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## Commercial



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## CHANGES

This filing revises various Louisiana windstorm or hail endorsements in response to 2022 LA. Laws ch. \_\_ (former S.B. 168).

## COMPANY ACTION

If you have authorized us to file on your behalf and decide:

- To use our revision and effective date, you are NOT required to file anything with the Louisiana Department of Insurance.
- To use our revision with a different effective date, to use our revision with modification, or to NOT use our revision, you must make an appropriate submission with the Louisiana Department of Insurance.

In all correspondence with the Louisiana Department of Insurance regarding this revision, include the PIAL and/or State Filing Designation Number.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **LOUISIANA WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE**

This endorsement modifies insurance provided under the following:

BUILDERS RISK COVERAGE FORM  
BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
STANDARD PROPERTY POLICY  
TOBACCO SALES WAREHOUSES COVERAGE FORM

### **SCHEDULE**

<b>Premises Number</b>	<b>Building Number</b>	<b>Windstorm Or Hail Deductible Percentage – Enter 1%, 2% Or 5%</b>
		%
		%
		%
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

The Windstorm Or Hail Deductible, as shown in the Schedule and set forth in this endorsement, applies to covered loss or damage caused directly or indirectly by Windstorm or Hail. Except when Paragraph **E.** applies, this Deductible applies to each occurrence of Windstorm or Hail.

Nothing in this endorsement implies or affords coverage for any loss or damage that is excluded under the terms of the Water Exclusion or any other exclusion in this policy. If this policy is endorsed to cover Flood under the Flood Coverage Endorsement (or if you have a flood insurance policy), a separate Flood Deductible applies to loss or damage attributable to Flood, in accordance with the terms of that endorsement or policy.

As used in this endorsement, the terms "specific insurance" and "blanket insurance" have the following meanings: Specific insurance covers each item of insurance (for example, each building or personal property in a building) under a separate Limit of Insurance. Blanket insurance covers two or more items of insurance (for example, a building and personal property in that building, or two buildings) under a single Limit of Insurance. Items of insurance and corresponding Limit(s) of Insurance are shown in the Declarations.

Under the terms of this endorsement, a hurricane or named storm is a storm system that has been declared to be a hurricane or named storm by the National Hurricane Center of the National Weather Service (hereafter referred to as NHC). Under the terms of this endorsement, a hurricane or named storm begins at the time a Watch or Warning is issued by the NHC for the area in which the affected premises are located and ends 72 hours after the termination of the last Watch or Warning issued for that area by the NHC.

## **WINDSTORM OR HAIL DEDUCTIBLE CALCULATIONS**

### **A. Calculation Of The Deductible – All Policies**

1. 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.

2. 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: Coinsurance Condition; Agreed Value Optional Coverage; or any provision in a Value Reporting Form relating to full reporting or failure to submit reports.
3. When property is covered under the Coverage Extension for Newly Acquired or Constructed Property: In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage of the value(s) of the property at time of loss. The applicable percentage for Newly Acquired or Constructed Property is the highest percentage shown in the Schedule for any described premises.

### **B. Calculation Of The Deductible – Specific Insurance Other Than Builders' Risk**

#### **1. Property Not Subject To Value Reporting Forms**

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the Limit(s) of Insurance applicable to the property that has sustained loss or damage.

#### **2. Property Subject To Value Reporting Forms**

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used is the latest value(s) shown in the most recent Report of Values on file with us.

However:

- a. If the most recent Report of Values shows less than the full value(s) of the property on the report dates, we will determine the deductible amount as a percentage of the full value(s) as of the report dates.
- b. If the first Report of Values is not filed with us prior to loss or damage, we will determine the deductible amount as a percentage of the applicable Limit(s) of Insurance.

### **C. Calculation Of The Deductible – Blanket Insurance Other Than Builders' Risk**

#### **1. Property Not Subject To Value Reporting Forms**

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used is that shown in the most recent Statement of Values on file with us.

#### **2. Property Subject To Value Reporting Forms**

In determining the amount, if any, that we will pay for property that has sustained loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the value(s) of that property as of the time of loss or damage.

### **D. Calculation Of The Deductible – Builders' Risk Insurance**

#### **1. Builders' Risk Other Than Reporting Form**

In determining the amount, if any, that we will pay for property that has sustained loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the actual cash value(s) of that property as of the time of loss or damage.

#### **2. Builders' Risk Reporting Form**

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used is the actual cash value(s) shown in the most recent Report of Values on file with us.

However:

- a. If the most recent Report of Values shows less than the actual cash value(s) of the property on the report date, we will determine the deductible amount as a percentage of the actual cash value(s) as of the report date.
- b. If the first Report of Values is not filed with us prior to loss or damage, we will determine the deductible amount as a percentage of the actual cash value(s) of the property as of the time of loss or damage.

## **EXAMPLES – APPLICATION OF DEDUCTIBLE**

### **EXAMPLE 1 – SPECIFIC INSURANCE (B.1.)**

The amount of loss to the damaged building is \$60,000.

The value of the damaged building at time of loss is \$100,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limit of Insurance needed to meet the coinsurance requirement is \$80,000 (80% of \$100,000).

The **actual** Limit of Insurance on the damaged building is \$70,000.

The Deductible is 1%.

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

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

Step (3):  $\$70,000 \times 1\% = \$700$

Step (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)).

### **EXAMPLE 2 – SPECIFIC INSURANCE (B.1.)**

The amounts of loss to the damaged property are \$60,000 (building) and \$40,000 (personal property in building).

The value of the damaged building at time of loss is \$100,000. The value of the personal property in that building is \$80,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limits of Insurance needed to meet the coinsurance requirement are \$80,000 (80% of \$100,000) for the building and \$64,000 (80% of \$80,000) for the personal property.

The **actual** Limits of Insurance on the damaged property are \$80,000 on the building and \$64,000 on the personal property (therefore, no Coinsurance penalty).

The Deductible is 2%.

## **BUILDING**

Step (1):  $\$80,000 \times 2\% = \$1,600$

Step (2):  $\$60,000 - \$1,600 = \$58,400$

## **PERSONAL PROPERTY**

Step (1):  $\$64,000 \times 2\% = \$1,280$

Step (2):  $\$40,000 - \$1,280 = \$38,720$

The most we will pay is \$97,120. The portion of the total loss not covered due to application of the Deductible is \$2,880.

### **EXAMPLE 3 – BLANKET INSURANCE (C.1.)**

The sum of the values of Building 1 (\$500,000), Building 2 (\$500,000) and Building 3 (\$1,000,000), as shown in the most recent Statement of Values on file with us, is \$2,000,000.

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the coinsurance requirement is \$1,800,000 (90% of \$2,000,000).

The **actual** Blanket Limit Of Insurance covering Buildings 1, 2 and 3, shown in the Declarations, is \$1,800,000 (therefore no Coinsurance penalty).

Buildings 1 and 2 have sustained damage; the amounts of loss to these buildings are \$40,000 (Building 1) and \$20,000 (Building 2).

The Deductible is 2%.

## **BUILDING 1**

Step (1):  $\$500,000 \times 2\% = \$10,000$

Step (2):  $\$40,000 - \$10,000 = \$30,000$

## **BUILDING 2**

Step (1):  $\$500,000 \times 2\% = \$10,000$

Step (2):  $\$20,000 - \$10,000 = \$10,000$

The most we will pay is \$40,000. The portion of the total loss that is not covered due to application of the Deductible is \$20,000.

### **EXAMPLE 4 – BLANKET INSURANCE (C.1.)**

The sum of the values of Building 1 (\$500,000), Building 2 (\$500,000), Personal Property at Building 1 (\$250,000) and Personal Property at Building 2 (\$250,000), as shown in the most recent Statement of Values on file with us, is \$1,500,000.

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the coinsurance requirement is \$1,350,000 (90% of \$1,500,000).

The **actual** Blanket Limit Of Insurance covering Buildings 1 and 2 and Personal Property at Buildings 1 and 2, shown in the Declarations, is \$1,350,000. Therefore there is no Coinsurance penalty.

Building 1 and Personal Property at Building 1 have sustained damage; the amounts of loss are \$95,000 (Building) and \$5,000 (Personal Property).

The Deductible is 5%.

#### **BUILDING**

Step (1):  $\$500,000 \times 5\% = \$25,000$

Step (2):  $\$95,000 - \$25,000 = \$70,000$

#### **PERSONAL PROPERTY**

$\$250,000 \times 5\% = \$12,500$

The loss, \$5,000, does not exceed the Deductible.

The most we will pay is \$70,000. The remainder of the building loss, \$25,000, is not covered due to application of the Deductible. There is no loss payment for the personal property.

#### **E. Calendar Year Windstorm Or Hail Deductible Calculations – Hurricane And Named Storms**

##### **For Policies With A Total Insured Value Of Less Than \$20 Million**

The provisions of this Paragraph **E.** apply **only** in the event of loss or damage caused by or resulting from Windstorm or Hail resulting from a named storm or hurricane to Covered Property located in Louisiana. For policies with a total insured value equal to or greater than \$20 million or if Windstorm or Hail is not declared to be a named storm or hurricane and there is loss or damage to Covered Property, the provisions of Paragraphs **A.** through **D.** of this endorsement apply.

1. The Windstorm Or Hail Deductible percentage, as shown in the Schedule and set forth in this endorsement, applies as provided under Paragraph **E.2.** of this endorsement. It applies to covered loss or damage to Covered Property located in Louisiana caused directly or indirectly by Windstorm or Hail resulting from one or more named storm(s) or hurricanes which occur during the same calendar year.

#### **2. Application Of Deductible**

- a. Except when Paragraphs **A.** through **D.** apply, in determining the amount, if any, that we will pay for loss or damage from Windstorm or Hail resulting from a named storm or hurricane, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the Limit(s) of Insurance applicable to the property located in Louisiana that has sustained loss or damage. This amount is calculated separately for, and applies separately to:

- (1) Each building that sustains loss or damage;

- (2) The personal property at each building at which there is loss or damage to personal property; and

- (3) 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.

- b. The Windstorm Or Hail Percentage Deductible, as described above, will apply anew in each calendar year. If the policy period does not coincide with the calendar year, then a separate Windstorm Or Hail Deductible(s) will apply to loss or damage from Windstorm or Hail resulting from a named storm or hurricane that occurs during each calendar year in which the policy is in force. For example, if your policy period is from July 1 of calendar year 1 to June 30 of calendar year 2, a separate Windstorm Or Hail Deductible(s) applies to loss or damage occurring from July 1 to December 31 of calendar year 1 and to loss or damage occurring from January 1 to June 30 of calendar year 2.
- c. Subject to Paragraphs **2.d.**, **2.e.** and **2.f.**, we will not pay for loss or damage from Windstorm or Hail resulting from a named storm or hurricane until the amount of such loss or damage exceeds the applicable Windstorm Or Hail Percentage 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 coinsurance or property value condition, or any provision in a Value Reporting endorsement relating to full reporting or failure to submit reports.
- d. When Windstorm or Hail resulting from a named storm or hurricane results in loss or damage that exhausts the Windstorm Or Hail Percentage Deductible, then that Deductible will not apply to Windstorm or Hail loss or damage resulting from a subsequent named storm(s) or hurricane(s) in the same calendar year. In such case, the deductible that applies to fire will apply to Windstorm or Hail loss or damage from each subsequent named storm or hurricane in that calendar year.

- e. When Windstorm or Hail resulting from a named storm or hurricane results in loss or damage that does not exhaust the Windstorm Or Hail Percentage Deductible, then the Deductible applicable to Windstorm or Hail loss or damage resulting from a subsequent named storm(s) or hurricane(s) in the same calendar year will be the greater of the:

- (1) Deductible that applies to fire; or
- (2) Remaining amount of the Windstorm Or Hail Percentage Deductible.

In this situation, the remaining amount of the Windstorm Or Hail Percentage Deductible is determined by subtracting the amount(s) of the aforementioned loss or damage from the Windstorm Or Hail Percentage Deductible.

- f. When the deductible that applies to fire applies in accordance with Paragraph 2.d. or 2.e., that deductible is applied to the total of all loss or damage sustained in one named storm or hurricane. It does not apply separately to each item of Covered Property.

### 3. Recordkeeping Requirement

You must maintain receipts or other records of all covered Windstorm or Hail losses, resulting from any named storm(s) or hurricane(s) in a calendar year, that are less than the applicable Windstorm Or Hail Deductible, and provide us with such receipts or other records as often as we reasonably require, so that we may consider the amount of such losses when adjusting claims resulting from any subsequent named storm(s) or hurricane(s) during the same calendar year.

### 4. Examples – Application Of Calendar Year Windstorm Or Hail Percentage Deductible To A Building – One Named Storm Occurring During A Calendar Year

#### a. Example 1

The amount of loss to the damaged building is \$60,000.

The value of the damaged building at time of loss is \$100,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limit of Insurance needed to meet the coinsurance requirement is \$80,000 (80% of \$100,000).

The **actual** Limit of Insurance on the damaged building is \$70,000.

The Windstorm Or Hail Deductible percentage is 1%.

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

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

Step (3):  $\$70,000 \times 1\% = \$700$

Step (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)).

#### b. Example 2

The amounts of loss to the damaged property are \$60,000 (building) and \$40,000 (personal property in building).

The value of the damaged building at time of loss is \$100,000. The value of the personal property in that building is \$80,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limits of Insurance needed to meet the coinsurance requirement are \$80,000 (80% of \$100,000) for the building and \$64,000 (80% of \$80,000) for the personal property.

The **actual** Limits of Insurance on the damaged property are \$80,000 on the building and \$64,000 on the personal property (therefore, no Coinsurance penalty).

The Windstorm Or Hail Deductible percentage is 2%.

#### BUILDING

Step (1):  $\$80,000 \times 2\% = \$1,600$

Step (2):  $\$60,000 - \$1,600 = \$58,400$

#### PERSONAL PROPERTY

Step (1):  $\$64,000 \times 2\% = \$1,280$

Step (2):  $\$40,000 - \$1,280 = \$38,720$

The most we will pay is \$97,120. The portion of the total loss not covered due to application of the Deductible is \$2,880.

### 5. Examples – Application Of Calendar Year Windstorm Or Hail Percentage Deductibles To A Building – Two Or More Named Storms Occurring During A Calendar Year

#### a. Example 1

##### (1) Named Storm A Occurs On September 1 Of A Calendar Year

The amount of loss to the damaged building is \$200,000.



The value of the damaged building at time of loss is \$500,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limit of Insurance needed to meet the coinsurance requirement is \$400,000 (80% of \$500,000).

The **actual** Limit of Insurance on the damaged building is \$400,000 (therefore, no Coinsurance penalty).

The Deductible that applies to fire is \$1,000.

The Windstorm Or Hail Deductible percentage is 5%.

Step (1):  $\$400,000 \times 5\% = \$20,000$  (calendar year Windstorm Or Hail Deductible)

Step (2):  $\$200,000 - \$20,000 = \$180,000$

The most we will pay is \$180,000. The portion of the loss not covered due to application of the Deductible is \$20,000. The total loss (\$200,000) exceeds the Windstorm Or Hail Deductible of \$20,000. The Windstorm Or Hail Deductible is exhausted.

**(2) Named Storm B Occurs On October 1 Of The Same Calendar Year**

The amount of loss to the damaged building is \$3,000. Because the Windstorm Or Hail Deductible applicable to the building was exceeded by the amount of loss incurred in Named Storm A, the Deductible that applies to fire (\$1,000) will apply to the loss. Therefore, we will pay \$2,000 (\$3,000 - \$1,000 = \$2,000).

**b. Example 2**

**(1) Named Storm A Occurs On October 1 Of A Calendar Year**

The amount of loss to the damaged building is \$20,000.

The value of the building at time of loss is \$1,000,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limit of Insurance needed to meet the coinsurance requirement is \$800,000 (80% of \$1,000,000).

The **actual** Limit of Insurance on the damaged building is \$800,000 (therefore, no Coinsurance penalty).

The Deductible that applies to fire is \$1,000.

The Windstorm Or Hail Deductible percentage is 5%.

$\$800,000 \times 5\% = \$40,000$  (calendar year Windstorm Or Hail Deductible)

We will not pay for loss or damage since the amount of loss (\$20,000) did not exceed the Windstorm Or Hail Deductible (\$40,000). The loss of \$20,000 is subtracted from the Windstorm Or Hail Deductible. The remaining amount of the Windstorm Or Hail Deductible applicable to such subsequent claims for Windstorm or Hail damage resulting from a named storm is \$20,000.

**(2) Named Storm B Occurs On November 1 Of The Same Calendar Year**

The amount of loss to the damaged building is \$80,000. The remaining amount of the Windstorm Or Hail Deductible of \$20,000 is applied to the loss of \$80,000. The amount that we will pay is \$60,000. The Windstorm Or Hail Deductible is exhausted.

**(3) Named Storm C Occurs On December 1 Of The Same Calendar Year**

The amount of loss to the damaged building is \$35,000.

Since the Windstorm Or Hail Deductible is exhausted, the Deductible that applies to fire (\$1,000) is applied to the Windstorm or Hail loss. The amount that we will pay is \$34,000.





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POLICY NUMBER:

COMMERCIAL PROPERTY  
CP 03 32 04 23

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **LOUISIANA MULTIPLE DEDUCTIBLE FORM**

**(FIXED DOLLAR DEDUCTIBLES)**

This endorsement modifies insurance provided under the following:

BUILDERS RISK COVERAGE FORM  
BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
STANDARD PROPERTY POLICY  
TOBACCO SALES WAREHOUSES COVERAGE FORM

### **SCHEDULE**

The Deductibles applicable to any one occurrence are shown below.

<b>Premises Number</b>	<b>Building Number</b>	<b>Deductible</b>	<b>Covered Cause(s) Of Loss*</b>
		\$	
		\$	
		\$	

\*For each deductible listed in this Schedule, enter the number corresponding to the Covered Cause(s) of Loss to which that deductible applies (or enter the description):

- (1) All Covered Causes of Loss
- (2) All Covered Causes of Loss **except** Windstorm Or Hail
- (3) All Covered Causes of Loss **except** Theft
- (4) All Covered Causes of Loss **except** Windstorm Or Hail and Theft
- (5) Windstorm Or Hail
- (6) Theft

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following is added to the **Deductible** section:

- A.** Subject to Paragraph **C.**, in the event that loss or damage occurs to Covered Property at more than one building location as a result of one occurrence, the largest applicable deductible for that Covered Cause of Loss, shown in the Schedule above or in the Declarations, will apply.
- B.** The terms of this endorsement do not apply to any Earthquake Deductible or to any Windstorm Or Hail Percentage Deductible provided elsewhere in this policy.
- C.** For policies with a total insured value of less than \$20 million, if the Covered Cause(s) Of Loss in the Schedule specifies **(5)** Windstorm Or Hail for one or more building location(s) in Louisiana shown in the Schedule and the loss or damage to such building location(s) is caused by or results from Windstorm or Hail resulting from a named storm or hurricane, the deductible for Windstorm or Hail applies to all named storms or hurricanes which occur during the same calendar year.
  - 1.** Under the terms of this endorsement, a hurricane or named storm is a storm system that has been declared to be a hurricane or named storm by the National Hurricane Center of the National Weather Service (hereafter referred to as NHC). Under the terms of this endorsement, a hurricane or named storm begins at the time a Watch or Warning is issued by the NHC for the area in which the affected premises are located and ends 72 hours after the termination of the last Watch or Warning issued for that area by the NHC.
  - 2.** The Windstorm Or Hail Deductible, as described above, will apply anew in each calendar year. If the policy period does not coincide with the calendar year, then a separate Windstorm Or Hail Deductible(s) will apply to loss or damage from Windstorm or Hail resulting from a named storm or hurricane that occurs during each calendar year in which the policy is in force. For example, if your policy period is from July 1 of calendar year 1 to June 30 of calendar year 2, a separate Windstorm Or Hail Deductible(s) applies to loss or damage occurring from July 1 to December 31 of calendar year 1 and to loss or damage occurring from January 1 to June 30 of calendar year 2.

- 3.** When Windstorm or Hail resulting from a named storm or hurricane results in loss or damage that exhausts the Windstorm Or Hail Deductible, then that Deductible will not apply to Windstorm or Hail loss or damage resulting from a subsequent named storm(s) or hurricane(s) in the same calendar year. In such case, the deductible that applies to fire will apply to Windstorm or Hail loss or damage from each subsequent named storm or hurricane in that calendar year.
- 4.** When Windstorm or Hail resulting from a named storm or hurricane results in loss or damage that does not exhaust the Windstorm Or Hail Deductible, then the deductible applicable to Windstorm or Hail loss or damage resulting from a subsequent named storm(s) or hurricane(s) in the same calendar year will be the greater of the:
  - a.** Deductible that applies to fire; or
  - b.** Remaining amount of the Windstorm Or Hail Deductible.

In this situation, the remaining amount of the Windstorm Or Hail Deductible is determined by subtracting the amount(s) of the aforementioned loss or damage from the Windstorm Or Hail Deductible.

#### **5. Recordkeeping Requirement**

You must maintain receipts or other records of all covered Windstorm or Hail losses, resulting from any named storm(s) or hurricane(s) in a calendar year, that are less than the applicable Windstorm Or Hail Deductible, and provide us with such receipts or other records as often as we reasonably require, so that we may consider the amount of such losses when adjusting claims resulting from any subsequent named storm(s) or hurricane(s) during the same calendar year.



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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## LOUISIANA DEDUCTIBLES BY LOCATION

This endorsement modifies insurance provided under the following:

BUILDERS RISK COVERAGE FORM  
BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
STANDARD PROPERTY POLICY  
TOBACCO SALES WAREHOUSES COVERAGE FORM

### SCHEDULE

Location*	Deductible	Covered Cause(s) Of Loss**
	\$	
	\$	
	\$	

\*Describe the premises to which each deductible applies. If a deductible (whether of the same amount or a different amount) is to apply separately at each building, list each building as a separate Location in this Schedule.

\*\*For each deductible listed in this Schedule, enter the number corresponding to the Covered Cause(s) of Loss to which that deductible applies (or enter the description):

- (1) All Covered Causes of Loss
- (2) All Covered Causes of Loss **except** Windstorm Or Hail
- (3) All Covered Causes of Loss **except** Theft
- (4) All Covered Causes of Loss **except** Windstorm Or Hail and Theft
- (5) Windstorm Or Hail
- (6) Theft

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The Deductible clause in this Coverage Form or policy is amended by the following provisions, which apply with respect to the locations shown in the Schedule of this endorsement.

**A.** Applicable deductibles by location are shown in the Schedule. If the Schedule shows a deductible for a particular building, then that building is considered to be a separate location for the purpose of this endorsement.

- B. The deductible specified for a particular location applies to all property at that location. Therefore, if a building is shown in the Schedule as a separate location, all Covered Property at that location is subject to that deductible. The deductible will apply only once at that location in each occurrence of loss or damage.
- C. Subject to Paragraph E., if one occurrence results in loss or damage at more than one location, the applicable deductible will apply separately to loss or damage at each location that has sustained loss or damage, in accordance with the information shown in the Schedule for locations and deductibles. Therefore, for example, if fire damages two buildings which are shown in the Schedule as separate locations, the applicable deductible will be applied separately to the loss at each location.
- D. The terms of this endorsement do not apply to any Earthquake Deductible or to any Windstorm Or Hail Percentage Deductible or Hurricane (or Named Storm) Deductible provided elsewhere in this policy.
- E. For policies with a total insured value of less than \$20 million, if the Covered Cause(s) Of Loss in the Schedule specifies **(5) Windstorm Or Hail** for a location in Louisiana shown in the Schedule and the loss or damage to such building location(s) is caused by or results from Windstorm or Hail resulting from a named storm or hurricane, the deductible for Windstorm or Hail applies to all named storms or hurricanes which occur during the same calendar year.
  - 1. Under the terms of this endorsement, a hurricane or named storm is a storm system that has been declared to be a hurricane or named storm by the National Hurricane Center of the National Weather Service (hereafter referred to as NHC). Under the terms of this endorsement, a hurricane or named storm begins at the time a Watch or Warning is issued by the NHC for the area in which the affected premises are located and ends 72 hours after the termination of the last Watch or Warning issued for that area by the NHC.
  - 2. The Windstorm Or Hail Deductible, as described above, will apply anew in each calendar year. If the policy period does not coincide with the calendar year, then a separate Windstorm Or Hail Deductible(s) will apply to loss or damage from Windstorm or Hail resulting from a named storm or hurricane that occurs during each calendar year in which the policy is in force. For example, if your policy period is from July 1 of calendar year 1 to June 30 of calendar year 2, a separate Windstorm Or Hail Deductible(s) applies to loss or damage occurring from July 1 to December 31 of calendar year 1 and to loss or damage occurring from January 1 to June 30 of calendar year 2.
  - 3. When Windstorm or Hail resulting from a named storm or hurricane results in loss or damage that exhausts the Windstorm Or Hail Deductible, then that Deductible will not apply to Windstorm or Hail loss or damage resulting from a subsequent named storm(s) or hurricane(s) in the same calendar year. In such case, the deductible that applies to fire will apply to Windstorm or Hail loss or damage from each subsequent named storm or hurricane in that calendar year.
  - 4. When Windstorm or Hail resulting from a named storm or hurricane results in loss or damage that does not exhaust the Windstorm Or Hail Deductible, then the Deductible applicable to Windstorm or Hail loss or damage resulting from a subsequent named storm(s) or hurricane(s) in the same calendar year will be the greater of the:
    - a. Deductible that applies to fire; or
    - b. Remaining amount of the Windstorm Or Hail Deductible.

In this situation, the remaining amount of the Windstorm Or Hail Deductible is determined by subtracting the amount(s) of the aforementioned loss or damage from the Windstorm Or Hail Deductible.

## 5. Recordkeeping Requirement

You must maintain receipts or other records of all covered Windstorm or Hail losses, resulting from any named storm(s) or hurricane(s) in a calendar year, that are less than the applicable Windstorm Or Hail Deductible, and provide us with such receipts or other records as often as we reasonably require, so that we may consider the amount of such losses when adjusting claims resulting from any subsequent named storm(s) or hurricane(s) during the same calendar year.

## EXAMPLE

In this example, the indicated deductibles apply to All Covered Causes of Loss at the specified locations.

This example assumes:

- That the loss at each location is less than the sum of the Limit of Insurance and the Deductible applicable to that location.
- That insurance is adequate and therefore a Coinsurance penalty does not apply.
- A fire damages Buildings 1 and 2, and Business Personal Property (BPP) at those buildings.

Location	Deductible	Loss to Building	Loss to Business Personal Property
Building Loc. 1	\$10,000	\$50,000	\$50,000
Building Loc. 2	\$10,000	\$10,000	\$20,000

### Calculation of Loss Payment

#### Building Location 1

Total amount of loss	\$100,000
Minus deductible	<u>- 10,000</u>
Loss Payment	\$90,000

#### Building Location 2

Total amount of loss	\$30,000
Minus deductible	<u>- 10,000</u>
Loss Payment	\$20,000





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# Louisiana Windstorm or Hail Deductible Endorsements Revised

## About This Filing

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We are revising various Louisiana windstorm or hail endorsements in response to 2022 LA. Laws ch. \_\_ (former S.B. 168).

## Revised Forms

We are revising the following forms:

- ◆ CP 03 31 02 22 Louisiana Windstorm or Hail Percentage Deductible
- ◆ CP 03 32 02 22 Louisiana Multiple Deductible Form
- ◆ CP 03 33 02 22 Louisiana Deductibles By Location

We have used a format of ~~striking-through~~ deletions, underlining additions and inserting a revision bar in the left margin to indicate changes from the above-referenced editions to the 04 23 editions. Concurrent with implementation, the 04 23 editions will supersede the prior editions.

## Background

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2022 LA. Laws ch. \_\_ (former S.B. 168), revises 1267.1, to state:

For all commercial property insurance policies and commercial multi-peril insurance policies issued or **issued for delivery in this state** **<emphasis added>** by an authorized insurer on or after January 1, 2023, except for policies with a total insured value equal to or greater than twenty million dollars, any separate deductible that applies in place of any other deductible to direct physical loss or damage resulting from a named storm or hurricane shall be applied on an annual basis to all named storm or hurricane losses that are subject to the separate deductible during the calendar year.

This Section shall apply only to property located in this state.

## Explanation of Changes

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In response to 2022 LA. Laws ch. \_\_ (former S.B. 168), we are revising the paragraphs related to application of deductibles for named storm or hurricanes in Louisiana Deductible endorsements in our Commercial Property Program to

provide that deductibles related to physical loss or damage resulting from a named storm or hurricane shall apply on an annual basis for policies with a total insured value of less than twenty million dollars for property *located within Louisiana*.

In addition, in order to more closely track LA. REV. STAT. ANN. § 22:1267.1., we are deleting Paragraphs E.2.g. and h. in CP 03 31 and Paragraphs 5.a. and b. in CP 03 32 and CP 03 33.



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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOUISIANA WINDSTORM OR HAIL PERCENTAGE  
DEDUCTIBLE

This endorsement modifies insurance provided under the following:

BUILDERS RISK COVERAGE FORM  
BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
STANDARD PROPERTY POLICY  
TOBACCO SALES WAREHOUSES COVERAGE FORM

SCHEDULE

Premises Number	Building Number	Windstorm Or Hail Deductible Percentage – Enter 1%, 2% Or 5%
		%
		%
		%
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

The Windstorm Or Hail Deductible, as shown in the Schedule and set forth in this endorsement, applies to covered loss or damage caused directly or indirectly by Windstorm or Hail. Except when Paragraph E. applies, this Deductible applies to each occurrence of Windstorm or Hail.

Nothing in this endorsement implies or affords coverage for any loss or damage that is excluded under the terms of the Water Exclusion or any other exclusion in this policy. If this policy is endorsed to cover Flood under the Flood Coverage Endorsement (or if you have a flood insurance policy), a separate Flood Deductible applies to loss or damage attributable to Flood, in accordance with the terms of that endorsement or policy.

As used in this endorsement, the terms "specific insurance" and "blanket insurance" have the following meanings: Specific insurance covers each item of insurance (for example, each building or personal property in a building) under a separate Limit of Insurance. Blanket insurance covers two or more items of insurance (for example, a building and personal property in that building, or two buildings) under a single Limit of Insurance. Items of insurance and corresponding Limit(s) of Insurance are shown in the Declarations.

Under the terms of this endorsement, a hurricane or named storm is a storm system that has been declared to be a hurricane or named storm by the National Hurricane Center of the National Weather Service (hereafter referred to as NHC). Under the terms of this endorsement, a hurricane or named storm begins at the time a Watch or Warning is issued by the NHC for the area in which the affected premises are located and ends 72 hours after the termination of the last Watch or Warning issued for that area by the NHC.

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## **WINDSTORM OR HAIL DEDUCTIBLE CALCULATIONS**

### **A. Calculation Of The Deductible – All Policies**

1. 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.

2. 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: Coinsurance Condition; Agreed Value Optional Coverage; or any provision in a Value Reporting Form relating to full reporting or failure to submit reports.
3. When property is covered under the Coverage Extension for Newly Acquired or Constructed Property: In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage of the value(s) of the property at time of loss. The applicable percentage for Newly Acquired or Constructed Property is the highest percentage shown in the Schedule for any described premises.

### **B. Calculation Of The Deductible – Specific Insurance Other Than Builders' Risk**

#### **1. Property Not Subject To Value Reporting Forms**

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the Limit(s) of Insurance applicable to the property that has sustained loss or damage.

#### **2. Property Subject To Value Reporting Forms**

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used is the latest value(s) shown in the most recent Report of Values on file with us.

However:

- a. If the most recent Report of Values shows less than the full value(s) of the property on the report dates, we will determine the deductible amount as a percentage of the full value(s) as of the report dates.
- b. If the first Report of Values is not filed with us prior to loss or damage, we will determine the deductible amount as a percentage of the applicable Limit(s) of Insurance.

### **C. Calculation Of The Deductible – Blanket Insurance Other Than Builders' Risk**

#### **1. Property Not Subject To Value Reporting Forms**

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used is that shown in the most recent Statement of Values on file with us.

#### **2. Property Subject To Value Reporting Forms**

In determining the amount, if any, that we will pay for property that has sustained loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the value(s) of that property as of the time of loss or damage.

### **D. Calculation Of The Deductible – Builders' Risk Insurance**

#### **1. Builders' Risk Other Than Reporting Form**

In determining the amount, if any, that we will pay for property that has sustained loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the actual cash value(s) of that property as of the time of loss or damage.

#### **2. Builders' Risk Reporting Form**

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used is the actual cash value(s) shown in the most recent Report of Values on file with us.

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However:

- a. If the most recent Report of Values shows less than the actual cash value(s) of the property on the report date, we will determine the deductible amount as a percentage of the actual cash value(s) as of the report date.
- b. If the first Report of Values is not filed with us prior to loss or damage, we will determine the deductible amount as a percentage of the actual cash value(s) of the property as of the time of loss or damage.

## EXAMPLES – APPLICATION OF DEDUCTIBLE

### EXAMPLE 1 – SPECIFIC INSURANCE (B.1.)

The amount of loss to the damaged building is \$60,000.

The value of the damaged building at time of loss is \$100,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limit of Insurance needed to meet the coinsurance requirement is \$80,000 (80% of \$100,000).

The **actual** Limit of Insurance on the damaged building is \$70,000.

The Deductible is 1%.

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

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

Step (3):  $\$70,000 \times 1\% = \$700$

Step (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)).

### EXAMPLE 2 – SPECIFIC INSURANCE (B.1.)

The amounts of loss to the damaged property are \$60,000 (building) and \$40,000 (personal property in building).

The value of the damaged building at time of loss is \$100,000. The value of the personal property in that building is \$80,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limits of Insurance needed to meet the coinsurance requirement are \$80,000 (80% of \$100,000) for the building and \$64,000 (80% of \$80,000) for the personal property.

The **actual** Limits of Insurance on the damaged property are \$80,000 on the building and \$64,000 on the personal property (therefore, no Coinsurance penalty).

The Deductible is 2%.

## BUILDING

Step (1):  $\$80,000 \times 2\% = \$1,600$

Step (2):  $\$60,000 - \$1,600 = \$58,400$

## PERSONAL PROPERTY

Step (1):  $\$64,000 \times 2\% = \$1,280$

Step (2):  $\$40,000 - \$1,280 = \$38,720$

The most we will pay is \$97,120. The portion of the total loss not covered due to application of the Deductible is \$2,880.

### EXAMPLE 3 – BLANKET INSURANCE (C.1.)

The sum of the values of Building 1 (\$500,000), Building 2 (\$500,000) and Building 3 (\$1,000,000), as shown in the most recent Statement of Values on file with us, is \$2,000,000.

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the coinsurance requirement is \$1,800,000 (90% of \$2,000,000).

The **actual** Blanket Limit Of Insurance covering Buildings 1, 2 and 3, shown in the Declarations, is \$1,800,000 (therefore no Coinsurance penalty).

Buildings 1 and 2 have sustained damage; the amounts of loss to these buildings are \$40,000 (Building 1) and \$20,000 (Building 2).

The Deductible is 2%.

## BUILDING 1

Step (1):  $\$500,000 \times 2\% = \$10,000$

Step (2):  $\$40,000 - \$10,000 = \$30,000$

## BUILDING 2

Step (1):  $\$500,000 \times 2\% = \$10,000$

Step (2):  $\$20,000 - \$10,000 = \$10,000$

The most we will pay is \$40,000. The portion of the total loss that is not covered due to application of the Deductible is \$20,000.

### EXAMPLE 4 – BLANKET INSURANCE (C.1.)

The sum of the values of Building 1 (\$500,000), Building 2 (\$500,000), Personal Property at Building 1 (\$250,000) and Personal Property at Building 2 (\$250,000), as shown in the most recent Statement of Values on file with us, is \$1,500,000.

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the coinsurance requirement is \$1,350,000 (90% of \$1,500,000).

The **actual** Blanket Limit Of Insurance covering Buildings 1 and 2 and Personal Property at Buildings 1 and 2, shown in the Declarations, is \$1,350,000. Therefore there is no Coinsurance penalty.

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Building 1 and Personal Property at Building 1 have sustained damage; the amounts of loss are \$95,000 (Building) and \$5,000 (Personal Property).

The Deductible is 5%.

#### **BUILDING**

Step (1):  $\$500,000 \times 5\% = \$25,000$

Step (2):  $\$95,000 - \$25,000 = \$70,000$

#### **PERSONAL PROPERTY**

$\$250,000 \times 5\% = \$12,500$

The loss, \$5,000, does not exceed the Deductible.

The most we will pay is \$70,000. The remainder of the building loss, \$25,000, is not covered due to application of the Deductible. There is no loss payment for the personal property.

#### **E. Calendar Year Windstorm Or Hail Deductible Calculations – Hurricane And Named Storms**

##### **For Policies With A Total Insured Value Of Less Than \$20 Million**

The provisions of this Paragraph E. apply **only** in the event of loss or damage caused by or resulting from Windstorm or Hail resulting from a named storm or hurricane to Covered Property located in Louisiana. For policies with a total insured value equal to or greater than \$20 million or if Windstorm or Hail is not declared to be a named storm or hurricane and there is loss or damage to Covered Property, the provisions of Paragraphs A. through D. of this endorsement apply.

1. The Windstorm Or Hail Deductible percentage, as shown in the Schedule and set forth in this endorsement, applies as provided under Paragraph E.2. of this endorsement. It applies to covered loss or damage to Covered Property located in Louisiana caused directly or indirectly by Windstorm or Hail resulting from one or more named storm(s) or hurricanes which occur during the same calendar year.

#### **2. Application Of Deductible**

- a. Except when Paragraphs A. through D. apply, in determining the amount, if any, that we will pay for loss or damage from Windstorm or Hail resulting from a named storm or hurricane, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the Limit(s) of Insurance applicable to the property located in Louisiana that has sustained loss or damage. This amount is calculated separately for, and applies separately to:

- (1) Each building that sustains loss or damage;

- (2) The personal property at each building at which there is loss or damage to personal property; and

- (3) 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.

- b. The Windstorm Or Hail Percentage Deductible, as described above, will apply anew in each calendar year. If the policy period does not coincide with the calendar year, then a separate Windstorm Or Hail Deductible(s) will apply to loss or damage from Windstorm or Hail resulting from a named storm or hurricane that occurs during each calendar year in which the policy is in force. For example, if your policy period is from July 1 of calendar year 1 to June 30 of calendar year 2, a separate Windstorm Or Hail Deductible(s) applies to loss or damage occurring from July 1 to December 31 of calendar year 1 and to loss or damage occurring from January 1 to June 30 of calendar year 2.
- c. Subject to Paragraphs 2.d., 2.e. and 2.f., we will not pay for loss or damage from Windstorm or Hail resulting from a named storm or hurricane until the amount of such loss or damage exceeds the applicable Windstorm Or Hail Percentage 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 coinsurance or property value condition, or any provision in a Value Reporting endorsement relating to full reporting or failure to submit reports.
- d. When Windstorm or Hail resulting from a named storm or hurricane results in loss or damage that exhausts the Windstorm Or Hail Percentage Deductible, then that Deductible will not apply to Windstorm or Hail loss or damage resulting from a subsequent named storm(s) or hurricane(s) in the same calendar year. In such case, the deductible that applies to fire will apply to Windstorm or Hail loss or damage from each subsequent named storm or hurricane in that calendar year.

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- e. When Windstorm or Hail resulting from a named storm or hurricane results in loss or damage that does not exhaust the Windstorm Or Hail Percentage Deductible, then the Deductible applicable to Windstorm or Hail loss or damage resulting from a subsequent named storm(s) or hurricane(s) in the same calendar year will be the greater of the:

- (1) Deductible that applies to fire; or
- (2) Remaining amount of the Windstorm Or Hail Percentage Deductible.

In this situation, the remaining amount of the Windstorm Or Hail Percentage Deductible is determined by subtracting the amount(s) of the aforementioned loss or damage from the Windstorm Or Hail Percentage Deductible.

- f. When the deductible that applies to fire applies in accordance with Paragraph 2.d. or 2.e., that deductible is applied to the total of all loss or damage sustained in one named storm or hurricane. It does not apply separately to each item of Covered Property.

- g. If an item of Covered Property is insured under more than one policy issued by us or another insurer in our insurer group for the same policy period, and different Windstorm Or Hail Percentage Deductibles apply to the same item of Covered Property under such policies, then the Windstorm Or Hail Percentage Deductible for that item of Covered Property shall be the highest amount stated in any one of the policies.

- h. When a renewal policy is issued by us or another insurer in our insurer group, or we issue a policy that replaces our own policy and the renewal or replacement policy takes effect on a date other than January 1 of a calendar year, the following provisions apply:

- (1) If the renewal or replacement policy provides a **lower** Windstorm Or Hail Percentage Deductible than the prior policy and you already incurred Windstorm or Hail loss or damage from a named storm or hurricane that occurred in that calendar year, the lower Windstorm Or Hail Percentage Deductible will not take effect until January 1 of the following calendar year. We will so notify you in writing at the time we offer the lower Windstorm Or Hail Percentage Deductible.

- (2) If the renewal or replacement policy provides a **higher** Windstorm Or Hail Percentage Deductible than the prior policy, the higher Windstorm Or Hail Percentage Deductible will take effect on the effective date of the renewal or replacement policy. However, all foregoing provisions of this endorsement relating to calendar year application of the Windstorm Or Hail Percentage Deductible apply. If Windstorm or Hail loss or damage from a named storm or hurricane was sustained earlier in the calendar year in which the higher Windstorm Or Hail Percentage Deductible now applies, the difference between the higher and lower Windstorm Or Hail Percentage Deductibles will be figured into the calculation of the remainder of the Windstorm Or Hail Percentage Deductible for a subsequent named storm or hurricane that occurs in that calendar year.

### 3. Recordkeeping Requirement

You must maintain receipts or other records of all covered Windstorm or Hail losses, resulting from any named storm(s) or hurricane(s) in a calendar year, that are less than the applicable Windstorm Or Hail Deductible, and provide us with such receipts or other records as often as we reasonably require, so that we may consider the amount of such losses when adjusting claims resulting from any subsequent named storm(s) or hurricane(s) during the same calendar year.

### 4. Examples – Application Of Calendar Year Windstorm Or Hail Percentage Deductible To A Building – One Named Storm Occurring During A Calendar Year

#### a. Example 1

The amount of loss to the damaged building is \$60,000.

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The value of the damaged building at time of loss is \$100,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limit of Insurance needed to meet the coinsurance requirement is \$80,000 (80% of \$100,000).

The **actual** Limit of Insurance on the damaged building is \$70,000.

The Windstorm Or Hail Deductible percentage is 1%.

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

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

Step (3):  $\$70,000 \times 1\% = \$700$

Step (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)).

#### b. Example 2

The amounts of loss to the damaged property are \$60,000 (building) and \$40,000 (personal property in building).

The value of the damaged building at time of loss is \$100,000. The value of the personal property in that building is \$80,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limits of Insurance needed to meet the coinsurance requirement are \$80,000 (80% of \$100,000) for the building and \$64,000 (80% of \$80,000) for the personal property.

The **actual** Limits of Insurance on the damaged property are \$80,000 on the building and \$64,000 on the personal property (therefore, no Coinsurance penalty).

The Windstorm Or Hail Deductible percentage is 2%.

##### **BUILDING**

Step (1):  $\$80,000 \times 2\% = \$1,600$

Step (2):  $\$60,000 - \$1,600 = \$58,400$

##### **PERSONAL PROPERTY**

Step (1):  $\$64,000 \times 2\% = \$1,280$

Step (2):  $\$40,000 - \$1,280 = \$38,720$

The most we will pay is \$97,120. The portion of the total loss not covered due to application of the Deductible is \$2,880.

## 5. Examples – Application Of Calendar Year Windstorm Or Hail Percentage Deductibles To A Building – Two Or More Named Storms Occurring During A Calendar Year

### a. Example 1

#### (1) Named Storm A Occurs On September 1 Of A Calendar Year

The amount of loss to the damaged building is \$200,000.

The value of the damaged building at time of loss is \$500,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limit of Insurance needed to meet the coinsurance requirement is \$400,000 (80% of \$500,000).

The **actual** Limit of Insurance on the damaged building is \$400,000 (therefore, no Coinsurance penalty).

The Deductible that applies to fire is \$1,000.

The Windstorm Or Hail Deductible percentage is 5%.

Step (1):  $\$400,000 \times 5\% = \$20,000$  (calendar year Windstorm Or Hail Deductible)

Step (2):  $\$200,000 - \$20,000 = \$180,000$

The most we will pay is \$180,000. The portion of the loss not covered due to application of the Deductible is \$20,000. The total loss (\$200,000) exceeds the Windstorm Or Hail Deductible of \$20,000. The Windstorm Or Hail Deductible is exhausted.

#### (2) Named Storm B Occurs On October 1 Of The Same Calendar Year

The amount of loss to the damaged building is \$3,000. Because the Windstorm Or Hail Deductible applicable to the building was exceeded by the amount of loss incurred in Named Storm A, the Deductible that applies to fire (\$1,000) will apply to the loss. Therefore, we will pay \$2,000 ( $\$3,000 - \$1,000 = \$2,000$ ).

### b. Example 2

#### (1) Named Storm A Occurs On October 1 Of A Calendar Year

The amount of loss to the damaged building is \$20,000.

The value of the building at time of loss is \$1,000,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limit of Insurance needed to meet the coinsurance requirement is \$800,000 (80% of \$1,000,000).

The **actual** Limit of Insurance on the damaged building is \$800,000 (therefore, no Coinsurance penalty).

The Deductible that applies to fire is \$1,000.

The Windstorm Or Hail Deductible percentage is 5%.

$\$800,000 \times 5\% = \$40,000$  (calendar year Windstorm Or Hail Deductible)

We will not pay for loss or damage since the amount of loss (\$20,000) did not exceed the Windstorm Or Hail Deductible (\$40,000). The loss of \$20,000 is subtracted from the Windstorm Or Hail Deductible. The remaining amount of the Windstorm Or Hail Deductible applicable to such subsequent claims for Windstorm or Hail damage resulting from a named storm is \$20,000.

**(2) Named Storm B Occurs On November 1 Of The Same Calendar Year**

The amount of loss to the damaged building is \$80,000. The remaining amount of the Windstorm Or Hail Deductible of \$20,000 is applied to the loss of \$80,000. The amount that we will pay is \$60,000. The Windstorm Or Hail Deductible is exhausted.

**(3) Named Storm C Occurs On December 1 Of The Same Calendar Year**

The amount of loss to the damaged building is \$35,000.

Since the Windstorm Or Hail Deductible is exhausted, the Deductible that applies to fire (\$1,000) is applied to the Windstorm or Hail loss. The amount that we will pay is \$34,000.

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POLICY NUMBER:

COMMERCIAL PROPERTY  
CP 03 32 04 23

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **LOUISIANA MULTIPLE DEDUCTIBLE FORM**

**(FIXED DOLLAR DEDUCTIBLES)**

This endorsement modifies insurance provided under the following:

BUILDERS RISK COVERAGE FORM  
BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
STANDARD PROPERTY POLICY  
TOBACCO SALES WAREHOUSES COVERAGE FORM

### **SCHEDULE**

The Deductibles applicable to any one occurrence are shown below.

<b>Premises Number</b>	<b>Building Number</b>	<b>Deductible</b>	<b>Covered Cause(s) Of Loss*</b>
		\$	
		\$	
		\$	

\*For each deductible listed in this Schedule, enter the number corresponding to the Covered Cause(s) of Loss to which that deductible applies (or enter the description):

- (1) All Covered Causes of Loss
- (2) All Covered Causes of Loss **except** Windstorm Or Hail
- (3) All Covered Causes of Loss **except** Theft
- (4) All Covered Causes of Loss **except** Windstorm Or Hail and Theft
- (5) Windstorm Or Hail
- (6) Theft

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

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The following is added to the **Deductible** section:

- A. Subject to Paragraph C., in the event that loss or damage occurs to Covered Property at more than one building location as a result of one occurrence, the largest applicable deductible for that Covered Cause of Loss, shown in the Schedule above or in the Declarations, will apply.
- B. The terms of this endorsement do not apply to any Earthquake Deductible or to any Windstorm Or Hail Percentage Deductible provided elsewhere in this policy.
- C. For policies with a total insured value of less than \$20 million, if the Covered Cause(s) Of Loss in the Schedule specifies (5) Windstorm Or Hail for one or more building location(s) in Louisiana shown in the Schedule and the loss or damage to such building location(s) is caused by or results from Windstorm or Hail resulting from a named storm or hurricane, the deductible for Windstorm or Hail applies to all named storms or hurricanes which occur during the same calendar year.
  - 1. Under the terms of this endorsement, a hurricane or named storm is a storm system that has been declared to be a hurricane or named storm by the National Hurricane Center of the National Weather Service (hereafter referred to as NHC). Under the terms of this endorsement, a hurricane or named storm begins at the time a Watch or Warning is issued by the NHC for the area in which the affected premises are located and ends 72 hours after the termination of the last Watch or Warning issued for that area by the NHC.
  - 2. The Windstorm Or Hail Deductible, as described above, will apply anew in each calendar year. If the policy period does not coincide with the calendar year, then a separate Windstorm Or Hail Deductible(s) will apply to loss or damage from Windstorm or Hail resulting from a named storm or hurricane that occurs during each calendar year in which the policy is in force. For example, if your policy period is from July 1 of calendar year 1 to June 30 of calendar year 2, a separate Windstorm Or Hail Deductible(s) applies to loss or damage occurring from July 1 to December 31 of calendar year 1 and to loss or damage occurring from January 1 to June 30 of calendar year 2.

- 3. When Windstorm or Hail resulting from a named storm or hurricane results in loss or damage that exhausts the Windstorm Or Hail Deductible, then that Deductible will not apply to Windstorm or Hail loss or damage resulting from a subsequent named storm(s) or hurricane(s) in the same calendar year. In such case, the deductible that applies to fire will apply to Windstorm or Hail loss or damage from each subsequent named storm or hurricane in that calendar year.

- 4. When Windstorm or Hail resulting from a named storm or hurricane results in loss or damage that does not exhaust the Windstorm Or Hail Deductible, then the deductible applicable to Windstorm or Hail loss or damage resulting from a subsequent named storm(s) or hurricane(s) in the same calendar year will be the greater of the:

- a. Deductible that applies to fire; or
- b. Remaining amount of the Windstorm Or Hail Deductible.

In this situation, the remaining amount of the Windstorm Or Hail Deductible is determined by subtracting the amount(s) of the aforementioned loss or damage from the Windstorm Or Hail Deductible.

- ~~5. When a renewal policy is issued by us or another insurer in our insurer group, or we issue a policy that replaces our own policy and the renewal or replacement policy takes effect on a date other than January 1 of a calendar year, the following provisions apply:~~

- ~~a. If the renewal or replacement policy provides a **lower** Windstorm Or Hail Deductible than the prior policy and you already incurred Windstorm or Hail loss or damage from a named storm or hurricane that occurred in that calendar year, the lower Windstorm Or Hail Deductible will not take effect until January 1 of the following calendar year. We will so notify you in writing at the time we offer the lower Windstorm Or Hail Deductible.~~



~~b. If the renewal or replacement policy provides a higher Windstorm Or Hail Deductible than the prior policy, the higher Windstorm Or Hail Deductible will take effect on the effective date of the renewal or replacement policy. However, all foregoing provisions of this endorsement relating to calendar year application of the Windstorm Or Hail Deductible apply. If Windstorm or Hail loss or damage from a named storm or hurricane was sustained earlier in the calendar year in which the higher Windstorm Or Hail Deductible now applies, the difference between the higher and lower Windstorm Or Hail Deductibles will be figured into the calculation of the remainder of the Windstorm Or Hail Deductible for a subsequent named storm or hurricane that occurs in that calendar year.~~

#### **65. Recordkeeping Requirement**

You must maintain receipts or other records of all covered Windstorm or Hail losses, resulting from any named storm(s) or hurricane(s) in a calendar year, that are less than the applicable Windstorm Or Hail Deductible, and provide us with such receipts or other records as often as we reasonably require, so that we may consider the amount of such losses when adjusting claims resulting from any subsequent named storm(s) or hurricane(s) during the same calendar year.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOUISIANA DEDUCTIBLES BY LOCATION

This endorsement modifies insurance provided under the following:

BUILDERS RISK COVERAGE FORM  
BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
STANDARD PROPERTY POLICY  
TOBACCO SALES WAREHOUSES COVERAGE FORM

SCHEDULE

Location*	Deductible	Covered Cause(s) Of Loss**
	\$	
	\$	
	\$	

\*Describe the premises to which each deductible applies. If a deductible (whether of the same amount or a different amount) is to apply separately at each building, list each building as a separate Location in this Schedule.

\*\*For each deductible listed in this Schedule, enter the number corresponding to the Covered Cause(s) of Loss to which that deductible applies (or enter the description):

(1) All Covered Causes of Loss

(2) All Covered Causes of Loss **except** Windstorm Or Hail

(3) All Covered Causes of Loss **except** Theft

(4) All Covered Causes of Loss **except** Windstorm Or Hail and Theft

(5) Windstorm Or Hail

(6) Theft

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

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The Deductible clause in this Coverage Form or policy is amended by the following provisions, which apply with respect to the locations shown in the Schedule of this endorsement.

A. Applicable deductibles by location are shown in the Schedule. If the Schedule shows a deductible for a particular building, then that building is considered to be a separate location for the purpose of this endorsement.

- B. The deductible specified for a particular location applies to all property at that location. Therefore, if a building is shown in the Schedule as a separate location, all Covered Property at that location is subject to that deductible. The deductible will apply only once at that location in each occurrence of loss or damage.
- C. Subject to Paragraph E., if one occurrence results in loss or damage at more than one location, the applicable deductible will apply separately to loss or damage at each location that has sustained loss or damage, in accordance with the information shown in the Schedule for locations and deductibles. Therefore, for example, if fire damages two buildings which are shown in the Schedule as separate locations, the applicable deductible will be applied separately to the loss at each location.
- D. The terms of this endorsement do not apply to any Earthquake Deductible or to any Windstorm Or Hail Percentage Deductible or Hurricane (or Named Storm) Deductible provided elsewhere in this policy.
- E. For policies with a total insured value of less than \$20 million, if the Covered Cause(s) Of Loss in the Schedule specifies (5) Windstorm Or Hail for a location in Louisiana shown in the Schedule and the loss or damage to such building location(s) is caused by or results from Windstorm or Hail resulting from a named storm or hurricane, the deductible for Windstorm or Hail applies to all named storms or hurricanes which occur during the same calendar year.
1. Under the terms of this endorsement, a hurricane or named storm is a storm system that has been declared to be a hurricane or named storm by the National Hurricane Center of the National Weather Service (hereafter referred to as NHC). Under the terms of this endorsement, a hurricane or named storm begins at the time a Watch or Warning is issued by the NHC for the area in which the affected premises are located and ends 72 hours after the termination of the last Watch or Warning issued for that area by the NHC.

2. The Windstorm Or Hail Deductible, as described above, will apply anew in each calendar year. If the policy period does not coincide with the calendar year, then a separate Windstorm Or Hail Deductible(s) will apply to loss or damage from Windstorm or Hail resulting from a named storm or hurricane that occurs during each calendar year in which the policy is in force. For example, if your policy period is from July 1 of calendar year 1 to June 30 of calendar year 2, a separate Windstorm Or Hail Deductible(s) applies to loss or damage occurring from July 1 to December 31 of calendar year 1 and to loss or damage occurring from January 1 to June 30 of calendar year 2.
3. When Windstorm or Hail resulting from a named storm or hurricane results in loss or damage that exhausts the Windstorm Or Hail Deductible, then that Deductible will not apply to Windstorm or Hail loss or damage resulting from a subsequent named storm(s) or hurricane(s) in the same calendar year. In such case, the deductible that applies to fire will apply to Windstorm or Hail loss or damage from each subsequent named storm or hurricane in that calendar year.
4. When Windstorm or Hail resulting from a named storm or hurricane results in loss or damage that does not exhaust the Windstorm Or Hail Deductible, then the Deductible applicable to Windstorm or Hail loss or damage resulting from a subsequent named storm(s) or hurricane(s) in the same calendar year will be the greater of the:
- a. Deductible that applies to fire; or
- b. Remaining amount of the Windstorm Or Hail Deductible.

In this situation, the remaining amount of the Windstorm Or Hail Deductible is determined by subtracting the amount(s) of the aforementioned loss or damage from the Windstorm Or Hail Deductible.

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~~5. When a renewal policy is issued by us or another insurer in our insurer group, or we issue a policy that replaces our own policy and the renewal or replacement policy takes effect on a date other than January 1 of a calendar year, the following provisions apply:~~

~~a. If the renewal or replacement policy provides a **lower** Windstorm Or Hail Deductible than the prior policy and you already incurred Windstorm or Hail loss or damage from a named storm or hurricane that occurred in that calendar year, the lower Windstorm Or Hail Deductible will not take effect until January 1 of the following calendar year. We will so notify you in writing at the time we offer the lower Windstorm Or Hail Deductible.~~

~~b. If the renewal or replacement policy provides a **higher** Windstorm Or Hail Deductible than the prior policy, the higher Windstorm Or Hail Deductible will take effect on the effective date of the renewal or replacement policy. However, all foregoing provisions of this endorsement relating to calendar year application of the Windstorm Or Hail Deductible apply. If Windstorm or Hail loss or damage from a named storm or hurricane was sustained earlier in the calendar year in which the higher Windstorm Or Hail Deductible now applies, the difference between the higher and lower Windstorm Or Hail Deductibles will be figured into the calculation of the remainder of the Windstorm Or Hail Deductible for a subsequent named storm or hurricane that occurs in that calendar year.~~

#### **65. Recordkeeping Requirement**

You must maintain receipts or other records of all covered Windstorm or Hail losses, resulting from any named storm(s) or hurricane(s) in a calendar year, that are less than the applicable Windstorm Or Hail Deductible, and provide us with such receipts or other records as often as we reasonably require, so that we may consider the amount of such losses when adjusting claims resulting from any subsequent named storm(s) or hurricane(s) during the same calendar year.

#### **EXAMPLE**

In this example, the indicated deductibles apply to All Covered Causes of Loss at the specified locations.

This example assumes:

- That the loss at each location is less than the sum of the Limit of Insurance and the Deductible applicable to that location.
- That insurance is adequate and therefore a Coinsurance penalty does not apply.
- A fire damages Buildings 1 and 2, and Business Personal Property (BPP) at those buildings.

Location	Deductible	Loss to Building	Loss to Business Personal Property
Building Loc. 1	\$10,000	\$50,000	\$50,000
Building Loc. 2	\$10,000	\$10,000	\$20,000

#### **Calculation of Loss Payment**

##### **Building Location 1**

Total amount of loss	\$100,000
Minus deductible	<u>- 10,000</u>
Loss Payment	\$90,000

##### **Building Location 2**

Total amount of loss	\$30,000
Minus deductible	<u>- 10,000</u>
Loss Payment	\$20,000

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