

Understanding Your Hurricane Percentage Deductible

Release Date: 06.01.2010

agfinancialinsurance.com

mail@agfinancialinsurance.com

866.662.8210

On average, about five hurricanes strike the United States coastline every three years. Yet, eight of the ten costliest hurricanes in United States history have occurred over the past five years.

That's a disturbing trend to ponder while enjoying the sound of waves lapping the shoreline and the feel of sand between your toes.

And it's a trend that has caused insurance companies to be more restrictive in providing wind damage in coastal areas.

Some insurers now exclude wind damage altogether. Others require a high percentage deductible for damage from wind. Some are less restrictive and apply a high percentage deductible only to named storms.

Church Mutual now offers an even less restrictive approach with its Hurricane Percentage Deductible, which is a specified percentage of the value of your buildings and personal property. *This deductible applies only to damage caused by a hurricane.*

This percentage deductible goes into effect at the time a watch or warning is issued by the National Hurricane Center or the Central Pacific Hurricane Center for the area in which the affected premises are located. It ends 72 hours after the termination of the last watch or warning issued for that location.

All other covered damage that is not the result of a hurricane is subject to the policy's normal deductible—the same that applies to fire damage for example.

Here's how it works:

- A church, with a sanctuary valued at \$1 million and personal property valued at \$150,000, has a hurricane rip off its roof, also damaging some of the personal property. The roof repair is estimated at \$100,000, and the personal property loss is \$15,000, for a grand total of \$115,000.
- A 2% deductible, \$20,000 in this example, is applied to the \$1 million building, so your insurance pays \$80,000 (\$100,000 of damage less the \$20,000 deductible).

- A 2% deductible, \$3,000 in this example, is applied to the \$150,000 of personal property, so your insurance pays \$12,000 (\$15,000 of damage less the \$3,000 deductible).
- The total amount payable is \$92,000.

Church Mutual's Hurricane Percentage Deductible—better protection for your coastal buildings.

All other policy provisions are unaffected by this Hurricane Percentage Deductible. Other percentage levels may be available or required. The Hurricane Percentage Deductible is applied separately to each damaged building, the personal property of each building, and personal property in the open. This is not a contract or an offer of coverage. It is a description of coverages that can be purchased. Please refer to your insurance policy for a complete description of coverages, limitations, and exclusions.



Release Date: 06.01.2010

agfinancialinsurance.com
mail@agfinancialinsurance.com
866.662.8210