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JANUARY 23, 2019
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PUERTO RICO MUNICIPALITIES, AGENCIES HEADED FOR CRISIS
If leaders don't fight for insurance, FEMA will not pay the difference

(WASHINGTON, DC) - In the wake of a press conference held by Puerto Rico Senate Majority Leader Carmelo Rios Santiago today urging municipal and government agency leaders to fight for fair insurance payments, the leaders of the top disaster recovery law firm in the United States agreed that the island may be headed for a financial crisis.

"With few exceptions, the municipalities and government agencies to whom we have spoken report that their insurance companies are refusing to pay even ten percent of the covered losses," said José Nieto, managing partner of Weisbrod Matteis & Copley's (WMC) San Juan office. "In many cases, the insurers are offering to pay even less."

Despite these unfair offers from insurance companies, no municipalities or government agencies have filed lawsuits to recover the payments they are owed. According to the Chairman of Washington, DC-based WMC, renowned for its groundbreaking legal work in Hurricanes Katrina and Sandy, this can result in the loss of billions of dollars the insureds deserve.

"FEMA expressly states that under the Stafford Act, grant recipients must seek all insurance benefits available to them," WMC Chairman Augie Matteis said. "This Administration in Washington also has made it clear that FEMA will not provide federal assistance to cover losses that could have been covered by insurance. This means if a city or agency does not diligently make all reasonable efforts to recover available insurance proceeds, including by filing a lawsuit, if necessary, FEMA will not make up the difference."

In other words, if government leaders are hesitant to file suit, they may be denied billions of dollars by FEMA in the end. On the other hand, if the cities and agencies sue, even if they lose in court, FEMA should consider that a reasonable effort and may grant funds to make up the difference.

"This is a crisis by any measure," Matteis said. "Senator Rios was right to ring the alarm bells today, but there is still time for leaders to pursue the money they deserve." Many public insurance policies in Puerto Rico are governed by a two-year statute of limitations, which will expire in September 2019.

About Weisbrod Matteis & Copley

WMC is one of the nation's premier policyholder-side insurance recovery firms and was named by the National Law Journal as one of the ten hottest litigation firms in the country. For more information, visit www.wmclaw.com. The WMC San Juan office is located at Parque Las Américas 1 Suite 435, 235 Federico Costa Street, San Juan, Puerto Rico 00918 and may be called at (787) 667-2968.

Spanish language press release available upon request.

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