

Premium Discounts for Hurricane Loss Mitigation

Company Name: CITIZENS PROPERTY INSURANCE CORPORATION
Line of Business: Homeowners
Program Name: Personal Lines Account Homeowners and High Risk Account
Residential
Policy Type: HO3, HO4, HO6

The risk of loss from a hurricane is something that each Floridian faces. We know that hurricanes cannot be prevented, but many Floridians are not aware there are things they can do to better protect their property from damage or destruction. Certain construction techniques and features are very effective in protecting your property. If your property has these unique characteristics, you may qualify for a **discount on your property insurance premiums**.

What are the some of the construction techniques and features?

There are many different construction techniques and features. Some of the most common generally fall into one of the categories listed in below.

<p>2001 Florida Building Code Compliance (FBC)</p> <p>Homes built in compliance with the 2001 Florida Building Code receive a significant discount as a result of the features required by the new code.</p> <p>How do I get this discount: (companies to provide answer) Citizens requires proof to substantiate the existence of loss mitigation features except for roof shape that is verifiable via a photograph.</p> <p>Citizens provides four affidavits to verify mitigation features to obtain additional premium credit. They are: FBC Roofing Mitigation Verification Affidavit (MIT-3) FBC Wall and Roofing Mitigation Verification Affidavit (MIT-4) FBC Commercial Mitigation Verification Affidavit (MIT-5) FBC Shutter Mitigation Verification Affidavit (CIT-26)</p> <p>Citizens will automatically apply the minimum FBC 2001 discount if the dwelling was built after January 1, 2002 and documentation is provided that validates the year of construction.</p>	<p>Up to 45%</p>
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<p>Roof Shape</p> <p>Hip Roof – A roof that is sloped on all four sides like a pyramid.</p> <p>Other roof shapes</p> <p>How do I get this discount? (companies to provide answer) Submit a photograph showing the roof shape. The savings listed above is exclusive of other mitigation devices. Premium credits may be increased when other mitigation devices are installed in conjunction with the above device.</p>	<p>Up to 23%</p> <p>Up to 0%</p>
<p>Opening Protection</p> <p>Shutters</p> <p>Special/Impact Resistant glass</p> <p>How do I get this discount: (companies to provide answer) Submit the FBC Shutter Mitigation Verification Affidavit (CIT-26) to specify the type of Opening Protection.</p> <p>Please note: Dade and Broward counties are eligible for Opening Protection credit if the dwelling was built in 1996 or later and documentation is provided that validates the year of construction.</p> <p>In addition, the savings listed above is exclusive of other mitigation devices. Premium credits may be increased when other mitigation devices are installed in conjunction with the above device.</p>	<p>Up to 33%</p> <p>Up to 0%</p>
<p>Roof Deck Attachment</p> <p>6d nails or screws 8d nails or screws Dimensional lumber</p> <p>How do I get this discount: (companies to provide answer) Submit the FBC Roofing Mitigation Verification Affidavit (MIT-3), the FBC Wall and Roofing Mitigation Verification Affidavit (MIT-4) or the FBC Commercial Mitigation Verification Affidavit (MIT-5) to specify the type of Roof Deck Attachment.</p> <p>In addition, the savings listed above is exclusive of other mitigation devices. Premium credits may be increased when other mitigation devices are installed in conjunction with the above device.</p>	<p>Up to 5%</p>
<p>Roof Covering</p> <p>Asphalt shingles Wood shingles Clay or concrete tiles Metal panels Other roof covering</p> <p>How do I get this discount: (companies to provide answer) Submit the FBC Roofing Mitigation Verification Affidavit (MIT-3), the FBC Wall and Roofing Mitigation Verification Affidavit (MIT-4) or the FBC Commercial Mitigation Verification Affidavit (MIT-5) to specify the type of Roof Covering.</p> <p>In addition, the savings listed above is exclusive of other mitigation devices. Premium credits may be increased when other mitigation devices are installed in conjunction with the above device.</p>	<p>Up to 5%</p>
<p>Roof to Wall Connectors</p> <p>Clips Single or Double Wraps Toe Nails/Screws Structurally Connected Other roof to wall connectors</p> <p>How do I get this discount: (companies to provide answer) Submit the FBC Wall and Roofing Mitigation Verification Affidavit (MIT-4) or the FBC Commercial Mitigation Verification Affidavit (MIT-5) to specify the type Roof to Wall Connectors.</p> <p>In addition, the savings listed above is exclusive of other mitigation devices. Premium credits may be increased when other mitigation devices are installed in conjunction with the above device.</p>	<p>Up to 18%</p>

Calculating Your Discount

There are several important facts that you must understand prior to estimating any discounts to which you may be entitled. They are as follows:

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First, the discounts for the construction techniques and features listed above are not cumulative. In other words, **you simply cannot add up the above items to arrive at your discount**. These construction techniques and features work together and your total discount is a function of all the property's features;

Second, as noted above, some of these construction techniques and features require independent certification from a licensed expert;

Finally, your policy premiums are generally separated into two parts, the "wind" portion and the "non-wind" portion. Any applicable discounts are applied only against the "wind" portion of your premium.

Now that we understand a little more about the application of the discounts, let's look at some examples. All of the examples below are for a residential structure. The policy premium is assumed to be \$1,000 prior to any discounts; the "wind" portion is \$600 and the "non-wind" portion is \$400.

Example #1

Construction techniques and features for a home constructed in 2003 located within 1,500 feet of the coastline:

- Complies with the minimum requirements of the 2001 Florida Building Code
- No Shutters
- No Hip Roof Shape

Applicable discount based on the techniques and features discount is 38 %

Policy Premium \$1000
Less (discount of 38 % X "wind" premium = (\$600))

New Policy Premium after discounts \$772

Example #2

Construction techniques and features for a home constructed in 2003 located within 1,500 feet of the coastline:

- Complies with the minimum requirements of the 2001 Florida Building Code
- Shutters
- Hip Roof Shape

Applicable discount based on the techniques and features discount is 43 %

Policy Premium \$1000
Less (discount of 43 % X "wind" premium = (\$600))

New Policy Premium after discounts \$742

Example #3

Construction techniques and features for a home constructed in 1999 located within 1,500 feet of the coastline:

- Asphalt shingles connected with 6d nails
- No Shutters
- No Hip Roof Shape

Applicable discount based on the techniques and features discount is 0 %

Policy Premium \$1000

Less (discount of 0 % X “wind” premium of \$600)(\$xxxx)

New Policy Premium after discounts \$1000

Example #4

Construction techniques and features for a home constructed in 1999 located within 1,500 feet of the coastline:

- Asphalt shingles connected with 6d nails
- Shutters
- Hip Roof Shape

Applicable discount based on the techniques and features discount is 32 %

Policy Premium \$1000

Less (discount of 32 % X “wind” premium of \$600)(\$xxxx)

New Policy Premium after discounts \$808

Summary

These examples represent only a few of the many possible combinations of construction techniques and features that exist. There may additional construction techniques and features that are not listed on this form because they are not common in residential construction. If you have further questions about the construction techniques and features herein or other construction techniques and features that could result in a discount, please contact your agent or the company at 888-685-1555.

Comments:

All examples are based on a single family dwelling. However, FBC credits vary for different structures. For example, the FBC credits for risks in a 1 to 4 unit structure are different than the FBC credits for risks located in a 5+ unit structure.

For example #1: Calculated using non-reinforced concrete roof deck and no secondary water resistance.

For example #2: Calculated using non-reinforced concrete roof deck and no secondary water resistance. We also assumed the shutters meet the requirements found on the CIT-26.

For example #3: Calculated using non-FBC roof covering, roof to wall connectors as toe nail, and no secondary water resistance.

For example #4: Calculated using non-FBC roof covering, roof to wall connectors as toe nail and no secondary water resistance. We also assumed the opening protection (shutters) are Hurricane Impact type (Class A) with all exterior wall and roof openings in the building fully protected with impact

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resistance coverings, impact resistant doors and/or impact resistant glazing that meet the requirements found on the CIT-26.