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CHANGES

The 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.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOUISIANA WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

| Premises 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 following provisions apply to **Section I – Property:**

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 **B.** applies, this Deductible applies to each occurrence of Windstorm or Hail.

With respect to Covered Property at a premises identified in the Schedule, no other deductible applies to 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.

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.

A. Windstorm Or Hail Deductible Calculation – Other Than Hurricane And Named Storms

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. This Deductible 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;
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.

We will not pay for loss or damage until the amount of loss or damage exceeds the Deductible. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limit(s) of Insurance.

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 the time of loss. The applicable percentage for Newly Acquired Or Constructed Property is the highest percentage shown in the Schedule for any described premises.

EXAMPLE – APPLICATION OF DEDUCTIBLE

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

The actual Limits of Insurance on the damaged property are \$80,000 on the building and \$64,000 on the personal property.

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 (\$58,400 + \$38,720). The portion of the total loss that is not covered due to the application of the Deductible is \$2,880 (\$1,600 + \$1,280).

B. 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 B. 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 Paragraph A. 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 B.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 hurricane(s) which occur during the same calendar year.

2. Application Of Deductible

- a. Except when Paragraph A. applies, 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 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. Example – Application Of Calendar Year Windstorm Or Hail Percentage Deductible To A Building – One Named Storm Occurring During A Calendar Year

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

The **actual** Limits of Insurance on the damaged property are \$80,000 on the building and \$64,000 on the personal property.

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 **actual** Limit of Insurance on the damaged building is \$400,000.

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

LOUISIANA WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE

This endorsement modifies insurance provided under the following:

COVERAGE G – BARNs, OUTBUILDINGS AND OTHER FARM STRUCTURES – BLANKET INSURANCE
FARM PROPERTY – BARNs, OUTBUILDINGS AND OTHER FARM STRUCTURES COVERAGE FORM
FARM PROPERTY – FARM DWELLINGS, APPURTENANT STRUCTURES AND HOUSEHOLD PERSONAL
PROPERTY COVERAGE FORM
FARM PROPERTY – FARM PERSONAL PROPERTY COVERAGE FORM
LIVESTOCK COVERAGE FORM
MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE FORM
VALUE REPORTING ENDORSEMENT

SCHEDULE

| "Insured Location" 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. | | |

A. Windstorm Or Hail Percentage Deductible Clause

The provisions of Paragraph **A.** do **not** apply in the event of loss or damage caused by or resulting from windstorm or hail resulting from a named storm or hurricane. In the event of loss or damage caused by or resulting from windstorm or hail resulting from a named storm or hurricane to such covered property, Paragraph **B.** applies.

1. The Windstorm Or Hail Deductible percentage, as shown in the Schedule, applies as provided under Paragraph **A.3.** of this endorsement. It applies to loss or damage to Covered Property caused directly or indirectly by Windstorm or Hail, regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

If loss or damage from a covered weather condition other than Windstorm or Hail occurs, and that loss or damage would not have occurred but for Windstorm or Hail, such loss or damage shall be considered to be caused by Windstorm or Hail and, therefore, part of the Windstorm or Hail occurrence.

With respect to Covered Property at a location identified in the Schedule, no other deductible applies to Windstorm or Hail.

Except when Paragraph **B.** applies, the Windstorm Or Hail Deductible described in Paragraph **A.3.** applies whenever there is an occurrence of Windstorm or Hail.

2. Definitions

As used in Paragraph **A.** of this endorsement, the terms "specific insurance" and "blanket insurance" have the following meanings:

- a. Specific insurance covers each item of insurance (for example, each building or personal property in a building) under a separate Limit of Insurance.
- b. 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.

3. Application Of Deductible

a. All Policies

- (1) Except when Paragraph **B.** applies, in determining the amount, if any, that we will pay for loss or damage resulting from windstorm or hail, 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. This amount is calculated separately for, and applies separately to:
 - (a) Each building, if two or more buildings sustain loss or damage;
 - (b) The building and to personal property in that building, if both sustain loss or damage;
 - (c) Personal property at each building, if personal property at two or more buildings sustains loss or damage; and
 - (d) Personal property in the open.
- (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 coinsurance or property value condition.
- (3) When property is covered under the following Coverage Extensions:
 - (a) In the Farm Property – Farm Personal Property Coverage Form:
 - (i) Replacement Machinery, Vehicles And Equipment Newly Purchased;
 - (ii) Additional Machinery, Vehicles And Equipment Newly Purchased;
 - (iii) Additional Acquired Livestock; and
 - (iv) Thirty-day Additional Limit On Borrowed Or Rented Farm Machinery, Vehicles, Equipment;
 - (b) New Construction in the Farm Property – Barns, Outbuildings And Other Farm Structures Coverage Form; and
 - (c) In the Mobile Agricultural Machinery And Equipment Coverage Form:
 - (i) Additional Acquired Property – Newly Purchased;

(ii) Additional Acquired Property – Replacement; and

(iii) Borrowed Or Rented "Mobile Agricultural Machinery And Equipment" – Thirty-day Limit;

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 the time of loss. The applicable percentage for property covered under the Coverage Extensions listed in Paragraphs **3.a.(3)(a), (b) and (c)** is the highest percentage shown in the Schedule for any described location.

b. Calculation Of Deductible – Specific Insurance

(1) Property Not Subject To Value Reporting Endorsement

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 Endorsement

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.

(3) Calculation Of The Deductible – Blanket Insurance (Property Subject To Coverage G – Barns, Outbuildings And Other Farm Structures – Blanket Insurance Endorsement)

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.

4. Examples – Application Of Windstorm Or Hail Percentage Deductible

a. Example #1 – Specific Insurance (A.3.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 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 – Specific Insurance – (A.3.b.(1))

The amount of loss to the damaged property is \$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. That portion of the total loss not covered due to application of the Deductible is \$2,880.

c. Example #3 – Blanket Insurance (A.3.b.(3))

The sum of the values of Barn #1 (\$500,000), Barn #2 (\$500,000) and Barn #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 Barns #1, #2 and #3, shown in the Declarations, is \$1,800,000 (therefore, no Coinsurance penalty).

Barns #1 and #2 have sustained damage; the amounts of loss to these barns are \$40,000 (Barn #1) and \$20,000 (Barn #2).

The Windstorm Or Hail Deductible percentage is 2%.

Barn #1

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

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

Barn #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. That portion of the total loss not covered due to application of the Deductible is \$20,000.

B. Calendar Year Windstorm Or Hail Percentage Deductible Clause – In The Event Of A Named Storm Or Hurricane

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

The provisions of this Paragraph **B.** 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 Paragraph **A.** of this endorsement apply.

1. The Windstorm Or Hail Deductible percentage, as shown in the Schedule, applies as provided under Paragraph **B.3.** of this endorsement. It applies to 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 hurricane(s) which occur during the same calendar year, regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

If loss or damage from a covered weather condition other than Windstorm or Hail resulting from a named storm or hurricane occurs, and that loss or damage would not have occurred but for the Windstorm or Hail resulting from a named storm or hurricane, such loss or damage shall be considered to be caused by Windstorm or Hail resulting from a named storm or hurricane and, therefore, part of the Windstorm or Hail occurrence.

With respect to Covered Property located in Louisiana at a location identified in the Schedule, no other deductible applies to Windstorm or Hail, except when Paragraph **A.** applies.

2. Definition

As used in 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.

3. Application Of Deductible

- a. Except when Paragraph **A.** applies, 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, if two or more buildings sustain loss or damage;
- (2) The building and to personal property in that building, if both sustain loss or damage;
- (3) Personal property at each building, if personal property at two or more buildings sustains loss or damage; and
- (4) Personal property in the open.

- 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 3.d., 3.e. and 3.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.
- 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 on Fire applies in accordance with Paragraph 3.d. or 3.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.

4. 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.

5. Examples – Application Of Calendar Year Windstorm Or Hail Percentage Deductible To A Dwelling – One Named Storm Occurring During A Calendar Year

a. Example #1

The amount of loss to the damaged one-family owner-occupied "dwelling" is \$60,000.

The value of the damaged one-family owner-occupied "dwelling" 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 (two-family owner-occupied "dwelling") and \$20,000 (household personal property in that "dwelling").

The value of the damaged "dwelling" at time of loss is \$100,000. The value of the household personal property in that "dwelling" is \$50,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Coverage **A – Dwelling** Limit of Insurance needed to meet the coinsurance requirement is \$80,000 (80% of \$100,000) for the "dwelling".

The **actual** Limits of Insurance on the damaged property are \$80,000 on the "dwelling" and \$40,000 on the household personal property (50% of \$80,000) (therefore, no Coinsurance penalty).

The Windstorm Or Hail Deductible percentage is 2%.

Dwelling

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

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

Household Personal Property

Step #1: $\$40,000 \times 2\% = \800

Step #2: $\$20,000 - \$800 = \$19,200$

The most we will pay is \$77,600. That portion of the total loss not covered due to application of the Deductible is \$2,400.

6. Examples – Application Of Calendar Year Windstorm Or Hail Percentage Deductibles To A Dwelling – 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 one-family owner-occupied "dwelling" is \$200,000.

The value of the damaged "dwelling" 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 "dwelling" is \$400,000 (therefore, no Coinsurance penalty).

The Deductible on 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 one-family owner-occupied "dwelling" is \$3,000. Because the Windstorm Or Hail Deductible applicable to the "dwelling" 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 two-family owner-occupied "dwelling" is \$20,000.

The value of the "dwelling" 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 "dwelling" is \$800,000 (therefore, no Coinsurance penalty).

The Deductible on 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 two-family owner-occupied "dwelling" 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 two-family owner-occupied "dwelling" 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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Louisiana Windstorm or Hail Deductible Endorsements Revised

Applicable Lines of Business

This filing applies to the following lines of business:

- ◆ Businessowners
- ◆ Farm

About This Filing

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:

- ◆ BP 03 22 02 22 Louisiana Windstorm or Hail Percentage Deductibles
- ◆ FP 03 13 05 11 Louisiana Windstorm or Hail Percentage Deductible

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

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

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 Businessowners and Farm Programs 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 B.2.g. and h. in BP 03 22, Paragraphs B.3.g. and h. in FP 03 13, Paragraphs D.2.g. and h. in AG 03 12 and OP 03 12 and Paragraphs 5.a. and b. in AG 03 13 and OP 03 13.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOUISIANA WINDSTORM OR HAIL PERCENTAGE
DEDUCTIBLES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

| Premises 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 following provisions apply to **Section I – Property:**

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 **B.** applies, this Deductible applies to each occurrence of Windstorm or Hail.

With respect to Covered Property at a premises identified in the Schedule, no other deductible applies to 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.

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.

A. Windstorm Or Hail Deductible Calculation – Other Than Hurricane And Named Storms

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. This Deductible 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;
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.

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We will not pay for loss or damage until the amount of loss or damage exceeds the Deductible. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limit(s) of Insurance.

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 the time of loss. The applicable percentage for Newly Acquired Or Constructed Property is the highest percentage shown in the Schedule for any described premises.

EXAMPLE – APPLICATION OF DEDUCTIBLE

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

The actual Limits of Insurance on the damaged property are \$80,000 on the building and \$64,000 on the personal property.

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 (\$58,400 + \$38,720). The portion of the total loss that is not covered due to the application of the Deductible is \$2,880 (\$1,600 + \$1,280).

B. 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 B. 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 Paragraph A. 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 B.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 hurricane(s) which occur during the same calendar year.

2. Application Of Deductible

- a. Except when Paragraph A. applies, 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 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.

- 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.

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

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

The **actual** Limits of Insurance on the damaged property are \$80,000 on the building and \$64,000 on the personal property.

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 **actual** Limit of Insurance on the damaged building is \$400,000.

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

LOUISIANA WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE

This endorsement modifies insurance provided under the following:

COVERAGE G – BARN, OUTBUILDINGS AND OTHER FARM STRUCTURES – BLANKET INSURANCE
FARM PROPERTY – BARN, OUTBUILDINGS AND OTHER FARM STRUCTURES COVERAGE FORM
FARM PROPERTY – FARM DWELLINGS, APPURTENANT STRUCTURES AND HOUSEHOLD PERSONAL
PROPERTY COVERAGE FORM
FARM PROPERTY – FARM PERSONAL PROPERTY COVERAGE FORM
LIVESTOCK COVERAGE FORM
MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE FORM
VALUE REPORTING ENDORSEMENT

SCHEDULE

| "Insured Location" 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. | | |

A. Windstorm Or Hail Percentage Deductible Clause

The provisions of Paragraph **A.** do **not** apply in the event of loss or damage caused by or resulting from windstorm or hail resulting from a named storm or hurricane. In the event of loss or damage caused by or resulting from windstorm or hail resulting from a named storm or hurricane to such covered property, Paragraph **B.** applies.

1. The Windstorm Or Hail Deductible percentage, as shown in the Schedule, applies as provided under Paragraph **A.3.** of this endorsement. It applies to loss or damage to Covered Property caused directly or indirectly by Windstorm or Hail, regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

If loss or damage from a covered weather condition other than Windstorm or Hail occurs, and that loss or damage would not have occurred but for Windstorm or Hail, such loss or damage shall be considered to be caused by Windstorm or Hail and, therefore, part of the Windstorm or Hail occurrence.

With respect to Covered Property at a location identified in the Schedule, no other deductible applies to Windstorm or Hail.

Except when Paragraph **B.** applies, the Windstorm Or Hail Deductible described in Paragraph **A.3.** applies whenever there is an occurrence of Windstorm or Hail.

2. Definitions

As used in Paragraph **A.** of this endorsement, the terms "specific insurance" and "blanket insurance" have the following meanings:

- a. Specific insurance covers each item of insurance (for example, each building or personal property in a building) under a separate Limit of Insurance.
- b. 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.

3. Application Of Deductible

a. All Policies

- (1) Except when Paragraph **B.** applies, in determining the amount, if any, that we will pay for loss or damage resulting from windstorm or hail, 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. This amount is calculated separately for, and applies separately to:
 - (a) Each building, if two or more buildings sustain loss or damage;
 - (b) The building and to personal property in that building, if both sustain loss or damage;
 - (c) Personal property at each building, if personal property at two or more buildings sustains loss or damage; and
 - (d) Personal property in the open.
- (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 coinsurance or property value condition.
- (3) When property is covered under the following Coverage Extensions:
 - (a) In the Farm Property – Farm Personal Property Coverage Form:
 - (i) Replacement Machinery, Vehicles And Equipment Newly Purchased;
 - (ii) Additional Machinery, Vehicles And Equipment Newly Purchased;
 - (iii) Additional Acquired Livestock; and
 - (iv) Thirty-day Additional Limit On Borrowed Or Rented Farm Machinery, Vehicles, Equipment;
 - (b) New Construction in the Farm Property – Barns, Outbuildings And Other Farm Structures Coverage Form; and
 - (c) In the Mobile Agricultural Machinery And Equipment Coverage Form:
 - (i) Additional Acquired Property – Newly Purchased;

(ii) Additional Acquired Property – Replacement; and

(iii) ~~Thirty-day Additional Limit On Borrowed Or Rented "Mobile Agricultural Machinery And Equipment" – Thirty-day Limit;~~

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 the time of loss. The applicable percentage for property covered under the Coverage Extensions listed in Paragraphs **3.a.(3)(a), (b) and (c)** is the highest percentage shown in the Schedule for any described location.

b. Calculation Of Deductible – Specific Insurance

(1) Property Not Subject To Value Reporting Endorsement

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 Endorsement

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.

(3) Calculation Of The Deductible – Blanket Insurance (Property Subject To Coverage G – Barns, Outbuildings And Other Farm Structures – Blanket Insurance Endorsement)

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.

4. Examples – Application Of Windstorm Or Hail Percentage Deductible

a. Example #1 – Specific Insurance (A.3.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 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 – Specific Insurance – (A.3.b.(1))

The amount of loss to the damaged property is \$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. That portion of the total loss not covered due to application of the Deductible is \$2,880.

c. Example #3 – Blanket Insurance (A.3.b.(3))

The sum of the values of Barn #1 (\$500,000), Barn #2 (\$500,000) and Barn #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 Barns #1, #2 and #3, shown in the Declarations, is \$1,800,000 (therefore, no Coinsurance penalty).

Barns #1 and #2 have sustained damage; the amounts of loss to these barns are \$40,000 (Barn #1) and \$20,000 (Barn #2).

The Windstorm Or Hail Deductible percentage is 2%.

Barn #1

Step #1: \$500,000 x 2% = \$10,000

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

Barn #2

Step #1: \$500,000 x 2% = \$10,000

Step #2: \$20,000 - \$10,000 = \$10,000

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

B. Calendar Year Windstorm Or Hail Percentage Deductible Clause – In The Event Of A Named Storm Or Hurricane

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

The provisions of this Paragraph B. 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 Paragraph A. of this endorsement apply.

1. The Windstorm Or Hail Deductible percentage, as shown in the Schedule, applies as provided under Paragraph B.3. of this endorsement. It applies to 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 hurricane(s) which occur during the same calendar year, regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

If loss or damage from a covered weather condition other than Windstorm or Hail resulting from a named storm or hurricane occurs, and that loss or damage would not have occurred but for the Windstorm or Hail resulting from a named storm or hurricane, such loss or damage shall be considered to be caused by Windstorm or Hail resulting from a named storm or hurricane and, therefore, part of the Windstorm or Hail occurrence.

With respect to Covered Property located in Louisiana at a location identified in the Schedule, no other deductible applies to Windstorm or Hail, except when Paragraph A. applies.

2. Definition

As used in 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.

3. Application Of Deductible

- a. Except when Paragraph A. applies, 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, if two or more buildings sustain loss or damage;
- (2) The building and to personal property in that building, if both sustain loss or damage;
- (3) Personal property at each building, if personal property at two or more buildings sustains loss or damage; and
- (4) Personal property in the open.

- 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 3.d., 3.e. and 3.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.
- 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 on Fire applies in accordance with Paragraph 3.d. or 3.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.~~

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4. 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.

5. Examples – Application Of Calendar Year Windstorm Or Hail Percentage Deductible—To A Dwelling – One Named Storm Occurring During A Calendar Year

a. Example #1

The amount of loss to the damaged one-family owner-occupied "dwelling" is \$60,000.

The value of the damaged one-family owner-occupied "dwelling" 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 (two-family owner-occupied "dwelling") and \$20,000 (household personal property in that "dwelling").

The value of the damaged "dwelling" at time of loss is \$100,000. The value of the household personal property in that "dwelling" is \$50,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Coverage A – Dwelling Limit of Insurance needed to meet the coinsurance requirement is \$80,000 (80% of \$100,000) for the "dwelling".

The **actual** Limits of Insurance on the damaged property are \$80,000 on the "dwelling" and \$40,000 on the household personal property (50% of \$80,000) (therefore, no Coinsurance penalty).

The Windstorm Or Hail Deductible percentage is 2%.

Dwelling

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

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

Household Personal Property

Step #1: $\$40,000 \times 2\% = \800

Step #2: $\$20,000 - \$800 = \$19,200$

The most we will pay is \$77,600. That portion of the total loss not covered due to application of the Deductible is \$2,400.

6. Examples – Application Of Calendar Year Windstorm Or Hail Percentage Deductibles To A Dwelling – 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 one-family owner-occupied "dwelling" is \$200,000.

The value of the damaged "dwelling" 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 "dwelling" is \$400,000 (therefore, no Coinsurance penalty).

The Deductible on 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 one-family owner-occupied "dwelling" is \$3,000. Because the Windstorm Or Hail Deductible applicable to the "dwelling" 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 two-family owner-occupied "dwelling" is \$20,000.

The value of the "dwelling" 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 "dwelling" is \$800,000 (therefore, no Coinsurance penalty).

The Deductible on 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 two-family owner-occupied "dwelling" 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 two-family owner-occupied "dwelling" 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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