

09/14/17

SAINT BARTH INSURANCE COMPENSATION FACT SHEET

« Good management is the art of making problems so interesting and their solutions so constructive that everyone wants to get to work and deal with them ».

- Paul Hawken (« Growing a Business » - 1987)

Dear Client,

If you are one of the many persons whose property located in Saint Barth was damaged by the dangerous hurricane IRMA, event which was confirmed to represent a natural disaster by the governmental decree of September 8,

If you own a valid insurance contract and/or insurance policy covering the affected premises,

Here are the basics you need to know regarding the insurance compensation procedure:

10 DAYS – is the maximum delay for notifying your respective Insurer of the occurrence of the sinister and to request the payment of the insured amount:

- ✓ This term calculated from the publication in the Official Gazette of the governmental decree declaring the existence of the natural disaster (for Hurricane IRMA, 9th September 2017);
- ✓ The notification can be made using any means of communication (by recommended letter, e-mail, fax, even telephone);
- ✓ In order to ensure sufficient proof of the communication, it's recommended to make the notification in writing and send it within the legal deadline by recommended letter with confirmation of receipt;

09/19/17 – is the last day for the filing of the declarations of sinister with the insurers, under the sanction of forfeiture of the right to compensation, according to the applicable legal provisions:

- ✓ The French Federation of Insurers have officially declared on September 11 that the Insurance companies concerned shall not avail themselves of this time-limit;
- ✓ The French President, Mr. Macron has stated that the deadline for the filing of the sinister declarations shall be extended until October 15, 2017;
- ✓ The French Insurance Code provided that the situation of *force majeure* (which is the case with the lack of electricity and

communication network in Saint Barth during the past week) impedes the application of the sanction of forfeiture;

- ✓ However, to avoid all possible disputes with the insurance company, we strongly advise observing the main legal time-limit indicated above.

A.S.A.P. – once the declaration of sinister is communicated to the insurer, the beneficiary of the insurance must provide the former with the estimate of the damages incurred.

ALL MEANS

OF EVIDENCE - must be preserved in order to demonstrate the existence and the extent of the recoverable damage:

- ✓ The most efficient way to record the state of the concerned assets is by taking clear and representative photographs of the premises;
- ✓ Keep all the invoices and proofs of execution and/or payment for any urgent works or repairs you had to undertake on the affected site;
- ✓ Make sure you have preserved all necessary evidence of the payments of the insurance premiums.

BY EXPERTISE - is how the effective damages that can be compensated are determined:

- ✓ The Insurer has to nominate its specialist to this end and is obliged to inform you of the date and time of inspection of the affected premises;
- ✓ You are allowed to be assisted or represented by your attorney or an agent during the performance of the on-site evaluation; Your absence is not in any way penalized;
- ✓ As the beneficiary of the insurance, you are entitled to appoint your own expert, at your own expense;
- ✓ Note that, due to the particular situation of Saint Barth in this moment, the expertise may take longer than usual; These works would most likely be handled by specialists located in Guadeloupe or Martinique.

2 MONTHS – is the maximum interval from the communication of the declaration of sinister, within which the Insurer must pay to the beneficiary of the insurance an advance of the indemnity.

3 MONTHS – is the legal deadline for the payment of the full amount of the insurance compensation to the beneficiary

- ✓ This term begins to run also from the communication of the declaration of sinister and damage claim to the insurer.

“FRANCHISE” – is the French term for the deductible retained by the insurance companies from the insurance compensation due to the beneficiary:

- ✓ This deductible amounts to: (i) a maximum of 380 for the beneficiaries natural persons (consumers) and (ii) a minimum of 1140 and a maximum 10% of the insurance indemnity, for professionals and legal entities.
- ✓ The French President, Emmanuel Macron, has declared on September 13 that the deductible may be exceptionally eliminated for the damages following the natural disaster caused by hurricane IRMA; no official act was yet issued in this respect.

THE CONTRACTUAL

TERMS

- define in each particular case the conditions and the limits for the insurance compensation
- ✓ Your rights and obligations depend on the contractual clauses that you agreed upon with your insurer;
- ✓ Each situation is individual, please address a qualified attorney, experienced in French law and knowledgeable of the specifics of the local micro-system of Saint Barth for particularized advisory;
- ✓ The approach to embrace, implications and outcome depend also on factors such as the quality of the beneficiary (natural person/consumer or professional/legal entity).

THE COURTS OF LAW

- shall be competent to settle all conflicts concerning the interpretation and enforcement of the insurance contract/policy, due to the refusal of the insurer to pay, its failure to provide the insurance compensation within the legal deadline or a dispute concerning the amount of the damages, etc.

Meanwhile in Saint Barth...

5 DAYS – it took in order that 80% of the island has access to electricity;

09/11/2017 – the supermarkets on the island have reopened, and people have access to fuel for their vehicles;

1 WEEK – after the passage of hurricane IRMA, 90% of the households of Saint Barth are provided with running water again;

NETWORKS - are re-established in this moment in Saint Barth, people have free contact with the outside world via telephone, internet and fax from the island;

24/7 - is the rhythm of the cleaning, reconstruction and rehabilitation works on the island of Saint Barth;

09/24 - is the expected day for resuming the free circulation and use of the Saint Barth Port;

3 months - is the period of time we could assume is reasonably needed for an almost complete re-establishment of the island (infrastructure, commercial exchange, "usual" Saint Barth life-style, etc.);

"la joie de vivre" - a feeling of great happiness and enjoyment of life regardless of the circumstances, that is known to characterize French people; it is said to contribute to their easier transition through difficult moments, and to ensure the benefit of a fuller existence, at all times.

