scanlon-Hurricane-Insurance-Coverage.PDF](#)

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