



# RHODE ISLAND JOINT REINSURANCE ASSOCIATION

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February 28, 2012

To: All Rhode Island Producers

**RE: Dwelling Policy Program (DP 2002 Program) – Introduction of a Mandatory Hurricane Deductible Requirement, Effective May 1, 2012**

The Rhode Island Joint Reinsurance Association (RIJRA) has received approval from the Rhode Island Division of Insurance to adopt Insurance Services Office's (ISO) Exception Rule 406.B.2, Hurricane Deductible. The RIJRA has also received approval to make hurricane deductibles mandatory, as set forth in RIJRA Exception Rule 406.C.

- Revised Rule 406.B.2 introduces, for all Dwelling Policies that Include Coverage A, two optional deductibles applicable for property damage arising out of or caused by a hurricane as classified by the National Hurricane Center. They are:
  - Percentage deductibles in the amount of 1%, 2% and 5% of the Coverage A, B, D, or E limit of liability, whichever is greater (see Rule 406.B.2.a); and
  - Higher fixed-dollar deductibles in the amount of \$1,000, \$2,000 and \$5,000 (see Rule 406.B.2.b).
- New Rule 406.C provides that RIJRA will mandate hurricane deductibles as follows:
  - Deductibles will vary by territory and by Rhode Island Building Code Wind Zone, as shown in Tables A and B.
  - Mitigation measures will eliminate or reduce the hurricane deductibles and will also provide for premium relief (see Examples 1 and 2 on RIJRA Exception Page, RIJRA-DP-EXC-2).
  - RIJRA insureds may also elect in writing to decline the waiver of the Hurricane Deductible, despite having installed all or some of the Mitigation Measures, in order to receive an additional premium credit (see Rule 406.D.4).

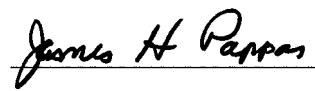
RIJRA will not require any mitigation measures to be taken regardless of which Wind Zone a property may be located in order to obtain a dwelling policy. To assist producers in determining if an address is located within Wind Zone 3 for the towns of Westerly, Charlestown, South Kingstown and Narragansett, RIJRA has added functionality to its website located at [www.rijra.com](http://www.rijra.com) which enables Producers to look up property location. This functionality, along with instructions for its use, can be viewed on the "Producer Home Page" which is

accessed through the "Producer Login" link and requires a user name and password. Producers must utilize this system, as the RIJRA's Customer Service Department will not provide information regarding Wind Zone 3 specific locations.

Enclosed are ISO Dwelling Policy Program Manual Exception Pages (DP-E-3 & DP-E-4), RIJRA Exception Pages (RIJRA-DP-EXC-1 thru RIJRA-DP-EXC-4) and our Quick Reference Sheet, which detail the revised rule. Also enclosed, for your information, is a copy of the "Dwelling Policyholder Notice – Hurricane Deductible" that explains the application of a hurricane deductible. The hurricane deductible, if applicable, will be clearly shown on all RIJRA policies and expiration notices.

These changes will be effective for all new and renewal policies with an inception date of **May 1, 2012 or later.** If you have any questions regarding this letter, please contact the RIJRA's Customer Service Unit.

Very truly yours,



James H. Pappas  
Vice President – Underwriting

JHP:pd

Enclosures

**RULE 305.  
LOSS SETTLEMENT OPTIONS**

Paragraph **A.4.** is replaced by the following:

**A. Functional Replacement Cost Loss Settlement –  
Forms DP 00 02 And DP 00 03 Only**

**4. Endorsement**

Use Modified Functional Replacement Cost Loss Settlement Endorsement **DP 05 31.**

**PART IV  
ADJUSTED BASE PREMIUM COMPUTATION RULES**

**RULE 406.  
DEDUCTIBLES**

Paragraph **B.1** is replaced by the following:

**B. Optional Deductibles**

**1. All Perils Deductibles**

Multiply the Base Premium for the Base Deductible by the appropriate factors selected from the following table:

Deductible	Fire	E.C., V.&M.M., Broad & Special Forms
\$ 100*	1.05	1.02
500	.97	.96
1,000	.95	.90
2,500	.88	.85

\* Refer to company for the minimum annual additional premium charge that applies per policy for all \$100 All Perils Deductibles.

**Table 406.B.1. All Perils Deductibles**

Paragraph **B.2.** is replaced by the following:

**2. Hurricane Deductible**

The following hurricane deductible options are used in conjunction with the deductible applicable to all other Section I Perils. For the purposes of these options, "hurricane" on Block Island, means a weather related event for which the National Weather Service has issued a hurricane warning for any part of Block Island. For the remainder of the state, "hurricane" means a weather related event for which the National Weather Service has issued a hurricane warning for any location in the state other than Block Island.

Rhode Island Law states that a hurricane deductible shall not be applied to any insured, if the insured has installed approved mitigation measures to protect against windstorm damage and either the insurer has inspected the property or the insured has submitted satisfactory proof of installation of the approved mitigation measures.

The insured may elect in writing to decline waiving the hurricane deductible, despite having installed approved mitigation measures, in order to accept a lower policy premium.

With respect to a hurricane deductible that applies to a dwelling, the hurricane deductible, whether issued as a percentage or flat dollar amount, may not exceed five percent (5%) of the insured value of the dwelling.

**a. Percentage Deductibles**

**(1) Deductible Amounts**

This option provides for higher hurricane percentage deductibles of 1%, 2% or 5% of the limit of liability that applies to Coverage **A, B, D** or **E**, when the dollar amount of the hurricane percentage deductible selected exceeds the amount of the All Other Perils deductible. This option is not available for policies covering only personal property.

**(2) Declarations Instructions**

Enter, on the policy Declarations, the percentage amount and the actual dollar amount that applies to hurricane and the dollar amount that applies to All Other Perils. For example, for a Coverage **A** limit of \$100,000:

Deductible – hurricane 2% (equal to \$2,000) of Coverage **A** limit and \$250 for All Other Perils.

**(3) Deductible Application**

In the event of a hurricane loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

**(4) Use Of Factors**

The factors displayed in Paragraph **(5)** incorporate the factors for the All Perils Deductibles shown in Paragraph **B.1.** Do **not** use the factors for the All Perils Deductibles when rating a policy with a higher hurricane deductible.

**(5) Deductible Factors**

To compute the premium for this provision, multiply the Extended Coverage, Broad or Special Form Base Premium for the Base Deductible for each coverage insured under the policy by the appropriate factor selected from the following table for the deductible amounts desired:

Coverage A, B, D Or E And Coverage Options For Buildings And Non-building Structures			
All Other Perils Deductible Amount	Hurricane Deductible Amounts		
	1%	2%	5%
\$ 100	.94	.91	.86
250	.93	.89	.85
500	.90	.87	.82
1,000	.86	.82	.78
2,500	.84	.75	.69

**Table 406.B.2.a.(5)#1 Factors**

**RULE 406.  
DEDUCTIBLES (Cont'd)**

Coverage C And Other Personal Property Coverage Options*			
All Other Perils Deductible Amount	Hurricane Deductible Amounts		
	1%	2%	5%
\$ 100	1.00	.99	.97
250	.95	.94	.93
500	.89	.88	.86
1,000	.81	.75	.74
2,500	.75	.72	.56

\* Only use when policy also covers building or non-building structures.

**Table 406.B.2.a.(5)#2 Factors**

**b. Higher Fixed-dollar Deductibles**

**(1) Deductible Amounts**

This option provides for higher fixed dollar hurricane deductible amounts of \$1,000, \$2,000 and \$5,000 when the dollar amount of the higher hurricane fixed dollar deductible selected exceeds the amount of the All Other Perils Deductible. This option is not available for policies covering only personal property.

**(2) Declarations Instructions**

Separately enter, on the policy Declarations, the deductible amounts that apply to hurricane and All Other Perils. For example:

\$1,000 for hurricane and \$250 for All Other Perils.

**(3) Coverage Options**

The deductible factors for Coverage **A**, **B**, **D** or **E** and coverage options for buildings and non-building structures differ by the deductible amounts that apply to hurricane and to other perils.

The deductible factors for Coverage **C** and other personal property coverage options differ by the deductible amount that applies to other perils and by the amount of the hurricane deductible.

**(4) Use Of Factors**

The factors displayed in Paragraph (5) incorporate the factors for the All Perils Deductibles shown in Paragraph **B.1**. Do **not** use the factors for the All Perils Deductibles when rating a policy with a higher hurricane deductible.

**(5) Deductible Factors**

To compute the premium for this provision, multiply the Extended Coverage, Broad or Special Form Base Premium for the Base Deductible for each coverage insured under the policy by the appropriate factor selected from the following table for the deductible amounts desired:

Coverage A, B, D Or E And Coverage Options For Buildings And Non-building Structures			
All Other Perils Deductible Amount	Hurricane Deductible Amounts		
	\$1,000	\$2,000	\$5,000
\$ 100	.98	.94	.89
250	.96	.92	.88
500	.94	.90	.85
1,000	—	.85	.81
2,500	—	—	.72

**Table 406.B.2.b.(5)#1 Factors**

Coverage C And Other Personal Property Coverage Options*			
All Other Perils Deductible Amount	Hurricane Deductible Amounts		
	\$1,000	\$2,000	\$5,000
\$ 100	.98	.95	.91
250	.94	.92	.88
500	.90	.85	.82
1,000	—	.76	.72
2,500	—	—	.57

\* Only use when policy also covers building or non-building structures.

**Table 406.B.2.b.(5)#2 Factors**

**c. Endorsement**

Use Hurricane Deductible Endorsement **DP 03 47**.

**RULE 409.  
ACTUAL CASH VALUE LOSS SETTLEMENT –  
WINDSTORM OR HAIL LOSSES TO ROOF SURFACING  
– DP 00 02, DP 00 03, DP 00 01  
WITH DP 00 08**

Rule 409. does not apply in Rhode Island.

**RULE 406.  
DEDUCTIBLES**

The following paragraph is added:

**C. Mandatory Hurricane Deductible Requirement -  
All Policies That Include Coverage A**

1. For a reduced premium, a mandatory Hurricane percentage or fixed-dollar deductible applies to all policies provided that the dollar amount of the mandatory deductible according to this rule exceeds the amount of the applicable All Other Perils deductible. This mandatory deductible varies by the Rhode Island Building Code Wind Zone applicable to the property as shown in Table A and Table B.
2. The Named Insured, may select a higher fixed-dollar deductible or a percentage deductible with a dollar amount that exceeds the applicable Mandatory Hurricane Deductible Requirement. The insured, however, will only receive the benefit of the credit applicable to the Mandatory Deductible, and NOT to any optional higher deductible, if the insured performs the Mitigation Measures referenced in D.5. See Rule 406.B.2 to compute the premium for this provision.
3. To compute the premium for this provision, use the Coverage A limit and location of the risk to determine the applicable Mandatory Hurricane Deductible and then follow the instructions given in Rule 406.B.2.a.(4) and 406.B.2.a.(5) for a percentage deductible and in Rule 406.B.2.b.(3) and 406.B.2.b.(4) for a higher fixed-dollar deductible.
4. Mandatory Hurricane Deductible By Territory and Rhode Island Wind Zones pursuant to Rhode Island State Building Code (SBC-2):

**Table A**

<u>Location of Property</u>	<u>Percentage Hurricane Deductible</u>
Territory 34, Wind Zone 3 - Block Island Only	5%
Territory 34, parts of Washington County In Wind Zone 3 - Except Block Island	2%
Territory 34, Wind Zone 2 Bristol, Newport & parts of Washington County which are in Wind Zone 2	1%
Territory 33, Wind Zone 2 - Town of East Greenwich only	1%

**Table B**

Properties located in Territories 30, 31 & 32 and in Territory 33 except for the Town of East Greenwich. All of these locations are in Wind Zone 1.

All Other Perils Ded. Amount	Coverage A Limit			
	Up to	\$125,000 to	\$250,000 to	\$600,000 and Over
	<b>Fixed-Dollar Deductibles</b>			
\$ 100	NONE	\$1000	\$2000	\$5000
\$ 250	NONE	\$1000	\$2000	\$5000
\$ 500	NONE	\$1000	\$2000	\$5000
\$1000	NONE	NONE	\$2000	\$5000
\$2500	NONE	NONE	NONE	\$5000

**D. Mitigation Measures**

1. The Mandatory Hurricane Deductible as shown in Table A and B may be removed or reduced as shown in Table C below if the Insured has taken all or some of the Mitigation measures (See D.5.) to protect their home from hurricane damage.
2. Mitigation Measures for Waiver or Reduction of Mandatory Hurricane Deductibles:

**Table C**

(1) SBC-2 Wind Zone	(2) Mitigation Loss Measures Taken	(3) Hurricane Deductible As Per Rule (406.C.4.)	(4) Revised Hurricane Deductible Requirement
1&2	Plywood Shutters or Roof Tie Downs	1% \$1,000, 2,000 & 5,000 depends on property location.	All Perils Deductible
3	Plywood Shutters	5% 2%	2% 1%
3	Roof Tie Downs	5% 2%	2% 1%
3	Plywood Shutters & Roof Tie Downs	5% or 2%	All Perils

3. If the Hurricane Deductible is removed or reduced as per column (4), for premium computation, use the Hurricane Deductible Factor corresponding to the applicable Mandatory Hurricane Deductible shown in column (3).

**Example (1):** Consider a home in Block Island (Wind Zone 3) with Coverage A Amount of \$250,000 and All Perils Deductible of \$500. According to the Rule 406. C. 4. Table A, a Mandatory Hurricane Deductible of 5% will apply to the policy. To compute the EC, Broad or Special Form premium for this provision i.e. All Perils Deductible of \$500 and Hurricane Deductible of 5% with Coverage A Amount of \$250,000 multiply the EC, Broad or Special Form Base Premium with the Deductible Factor of .82 (i.e. a credit of 18%) according to the Rule 406. B.2.a.(5). See Table 406.B.2.a.(5)#1.

Suppose the insured has taken mitigation loss measures for Roof Tie Downs (D.5.ii) only. Then the Hurricane Deductible of 5% is reduced to 2% as per Column (3) of Rule 406. D. 2. Table C. For EC, Broad or Special Form premium computation, in lieu of using Deductible Factor of .87 (i.e. a credit of 13%) corresponding to All Perils Deductible of \$500 and Hurricane Deductible of 2%, see Table 406.B.2.a.(5)#1, use the Deductible Factor of .82 (i.e. a credit of 18%) corresponding to the All Perils Deductible of \$500 and a Hurricane Deductible of 5% as provided in Rule 406. D. (3).

**Example (2):** Consider a home in Newport (Wind Zone 2) with a Coverage A Amount of \$250,000 and All Perils Deductible of \$500. According to the Rule 406. C. 4. Table A, a Mandatory Hurricane Deductible of 2% will apply to the policy. To compute the EC, Broad or Special Form premium for this provision i.e. All Perils Deductible of \$500 and Hurricane Deductible of 2% with Coverage A Amount of \$250,000 multiply the EC, Broad or Special Form Base Premium with the Deductible Factor of .87 (i.e. a credit of 13%) according to the Rule 406. B.2.a.(5). See Table 406.B.2.a.(5)#1.

Suppose the insured has taken the required mitigation steps for Plywood Shutters (D.5.i.) only. Then the Hurricane Deductible of 2% is removed and the policy is then subject to All Perils Deductible of \$500 as per Column (3) of Rule 406. D. 2. Table C. For EC, Broad or Special Form premium computation, in lieu of using Deductible Factor of .96 (i.e. a credit of 4%) corresponding to All Perils Deductible of \$500 with Coverage A Amount of \$250,000, see Table 406.B.1, use the Deductible Factor of .87 (i.e. a credit of 13%) corresponding to the All Perils Deductible of \$500 and a Hurricane Deductible of 2% as provided in Rule 406. D.(3).

4. The insured may elect in writing to decline waiving the Hurricane Deductible, despite having installed all or some of the Mitigation Measures (See Rule 406.D.5.) to protect their home from hurricane damage. For premium computation, multiply the Hurricane Deductible factor by a factor of 2.00 and reduce the result by 1.00 and round to the nearest 2 decimal places.

**Example:** Using Example (2) illustrated in Rule 406.D.3., suppose that the insured has elected to decline waiving the Hurricane Deductible of 2%, despite having installed Plywood Shutters. To compute the new Hurricane Deductible Factor, i.e. All Perils Deductible of \$500 and Hurricane Deductible of 2% with a Coverage A of \$250,000, multiply the .87 deductible factor by 2.00 and reduce the result by 1.00 and round to the nearest 2 decimal places. (.87x2.00-1.00 =.74)

5. The Mitigation measures established and defined by the State of Rhode Island are as follows:

- i (a). Plywood shutters cut to fit over all window and door openings. Installation must meet SBC2 (Standard Building Code 2) standards and the plywood must be pre-cut, in good condition and stored onsite in an accessible, dry and secure location on the property. Anchorage hardware must be pre-installed on all windows and door openings.
- or;
- i (b). Permanent storm shutters, or hurricane glass or an equivalent, or higher mitigation procedure delineated in SBC2 are acceptable alternatives to plywood shutters. We require that permanent storm shutters and/or hurricane glass meet SBC2 requirements or other recognized manual or local equivalents and that such installation are subject to inspection and/or submission of satisfactory proof of installation.
- ii. Roof tie downs must meet SBC2 standards.

**Required Documentation:**

Proof that these measures have been made is required for the Hurricane deductible to be removed or reduced. Proof may be obtained by the receipt of a signed statement from a qualified contractor certifying these measures are in place. A copy of the certificate must be submitted with the application.

**ADDITIONAL RULE**

**Rule A4.**

**LIMITED FUNGI, WET OR DRY ROT OR BACTERIA COVERAGE**

The following paragraph is added:

- F. Use appropriate Limited Fungi, Wet or Dry Rot or Bacteria Coverage Endorsement with all Homeowners policies. Increased limits as shown in Paragraph B. are available.

**ADDITIONAL RULE**

**LEAD LIABILITY COVERAGE RULE**

**A. Coverage Description**

1. Liability coverage for lead poisoning may be provided for the following:
  - a. A building built before 1978, with up to four residential units rented or held for rental to others, without Prima Facie Evidence of Compliance.
  - b. A condominium unit or cooperative unit within a building built before 1978, rented or held for rental to others, without Prima Facie Evidence of Compliance.
2. Coverage is provided for damages for which an insured is legally liable because of bodily injury at the insured location that arises out of lead poisoning.
3. The following residential rental properties shall be ineligible for Lead Liability Coverage:
  - a. Rooms rented in owner-occupied residences;
  - b. Temporary housing units;
  - c. Rooming or boarding houses; and
  - d. Hotels.
4. The following persons shall be ineligible for Lead Liability Coverage:
  - a. A residential rental property owner who owns only one property and has more than one unremediated dwelling unit at which a child was poisoned prior to November 1, 2005.
  - b. A residential rental property owner who owns more than one property and has more than two unremediated dwelling units at which a child was poisoned prior to November 1, 2005.
5. Lead Liability Coverage may also be provided as a separate stand-alone coverage for Compliant properties, e.g. surplus lines insurers, using **ML 00 01** Lead Liability Coverage - Rhode Island and the appropriate premium under Section **C.2**.

**B. Limit Of Liability**

1. The minimum limit of liability is \$100,000; the maximum is \$500,000.
2. The limit of liability may be increased or decreased during the policy term subject to the conditions of 1. above but may not exceed the limit of liability of any other liability policy covering the property.
3. When 2 or more locations are insured under the same policy for lead liability coverage, the lead liability limit shall be the **same** for **all** such locations

**C. Premium Development**

1. Rate Per Insured Residence - Non Compliant Properties

Select the Lead Liability charge for the number of residential rental units at the insured location. The same charge applies regardless of whether Lead Liability Coverage is provided as a stand-alone coverage or as a coverage component within a Homeowners policy.

**Rate per Insured Residence - Number of Units:**

- 1 Family..... \$250
- 2 Family..... \$400
- 3 Family..... \$600
- 4 Family..... \$675

2. Rate Per Insured Residence - Compliant Properties (e.g. Surplus Lines Insurers)

When separate Stand-Alone Lead Liability Coverage (**ML 00 01**) is to be provided for a Compliant property, e.g. surplus lines insurers, select the Lead Liability charge for the number of residential rental units at the insured location.

**Rate per Insured Residence - Number of units:**

- 1 Family..... \$25
- 2 Family..... \$40
- 3 Family..... \$60
- 4 Family..... \$70

3. Increased Limits (Applicable to both Paragraphs C.1. and C.2. above)

For increased limits, apply the following factors to the basic limits premium:

Limit of Liability	Factor
<b>\$200,000</b>	<b>1.15</b>
<b>\$300,000</b>	<b>1.24</b>
<b>\$400,000</b>	<b>1.30</b>
<b>\$500,000</b>	<b>1.35</b>

**Increased Limits Table**

**D. Policy Form**

1. Use **ML 00 01** - Lead Liability Policy when liability coverage for lead poisoning is to be provided as a separate stand-alone coverage.
2. When liability coverage for lead poisoning is to be provided not as a separate stand-alone coverage but as a coverage component within a Homeowners policy, refer to the Lead Liability Provisions Endorsement rule.

**LEAD LIABILITY PROVISIONS ENDORSEMENT RULE**

**A. Coverage Description**

1. This endorsement is to be attached to a Homeowners Policy to provide additional provisions when lead poisoning liability coverage is to be provided under the policy.
2. A Homeowners policy written under the Conditions of 1. above should not have **HO 24 11** Lead Poisoning Exclusion attached to the policy.

**B. Endorsement**

Use **HO 24 66** - Lead Liability Provisions Endorsement with a Homeowners Policy for Non Compliant risks.



**Quick Reference Sheet-Hurricane Deductibles**

**Mandatory Hurricane Deductible By Territory and Rhode Island Wind Zones pursuant to Rhode Island State Building Code (SBC-2):**

<b><u>Table A</u></b>	<b>Hurricane</b>
<b><u>Location of Property</u></b>	<b><u>Deductible</u></b>
Territory 34, Wind Zone 3 - Block Island Only	5%
Territory 34, parts of Washington County which are in Wind Zone 3 - Except Block Island	2%
Territory 34, Wind Zone 2 - Bristol & Newport Counties & parts of Washington County which are in Wind Zone 2	1%
Territory 33, Wind Zone 2 - Town of East Greenwich	1%

**Table B**

Properties located in Territories 30, 31, 32 & 33 in Wind Zone 1. (Note in Territory 33, Town of East Greenwich is in Wind Zone 2).

<b>All Other Perils Ded. Amount</b>	<b>Up to \$124,999</b>	<b>Coverage A Limit</b>		
		<b>\$125,000 to \$249,999</b>	<b>\$250,000 to \$599,000</b>	<b>\$600,000 and Over</b>
\$100	None	\$1000	\$2000	\$5000
\$250	None	\$1000	\$2000	\$5000
\$500	None	\$1000	\$2000	\$5000
\$1000	None	None	\$2000	\$5000
\$2500	None	None	None	\$5000

**Rhode Island Joint Reinsurance Association  
Two Center Plaza, Boston MA 02108-1904  
866-821-5606**

**DWELLING POLICYHOLDER NOTICE  
HURRICANE DEDUCTIBLE**

**CAUTION: No coverage is provided by this notice, nor can it be construed to replace any provision of your policy. You should read your policy and review your Declarations Page for complete information on the coverages you are provided. If there is a conflict between the policy and this Advisory Notice to Policyholders, THE PROVISIONS OF THE POLICY SHALL PREVAIL. PLEASE READ YOUR POLICY CAREFULLY.**

**SCHEDULE**

**Hurricane Deductible Amount: Please see the "Deductible" section on your Dwelling Policy Declarations page.**

Rhode Island law requires us to notify you that your Dwelling policy contains a separate deductible applicable to losses due to a hurricane. It is also important for you to know the following:

- The hurricane deductible provides either a fixed or percentage deductible of no more than five percent (5%) of the insured value, for property damage arising out of or caused by a hurricane as classified by the National Hurricane Center.
- In the state of Rhode Island, on Block Island, the hurricane deductible is applicable to losses due to a hurricane during the period commencing at the time a "hurricane" warning is issued for any part of Block Island and when a "hurricane" results in hurricane force sustained winds for any part of Block Island, as reported by the National Weather Service ending 24 hours following the termination of the last "hurricane" warning for any part of Block Island by the National Weather Service.
- For the remainder of the state, the hurricane deductible is applicable to losses due to a hurricane during the period: which commences at the time a "hurricane" warning is issued for any location in the state of Rhode Island other than Block Island by the National Weather Service and when a "hurricane" results in hurricane force sustained winds for any part of Rhode Island, other than Block Island, as reported by the National Weather Service ending 24 hours following the termination of the last "hurricane" warning for any location in the state of Rhode Island other than Block Island by the National Weather Service.

The following are examples of how the hurricane deductible is applied in the event of a covered hurricane loss:

**Example 1**

**Application of a hurricane deductible with a percentage hurricane deductible of 5%**

A hurricane occurs and causes \$25,000 of damage to the covered home. The Coverage A Limit is \$200,000 and the hurricane deductible is 5% of this limit, so your hurricane deductible will be \$10,000. The most that you would be entitled to recover is the loss (\$25,000) minus the deductible (\$10,000) = \$15,000.

## Example 2

### Application of a hurricane deductible with a flat dollar hurricane deductible of \$5,000

A hurricane occurs and causes \$25,000 of damage to the covered home. The Coverage A Limit is \$200,000 and the hurricane deductible is \$5,000. The most that you would be entitled to recover is the loss (\$25,000) minus the deductible (\$5,000) = \$20,000.

## Mitigation Measures

The Mitigation Measures identified below to protect your home from hurricane damage will remove or reduce your Mandatory Hurricane Deductible depending on the number and kinds of measures you complete.

- i.(a) Plywood shutters cut to fit over all window and door openings. Installation must meet SBC2 (Standard Building Code 2) standards and the plywood must be pre-cut, in good condition and stored onsite in an accessible, dry and secure location on the property. Anchorage hardware must be pre-installed on all windows and door openings.

or

- i.(b) Permanent storm shutters, or hurricane glass or an equivalent, or higher mitigation procedure delineated in SBC2 are acceptable alternatives to plywood shutters. We require that permanent storm shutters and/or hurricane glass meet SBC2 requirements or other recognized manual or local equivalents and that such installation are subject to inspection and/or submission of satisfactory proof of installation.
- ii. Roof tie downs must meet SBC2 standards.

## Required Documentation:

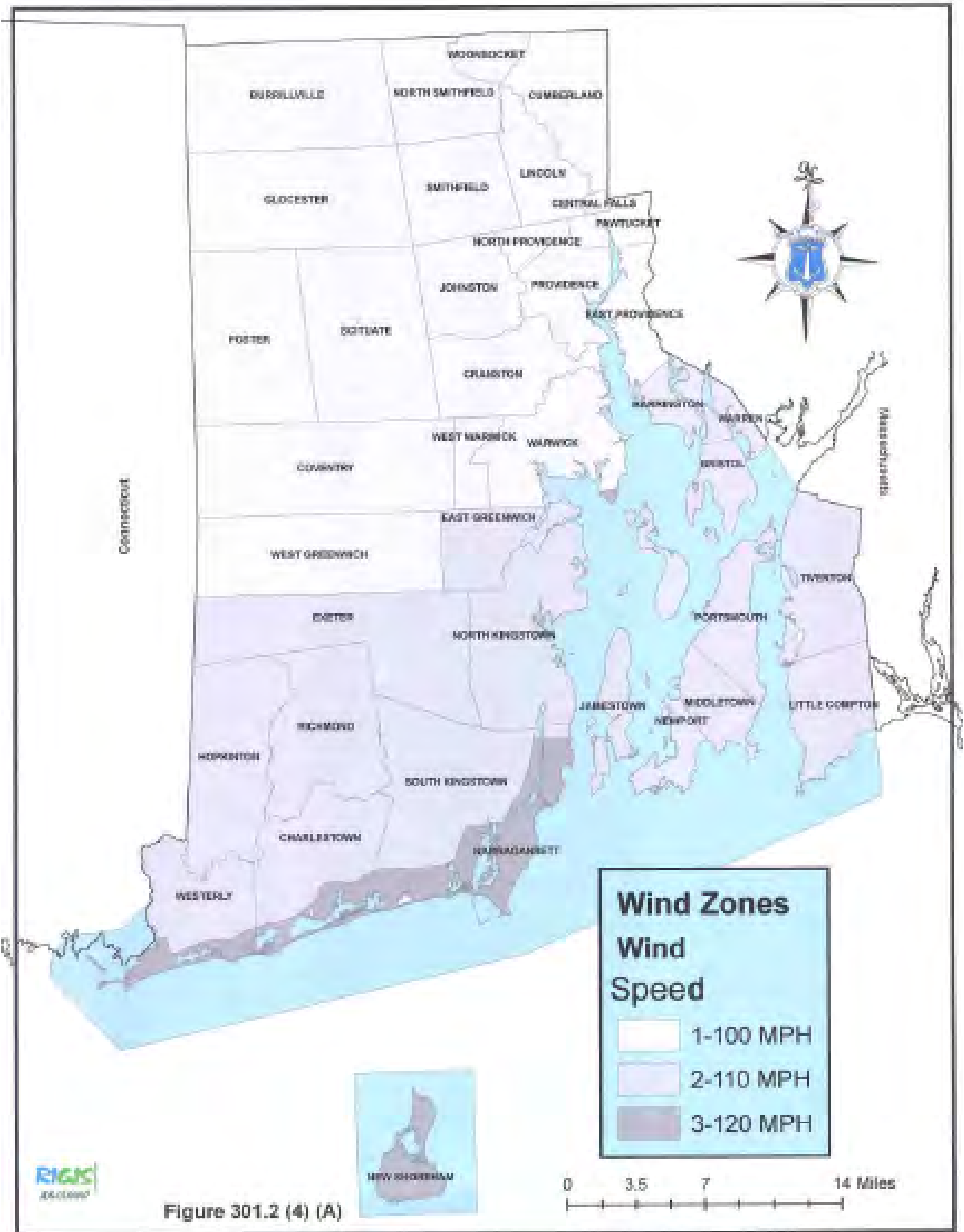
- **The hurricane deductible will not be applied to your policy if you have installed certain approved mitigation measures to protect against windstorm damage and we have either: 1) inspected the property; or 2) you have submitted satisfactory proof of installation of the approved measures.** Proof that these measures have been performed is required for the Hurricane Deductible to be removed or reduced and may be provided by giving the Association a signed statement from a qualified contractor certifying that one or more of these mitigation measures is in place. A copy of the certificate must be submitted with the application.
- You will qualify for a lower policy premium even if you install the above Mitigation Loss Measures and the Mandatory Hurricane Deductible is removed or reduced. In such a case, the credit applicable to your policy premium will not exceed the amount available to you under the Mandatory Hurricane Deductible, even if you have opted for a higher hurricane deductible.

Please contact us or your agent if you require further information regarding the mitigation measures or the hurricane deductible.

**Alphabetical listing of Rhode Island City/Towns with corresponding Wind Zone pursuant to SBC-2 Rhode Island One and Two Family Dwelling Code**

<u>City/Town</u>	<u>RI SBC-2 Wind Zone</u>
Barrington	2
Block Island	3
Bristol	2
Burrillville	1
Central Falls	1
Charlestown	2 & 3*
Coventry	1
Cranston	1
Cumberland	1
East Greenwich	2
East Providence	1
Exeter	2
Foster	1
Glocester	1
Hopkinton	2
Jamestown	2
Johnston	1
Lincoln	1
Little Compton	2
Middletown	2
Narragansett	2 & 3*
Newport	2
North Kingstown	2
North Providence	1
North Smithfield	1
Pawtucket	1
Portsmouth	2
Providence	1
Prudence Island	2
Richmond	2
Scituate	1
Smithfield	1
South Kingstown	2 & 3*
Tiverton	2
Warren	2
Warwick	1
West Greenwich	1
West Warwick	1
Westerly	2 & 3*
Woonsocket	1

**\*Wind Zone 3** for the towns of Westerly, Charlestown, South Kingstown and Narragansett encompasses all properties located south and /or east of a line starting from Western Rhode Island coast at Mastuxet Cove in Westerly, proceeding along Winnapaug Rd traveling east then south to Hwy 1A, then east on 1A to Hwy 1, then east on 1 to Hwy 138 and then east on Bridgetown Road onto South Ferry Road ending at Narragansett Bay.



\*WIND ZONE 3 FOR THE TOWNS OF WESTERLY, CHARLESTOWN, SOUTH KINGSTOWN AND NARRAGANSETT ENCOMPASSES ALL PROPERTIES LOCATED SOUTH AND /OR EAST OF A LINE STARTING FROM WESTERN RHODE ISLAND COAST AT MASTUXET COVE IN WESTERLY, PROCEEDING ALONG WINNAPAUG RD TRAVELING EAST THEN SOUTH TO HWY 1A, THEN EAST ON 1A TO HWY 1, THEN EAST ON 1 TO HWY 138 AND THEN EAST ON BRIDGETOWN ROAD ONTO SOUTH FERRY ROAD ENDING AT NARRAGANSETT BAY.

