

Premium Discounts for Hurricane Loss Mitigation

Company Name: VANGUARD FIRE AND CASUALTY COMPANY
Line of Business: Homeowners
Program Name: Sword, Excalibur, Shield
Policy Type: Homeowners, Contents (Tenant Homeowners), Unit-Owners (Condo)

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) For homes built 2002 and later, no documentation required. For homes built prior to 2002, verifiable documentation is required.</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) For homes built 2002 and later, no documentation required. For homes built prior to 2002, verifiable documentation is required.</p>	<p>Up to 45%</p> <p>Up to 42%</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) For homes built 2002 and later, no documentation required. For homes built prior to 2002, verifiable documentation is required.</p>	<p>Up to 44%</p> <p>Up to 44%</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) For homes built 2002 and later, no documentation required. For homes built prior to 2002, verifiable documentation is required.</p>	<p>Up to 43%</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) For homes built 2002 and later, no documentation required. For homes built prior to 2002, verifiable documentation is required.</p>	<p>Up to 43%</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) For homes built 2002 and later, no documentation required. For homes built prior to 2002, verifiable documentation is required.</p>	<p>Up to 43%</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:

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, lets 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 40 %

Policy Premium \$1000

Less (discount of 40 % X “wind” premium = (\$600))

New Policy Premium after discounts \$760

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 5 %

Policy Premium \$1000

Less (discount of 5 % X “wind” premium of \$600)(\$xxxx)

New Policy Premium after discounts \$970

Example #4

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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 38 %

Policy Premium \$1000

Less (discount of 38 % X "wind" premium of \$600)(\$xxx)

New Policy Premium after discounts \$772

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 866-830-6423.

Comments:

Vanguard Fire & Casualty actually uses the ex-wind dollar credit amount to calculate the "wind" portion of the premium. The examples are acceptable for risks in coastal areas but an example dealing with an inland location should have been provided also.