

SOUTH CAROLINA – HURRICANE, NAMED STORM, WIND DEDUCTIBLE/DEDUCTIBLE ACKNOWLEDGEMENT

THIS POLICY CONTAINS A SEPARATE DEDUCTIBLE FOR HURRICANE, NAMED STORM OR WIND LOSSES, WHICH MAY RESULT IN HIGH OUT-OF-POCKET EXPENSES TO YOU. THE ENCLOSED EXAMPLES ILLUSTRATE HOW THE DEDUCTIBLES MIGHT AFFECT YOU.

A. As per South Carolina Code of Laws, Regulation 69-56, B. Definitions:

1. A Named Storm Deductible is a separate deductible triggered by a weather-related event that has been named, designated by the U.S. National Weather Service or the National Hurricane Center. It only includes a hurricane, tropical storm or tropical depression. Any storm or weather-related event given a name by any other person or entity does not qualify as a named storm, for the purposes of a separate deductible. Any winter storm or weather event named or identified by the news media cannot be relied upon to trigger a named storm deductible.
2. A Wind Deductible is a separate deductible applied to a personal or commercial property insurance policy that applies to losses resulting from the perils of wind, regardless of how named or applied and regardless of whether the deductible is calculated as a percentage of policy limits or a specified dollar amount.

B. HURRICANE, NAMED STORM LOSS OR WIND LOSS PERCENTAGE DEDUCTIBLE

(See form **SEA 1700 – PIERS AND WHARVES COVERAGE DECLARATIONS**)

1. For any loss to which this endorsement applies, in determining the amount, if any, that we will pay for loss or damage we will deduct an amount equal to the Windstorm; Flood; Wave Action Percentage Deductible shown on the Piers and Wharves Coverage Declarations applicable to the property that has sustained loss or damage.
2. **EXAMPLE**
 - a. The amount of Hurricane, Named Storm or Wind loss to the damaged building is \$60,000.
 - b. The value of the damaged building at the time of the loss is \$100,000.
 - c. The Coinsurance percentage shown in the Declarations is 80%: $80\% \times \$100,000$ value of the building is \$80,000, the minimum limit to meet the Coinsurance requirement without paying a coinsurance penalty.
 - d. The Hurricane, Named Storm or Wind Percentage Deductible is 5%.
 - e. The Limit of Insurance for the building shown on the Declarations is \$70,000.
 - f. **Calculations:**
 - (1) $\$70,000 \div \$80,000 = .875$
 - (2) $\$60,000 \times .875 = \$52,500$
 - (3) $\$70,000 \times .05 = \$3,500$ (calculated percentage deductible)
 - (4) $\$52,500 - \$3,500 = \$49,000$

The most we will pay is \$49,000. The remainder of the loss, \$11,000, 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))

3. 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.

- 4. 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:
 - a. Coinsurance Condition;
 - b. Agreed Value Optional Coverage; or
 - c. Any provision in a Value Reporting Form relating to the full reporting or failure to submit reports.

The Named Insured's signature below confirms that the Named Insured has read through the document including the Examples shown above.

Named Insured Signature: _____

Date: _____

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