FLORIDA CALENDAR YEAR HURRICANE PERCENTAGE  
DEDUCTIBLE (RESIDENTIAL RISKS)

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
STANDARD PROPERTY POLICY

SCHEDULE

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| --- | --- | --- |
| **Premises Number** | **Building Number** | **Hurricane Deductible Percentage –  Enter 1%, 2%, 3%, 5% Or 10%** |
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| Information required to complete this Schedule, if not shown above, will be shown in the Declarations. | | |

The Hurricane Deductible, as shown in the Schedule and set forth in this endorsement, applies to covered loss or damage caused directly or indirectly by Hurricane.

Under the terms of this endorsement, a hurricane is a storm system that has been declared to be a hurricane by the National Hurricane Center of the National Weather Service (hereafter referred to as NHC). The Hurricane occurrence begins at the time a hurricane warning is issued for any part of Florida by the NHC and ends 72 hours after the termination of the last hurricane watch or hurricane warning issued for any part of Florida by the NHC.

If a windstorm is not declared to be a hurricane and there is loss or damage by windstorm to Covered Property, the applicable deductible is the same deductible that applies to Fire.

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.

HURRICANE DEDUCTIBLE CALCULATIONS

A. Calculation of the Deductible – All Policies

1. A Hurricane 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;

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.

The Hurricane Deductible(s), as described above, will apply anew in each calendar year. If the policy period does not coincide with the calendar year, then a separate Hurricane Deductible(s) will apply to loss or damage 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 Hurricane 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.

2. Subject to Paragraphs A.3., A.4. and A.5. below, we will not pay for loss or damage until the amount of loss or damage exceeds the applicable Hurricane 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; any provision in a Value Reporting Form relating to full reporting or failure to submit reports.

3. When a hurricane results in loss or damage that exhausts the Hurricane Deductible, then that Deductible will not apply to loss or damage from a subsequent hurricane(s) in the same calendar year. In such case, the Deductible that applies to Fire will apply to loss or damage from each subsequent hurricane in that calendar year.

4. When a hurricane(s) results in loss or damage that does not exhaust the Hurricane Deductible, then the Deductible applicable to a subsequent hurricane(s) in the same calendar year will be the Deductible that applies to Fire or the remaining amount of the Hurricane Deductible, whichever is greater. In this situation, the remaining amount of the Hurricane Deductible is determined by subtracting the amount(s) of the aforementioned loss or damage from the Hurricane Deductible.

5. When the Deductible on Fire applies in accordance with Paragraph A.3. or A.4., that Deductible is applied to the total of all loss or damage sustained in one hurricane. It does not apply separately to each item of insurance.

6. If an item of insurance is insured under more than one policy issued by us or another insurer in our insurer group for the same policy period and different Hurricane Deductibles apply to the same item of insurance under such policies, then the Hurricane deductible for that item of insurance shall be the highest amount stated in any of the policies.

7. 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 Hurricane Deductible than the prior policy and you already incurred loss or damage from a hurricane that occurred in that calendar year, the lower Hurricane 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 Hurricane Deductible.

b. If the renewal or replacement policy provides a higher Hurricane Deductible than the prior policy, the higher Hurricane 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 Hurricane Deductible apply. If hurricane loss or damage was sustained earlier in the calendar year in which the higher Hurricane Deductible now applies, the difference between the higher and lower Hurricane Deductibles will be figured into the calculation of the remainder of the Hurricane Deductible for a subsequent hurricane that occurs in that calendar year.

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%, 3%, 5% or 10% (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%, 3%, 5% or 10% (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used are 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%, 3%, 5% or 10% (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used are those 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%, 3%, 5% or 10% (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 loss or damage, we will deduct an amount equal to 1%, 2%, 3%, 5% or 10% (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%, 3%, 5% or 10% (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used are 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.

E. Calculation Of The Deductible – Property Covered Under The Coverage Extension For Newly Acquired Or Constructed Property

The following applies 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 to such property, 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.

EXAMPLES – APPLICATION OF DEDUCTIBLE (ONE HURRICANE OCCURRING DURING A CALENDAR YEAR)

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 ÷ $80,000 = .875

Step **(2):** $60,000 X .875 = $52,500

Step **(3):** $70,000 X 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 X 2% = $1,600

Step **(2):** $60,000 – $1,600 = $58,400

PERSONAL PROPERTY

Step **(1):** $64,000 X 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 X 2% = $10,000

Step **(2):** $40,000 – $10,000 = $30,000

BUILDING #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. The portion of the total loss 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 3%.

BUILDING

Step **(1):** $500,000 X 3% = $15,000

Step **(2):** $95,000 – $15,000 = $80,000

PERSONAL PROPERTY

Step **(1):** $250,000 X 3% = $7,500

The loss, $5,000, does not exceed the deductible.

The most we will pay is $80,000. The remainder of the building loss, $15,000, is not covered due to application of the Deductible. There is no loss payment for the personal property.

EXAMPLES – APPLICATION OF DEDUCTIBLE (TWO OR MORE HURRICANES OCCURRING DURING A CALENDAR YEAR)

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

Hurricane A Occurs On September 1 Of A Calendar Year

The amounts of loss to the damaged buildings are $20,000 to Building #1 and $10,000 to Building #2.

The value of damaged Building #1 at time of loss is $50,000 and the value of damaged Building #2 at time of loss is $100,000. The coinsurance percentage shown in the Declarations is 80%; the minimum Limits of Insurance needed to meet the coinsurance requirements are $40,000 for Building #1 (80% of $50,000) and $80,000 for Building #2 (80% of $100,000).

The **actual** Limits of Insurance on the damaged buildings are $40,000 for Building #1 and $80,000 for Building #2 (therefore no coinsurance penalty).

The Deductible on Fire is $1,000.

The Hurricane Deductible is 5%.

BUILDING #1

Step **(1)** $40,000 X 5% = $2,000 (Calendar Year Hurricane Deductible)

Step **(2)** $20,000 – $2,000 deductible = $18,000

BUILDING #2

Step **(1)** $80,000 X 5% = $4,000 (Calendar Year Hurricane Deductible)

Step **(2)** $10,000 – $4,000 deductible = $6,000

The most we will pay is $24,000. The portion of the loss not covered due to application of the deductible is $6,000. The total loss ($30,000) exceeds the Hurricane Deductible of $6,000. The Hurricane Deductible is exhausted.

Hurricane B Occurs On October 1 Of The Same Calendar Year

The amounts of loss to the damaged buildings are $3,000 to Building #1 and $5,000 to Building #2. Because the Hurricane Deductible applicable to each building was exceeded by the amount of loss incurred in Hurricane A, the Deductible that applies to Fire ($1,000) will apply to the loss. Therefore, we will pay $7,000 ($8,000 – $1,000 = $7,000).

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

Hurricane A Occurs On October 1 Of A Calendar Year

The amount of loss to damaged Building #1 is $20,000.

The value of Building #1 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 property is $800,000 (therefore no coinsurance penalty).

The Deductible on Fire is $1,000.

The Hurricane Deductible is 5%.

$800,000 X 5% = $40,000 (Calendar Year Hurricane Deductible)

We will not pay for loss or damage since the amount of loss ($20,000) did not exceed the Hurricane Deductible ($40,000). The loss of $20,000 is subtracted from the Hurricane Deductible. The remaining amount of Hurricane Deductible applicable to such subsequent claims is $20,000.

Hurricane B Occurs On November 1 Of The Same Calendar Year

The amount of loss to damaged Building #1 is $80,000. The remaining amount of the Hurricane Deductible ($20,000) is applied to the loss of $80,000. The amount that we will pay is $60,000. The Hurricane Deductible is exhausted.

Hurricane C Occurs On December 1 Of The Same Calendar Year

The amount of loss to damaged Building #1 is $35,000.

Since the Hurricane Deductible is exhausted, the Deductible that applies to Fire ($1,000) applies to the loss. The amount that we will pay is $34,000.