

SOUTH CAROLINA – HURRICANE, NAMED STORM, WIND/HAIL DEDUCTIBLE ACKNOWLEDGEMENT

THIS POLICY CONTAINS A SEPARATE DEDUCTIBLE FOR HURRICANE, NAMED STORM OR WIND/HAIL LOSSES, WHICH MAY RESULT IN HIGH OUT-OF-POCKET EXPENSES TO YOU. THE ENCLOSED EXAMPLES ILLUSTRATE HOW THE DEDUCTIBLES MIGHT AFFECT YOU.

A. As per South Carolina Code of Laws, Regulation 69-56, B. Definitions:

1. A Named Storm Deductible is a separate deductible triggered by a weather-related event that has been named, designated by the U.S. National Weather Service or the National Hurricane Center. It only includes a hurricane, tropical storm or tropical depression. Any storm or weather-related event given a name by any other person or entity does not qualify as a named storm, for the purposes of a separate deductible. Any winter storm or weather event named or identified by the news media cannot be relied upon to trigger a named storm deductible.
2. A Wind/Hail Deductible is a separate deductible applied to a personal or commercial property insurance policy that applies to losses resulting from the perils of wind or hail, regardless of how named or applied and regardless of whether the deductible is calculated as a percentage of policy limits or a specified dollar amount.

B. HURRICANE, NAMED STORM LOSS OR WIND/HAIL LOSS PERCENTAGE DEDUCTIBLE

(See form **CCF 0321** – WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE or **CCF 0321b** – WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE, whichever is attached)

1. In determining the amount, if any, that we will pay for loss or damage we will deduct an amount equal to the Percentage Deductible of the Limit(s) of Insurance applicable to the property that has sustained loss or damage.

2. EXAMPLE

- a. The amount of Hurricane, Named Storm or Wind/Hail loss to the damaged building is \$60,000.
- b. The value of the damaged building at the time of the loss is \$100,000.
- c. The Coinsurance percentage shown in the Declarations is 80%: $80\% \times \$100,000$ value of the building is \$80,000, the minimum limit to meet the Coinsurance requirement without paying a coinsurance penalty.
- d. The Hurricane, Named Storm or Wind/Hail Percentage Deductible is 1%.
- e. The Limit of Insurance for the building shown on the Declarations is \$70,000.

f. Calculations:

(1) $\$70,000 \div \$80,000 = .875$

(2) $\$60,000 \times .875 = \$52,500$

(3) $\$70,000 \times .01 = \700 (calculated percentage deductible)

(4) $\$52,500 - \$700 = \$51,800$

The most we will pay is \$51,800. The remainder of the loss, \$8,200, is not covered due to the Coinsurance penalty for inadequate insurance (steps (1) and (2)) and the application of the Deductible (steps (3) and (4))

3. A Deductible is calculated separately for, and applies separately to:
 - a. Each building that sustains loss or damage;
 - b. The personal property at each building at which there is loss or damage to personal property; and
 - c. Personal property in the open.

If there is damage to both a building and personal property in that building, separate deductibles apply to the building and to the personal property.

4. We will not pay for loss or damage until the amount of loss or damage exceeds the applicable Deductible. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limit of Insurance, after any reduction required by any of the following:
 - a. Coinsurance Condition;
 - b. Agreed Value Optional Coverage; or

c. Any provision in a Value Reporting Form relating to the full reporting or failure to submit reports.

5. MINIMUM HURRICANE, NAMED STORM WIND/HAIL DEDUCTIBLE

A minimum deductible also applies to this policy. When **CCF 0321** or **CCF 0321b** is attached to this policy, the applicable minimum deductible under this endorsement is the greater of:

- a. The Calculated Percentage Deductible shown in the Windstorm or Hail Deductible Schedule of **CCF 0321** or **CCF 0321b**, whichever is attached; or
- b. The Deductible under Covered Causes of Loss** under item **2.** or item **4.** shown on **CCF 1512b**, the Mandatory Property Deductible Form that is attached to this policy.

C. HURRICANE, NAMED STORM LOSS OR WIND/HAIL LOSS FLAT DEDUCTIBLE

(see **CCF 1512b**, *Mandatory Property Deductible Form*)

When *neither* **CCF 0321** nor **CCF 0321b** is attached to this policy, then deductible shown under item **6.** of **CCF 1512b**, the Mandatory Property Deductible Form is applicable.

We will first reduce the amount of loss, if required by the Coinsurance Condition or an Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible in item **6** of **CCF 1512b**, we will not pay for that loss. If the adjusted amount of loss exceeds that Deductible, we will then subtract that Deductible from the adjusted amount of loss and will pay the resulting amount or the Limit of Insurance, whichever is less.

1. EXAMPLE

- a. The amount of Hurricane, Named Storm or Wind/Hail loss to the damaged building is \$60,000.
- b. The value of the damaged building at the time of the loss is \$100,000.
- c. The Coinsurance percentage shown in the Declarations is 80% : 80% x \$100,000 value of the building is \$80,000, the minimum limit to meet the Coinsurance requirement without paying a coinsurance penalty.
- d. The Windstorm or Hail Deductible is \$2,500
- e. The Limit of Insurance for the building shown on the Declarations is \$70,000.

f. Calculations:

- (1) $\$70,000 \div \$80,000 = .875$
- (2) $\$60,000 \times .875 = \$52,500$
- (3) $\$52,500 - \$2,500 = \$50,000$

The most we will pay is \$50,000. The remainder of the loss, \$10,000 is not covered due to the Coinsurance penalty for inadequate insurance (steps (1) and (2)) and the application of the Deductible (step (3).)

- 2. In the event of direct physical loss or damage resulting from a Hurricane, Named Storm or Wind/Hail event at more than one building location as a result of any one occurrence, this policy will determine how the Deductible will apply, either to each premise or to each building.
- 3. When the occurrence involves loss to more than one Coverage Type and separate Limits of Insurance apply, the largest applicable Deductible will be applied only once per occurrence for Covered Property.

The Named Insured's signature below confirms that the Named Insured has read through the document including the Examples shown above.

Named Insured Signature: _____

Date: _____