

# Notice of Premium Discounts for Hurricane Loss Mitigation

## \*\*\* Important Information \*\*\* About Your Homeowners Insurance Policy

Dear Homeowner,

Two unprecedented back-to-back hurricane seasons in 2004 and 2005 – with eight hurricanes and four tropical storms – caused tens of billions of dollars in insured damages. Predictions of more catastrophic hurricanes making landfall in the U.S. have triggered significant increases in insurance premiums to cover potential future losses. Enclosed is information regarding wind loss mitigation that will make your home more resistant to wind and help protect your family during a catastrophic event. In addition to reducing your hurricane-wind premium by installing mitigation features, you may also reduce the likelihood of out of pocket expenses, such as your hurricane deductible, you may otherwise incur after a catastrophic event.

Sincerely,

XXXX

### **What factors are considered in establishing my premium?**

Your location: The closer you are to the coast, the more vulnerable you are to damage caused by hurricane winds and this makes your hurricane-wind premium higher than similar homes in other areas of the state.

Your policy: Your insurance policy is divided into two premiums: one for damage caused by hurricane force winds (hurricane-wind) and one for all other damage (all perils), such as fire.

Your deductible: Under the law, you are allowed to choose a \$500, 2%, 5% or 10% deductible depending on the actual value of your home. The larger your deductible, the lower your hurricane-wind premium, however, if you select a higher deductible your out-of-pocket expenses in the event of a hurricane claim will be higher.

Improvements to your home: The state requires insurance companies to offer discounts for protecting your home against damage caused by hurricane winds. Securing your roof so it doesn't blow off and protecting your windows from flying debris are the two most cost effective measures you can take to safeguard your home and reduce your hurricane –wind premium. Discounts apply only to the hurricane-wind portion of your policy.

Your maximum discount: Discounts are not calculated cumulatively. The total discount is not the sum of the individual discounts. Instead, when one discount is applied, other discounts are reduced until you reach your maximum discount of XX%.

### **How can I take advantage of the discounts?**

Most homeowners will need a licensed or certified professional (general, residential or building contractor, building inspector, a registered architect, engineer or certified building code official) to inspect the home to identify potential mitigation measures and legally verify improvements. There may be other inspection professionals available, for a listing of Individuals and/or Inspection Companies meeting these qualifications contact your Insurance Agent.

### **How much do these improvements cost?**

The costs of the improvement projects vary. Homeowners should contact a licensed contractor for an estimate. You can find a Certified Business Contractor in your area by visiting the Florida Department of Business and Professional Regulation online at [www.myfloridalicense.com](http://www.myfloridalicense.com).

**The following is an example of how much you can reduce your insurance premium if you have mitigating features on your home. The example is based on your hurricane-wind premium of \_\_\_\_\_ which is part of your total annual premium of \_\_\_\_\_. Remember, the discounts shown only apply to the hurricane-wind portion of the premium and the discounts for the construction techniques and features listed above are not cumulative.**

## Existing Construction Discounts (Homes built prior to 2002)

Description of Feature	Estimated Premium Discount Percent	Estimated Annual Premium (\$) is <b>Reduced</b> by:
<p><u>Roof Covering (i.e., shingles or tiles)</u></p> <ul style="list-style-type: none"> <li>• Meets the Florida Building Code.</li> <li>• Reinforced Concrete Roof Deck.*</li> </ul> <p>*If this feature is installed on your home you most likely will not qualify for any other discount.</p>		
<p><u>How Your Roof is Attached</u></p> <ul style="list-style-type: none"> <li>• Using a 2" nail spaced at 6" from the edge of the plywood and 12" in the field of the plywood.</li> <li>• Using a 2 1/2" nail spaced at 6" from the edge of the plywood and 12" in the field of the plywood.</li> <li>• Using a 2 1/2" nail spaced at 6" from the edge of the plywood and 6" in the field of the plywood.</li> </ul>		
<p><u>Roof-to-Wall Connection</u></p> <ul style="list-style-type: none"> <li>• Using "Toe Nails" - defined as 3 nails are driven at an angle through the rafter and into the top roof.</li> <li>• Using Clips - defined as pieces of metal that are nailed into the side of the rafter/truss and into the side of the top plate or wall stud.</li> <li>• Using Single Wraps - a single strap that is attached to the side and/or bottom of the top plate and are nailed to the rafter/truss.</li> <li>• Using Double Wraps - straps are attached to the side and/or bottom of the top plate and are nailed to the rafter/truss.</li> </ul>		
<p><u>Roof Shape</u></p> <ul style="list-style-type: none"> <li>• Hip Roof - defined as your roof sloping down to meet all your outside walls (like a pyramid).</li> <li>• Other.</li> </ul>		

Description of Feature	Estimated Premium Discount Percent	Estimated Annual Premium (\$) is <b>Reduced</b> by:
<u>Secondary Water Resistance (SWR)</u> <ul style="list-style-type: none"> <li>• SWR - defined as a layer of protection between the shingles and the plywood underneath that protects the structure if the shingles blow off.</li> <li>• No SWR.</li> </ul>		
<u>Shutters</u> <ul style="list-style-type: none"> <li>• None.</li> <li>• Intermediate Type - shutters that are strong enough to meet half the old Miami-Dade building code standards.</li> <li>• Hurricane Protection Type - shutters that are strong enough to meet the current Miami-Dade building code standards.</li> </ul>		

**New Construction Discounts (Homes built in 2002 or newer)**

Description of Feature	Estimated Premium Discount Percent	Estimated Annual Premium (\$) is <b>Reduced</b> by:
<p>In addition to the two credits below, all homes built in 2002 or newer will receive a 68% new home discount on the hurricane-wind portion of your premium.</p>		
<u>Shutters</u> <ul style="list-style-type: none"> <li>• None.</li> <li>• Intermediate Type - shutters that are strong enough to meet half the old Miami-Dade building code standards.</li> <li>• Hurricane Protection Type - shutters that are strong enough to meet the current Miami-Dade building code standards.</li> </ul>		
<u>Roof Shape</u> <ul style="list-style-type: none"> <li>• Hip Roof - defined as your roof sloping down to meet all your outside walls (like a pyramid).</li> <li>• Other.</li> </ul>		

Alternately and regardless of the year of construction if you meet the minimum fixtures and constructions requirements of the Florida Building Code you have the option to reduce your hurricane-wind deductible from \_\_\_\_\_ to \_\_\_\_\_.

If you have further questions about the construction techniques and features or other construction techniques and features that could result in a discount, please contact your agent or the company at \_\_\_\_\_.