

December 17, 2020

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Dwelling Policy Program Revisions

On December 15, 2020, the Commissioner of Insurance approved several revisions to the Dwelling Policy Program, which are filed on behalf of the member companies of the North Carolina Rate Bureau. The following changes include revisions to the Dwelling Manual. In addition, the Rate Bureau has introduced a new endorsement to the Dwelling Program.

*The following new endorsement has been introduced for use in North Carolina:*

- DP 32 04 09 21 Fortified Roof – Hurricane – New Roof Expense Coverages – North Carolina
  - This endorsement provides expense coverages for certain expenses necessary to obtain an IBHS Certified Fortified Roof when a roof replacement is needed due to a covered peril.
  - See corresponding Rule A10. Fortified Roof – Hurricane – New Roof Expense

*The following Dwelling Manual rules have been revised:*

- Rule **406**. Deductibles

Rule **406** has been revised to introduce optional deductible amounts and factors for \$1500, \$2000, \$3000, \$4000 and 1% for the Fire and Extended Coverage All Perils deductible as well as for the Higher Windstorm or Hail deductibles. The optional higher Windstorm or Hail percentage deductibles are revised to include deductibles of 3% and 4%.

Attached are the revised deductible tables with the new deductible amounts and factors.
- Rule **509**. Earthquake Coverage

Rule **509** has been revised 1) to reference the minimum base deductible to \$500; 2) to make an editorial revision in Paragraph E. to reference Paragraph D.; and 3) to make an editorial revision to indicate that the rates are per \$1,000.

Attached is revised **Rule 509**.

These changes become effective in accordance with the following Rule of Application:

These revisions become effective with respect to all new and renewal policies becoming effective on or after September 1, 2021.

The attached exhibits are intended to enable you to implement the approved revisions in accordance with the above Rule of Application. Reprinted manual pages will be distributed in the usual manner as soon as possible.

Please see to it that this Circular is brought to the attention of all interested personnel in your company.

Sincerely,

Andy Montano

Personal Lines Manager

AM:ko  
Attachments  
P-20-3

# Introduction Of Fortified Roof – Hurricane – New Roof Expense Coverages – North Carolina Endorsement

## About This Filing

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This filing introduces a Fortified Roof Expense Coverages endorsement in North Carolina.

## New Forms

We are introducing DP 32 04 09 21 Fortified Roof – Hurricane – New Roof Expense Coverages – North Carolina.

## Background

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The North Carolina Rating Bureau has decided to introduce a FORTIFIED Roof – Hurricane – New Roof Expense Coverages option in the event of a loss to the roof of the dwelling on the Described Location caused by a Peril Insured Against which requires the roof of the dwelling to be fully replaced.

## Explanation of Changes

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This endorsement provides expense coverages for certain expenses necessary to obtain the Insurance Institute for Business & Home Safety (IBHS) FORTIFIED Roof – Hurricane – New Roof when the roof of the insured dwelling is damaged by a covered peril, requiring the roof to be fully replaced.

DP 32 04 includes the following expense coverages:

- ◆ FORTIFIED Roof -- Hurricane -- New Roof Expense Coverage, which generally provides up to \$5,000 for material and labor, the initial inspection and assessment and verification inspection(s).
- ◆ IBHS Certified Evaluator Expenses Coverage, which generally provides up to \$600 for reasonable expenses incurred for the services of an IBHS certified evaluator when the FORTIFIED Roof -- Hurricane -- New Roof Expense Coverage does not apply.

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

## **FORTIFIED ROOF – HURRICANE – NEW ROOF EXPENSE COVERAGES – NORTH CAROLINA**

### **SECTION I – PROPERTY COVERAGES**

#### **E. Other Coverages**

The following coverages are added:

##### **FORTIFIED Roof – Hurricane – New Roof Expense Coverage**

1. In the event of a loss to the roof of the dwelling at the Described Location shown in the Declarations caused by a Peril Insured Against which requires the roof of that dwelling to be fully replaced, we will pay up to \$5,000 for expenses for:

- a. Materials and labor;
- b. The initial inspection and assessment; and
- c. The verification inspection(s);

necessary to obtain the **FORTIFIED Roof – Hurricane – New Roof** designation from the Insurance Institute for Business and Home Safety (IBHS). **FORTIFIED Roof – Hurricane – New Roof** expenses for material and labor are limited to the replacement of the damaged property with techniques and materials recognized by the IBHS, which serve the same primary function as the damaged property.

2. **FORTIFIED Roof – Hurricane – New Roof Expense Coverage** may only apply if:

- a. The amount of loss to the roof covering of the dwelling at the Described Location shown in the Declarations is greater than 50% of the replacement cost of the entire roof covering;
- b. The roof sheathing on that dwelling is (or was immediately prior to the loss) a minimum of 7/16-inch Oriented Strand Board (OSB) or plywood; and
- c. That dwelling is not (or was not immediately prior to the loss) on an unreinforced dry stacked foundation or is otherwise ineligible for **FORTIFIED Home Review** as defined by the IBHS.

This coverage is additional insurance. No deductible applies to this coverage.

##### **IBHS Certified Evaluator Expenses Coverage**

If:

1. The **FORTIFIED Roof – Hurricane – New Roof Expense Coverage** provided by this endorsement does not apply; and
2. The entire roof covering of the dwelling at the Described Location shown in the Declarations has been replaced during the policy period and you obtain the IBHS **FORTIFIED Roof – Hurricane – New Roof** designation;

then, upon submittal of proof of that designation to us, we will pay up to \$600 for reasonable expenses you incur for the services of an IBHS certified evaluator.

This coverage is additional insurance. No deductible applies to this coverage.

### **SECTION I – CONDITIONS**

With respect to **FORTIFIED Roof – Hurricane – New Roof Expense Coverage**, the following condition is added:

We must be provided satisfactory proof of the IBHS **FORTIFIED Roof – Hurricane – New Roof** designation for the dwelling at the Described Location shown in the Declarations upon completion of the designation process. After we receive proof of such designation, we will only pay the lesser of either:

1. The sum of the costs of the materials and labor, of the initial inspection and assessment, and of the verification inspection(s) necessary to obtain the IBHS **FORTIFIED Roof – Hurricane – New Roof** designation; or
2. \$5,000.00.

All other provisions of the Policy apply.

# North Carolina Dwelling Policy Program Rules Revisions

## About This Filing

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This filing introduces a new North Carolina Additional Rule to correspond with the companion forms filing being introduced. It also revises two current state exceptions.

### New Rule

We are introducing Additional Rule A10. Fortified Roof – Hurricane – New Roof Expense Coverages.

### Revised Rules

We are revising the following rules:

- ◆ Rule 406. Deductibles
- ◆ Rule 509. Earthquake Coverage

We have used a format of ~~striking through~~ deletions, underlining additions and inserting a revision bar in the left margin to indicate changes.

## Background

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### Rule A10

The FORTIFIED Roof – Hurricane – New Roof Expense Coverages North Carolina provides expense coverages for certain expenses necessary to obtain the FORTIFIED Roof – Hurricane – New Roof designation from the Insurance Institute for Business & Home Safety (IBHS) when the roof of the insured dwelling is damaged by a covered peril, requiring the roof to be fully replaced.

DP 32 04, includes the following expense coverages:

- ◆ The FORTIFIED Roof -- Hurricane -- New Roof Expense Coverage, which generally provides up to \$5,000 for material and labor, the initial inspection and assessment and verification inspection(s).
- ◆ The IBHS Certified Evaluator Expenses Coverage, which generally provides up to \$600 for reasonable expenses incurred for the services of an IBHS certified evaluator when the FORTIFIED Roof -- Hurricane -- New Roof Expense Coverage does not apply.

### **Rule 406**

Currently various optional all peril deductibles and higher windstorm or hail deductible options apply.

### **Rule 509**

Paragraph C. currently references a minimum deductible of \$250.

## **Explanation of Changes**

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### **Rule A10**

We are introducing Additional Rule A10. Fortified Roof – Hurricane – New Roof Expense Coverages to provide instruction, eligibility and usage of DP 32 04 when attached to a policy

### **Rule 406**

We are revising Rule 406 to add All Peril deductibles for Fire and Extended Coverage for the following dollar amounts: \$1500, \$2000, \$3000 and \$4000. We are also adding a 1% deductible options. These options may also be used with in conjunction with current higher windstorm or hail deductible options.

### **Rule 509**

For consistency with the Dwelling Program base deductible we are revising the reference to the minimum base deductible in Paragraph C, to \$500. We are also making an editorial revision in Paragraph E. to reference Paragraph D.

In addition, an editorial change has been made to the rate display for this rule to indicate that the rates are per \$1000.

## **Actuarial Support**

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### **Rule A10**

In order to determine the FORTIFIED Roof Upgrade factors, the following items were estimated:

- ◆ The percentage of Coverage A losses as compared to Coverages A, B, and D losses;
- ◆ The percent that losses resulting from roofs that are completely replaced are of all losses by cause of loss group and territory group; and
- ◆ The percentage increase in the cost of materials and labor and the cost of inspections associated with roofs that are completely replaced when upgrading to a FORTIFIED roof.

The percentage that Coverage A losses are of Coverages A, B, and D losses has been estimated to be 94% using countrywide statistical data reported to ISO for 2009 through 2018.

It is necessary to include this percentage in the calculation of the FORTIFIED Roof Upgrade factors since the factors will be applied to rates that include coverage for Coverages A, B, and D but the FORTIFIED Roof Upgrade Coverage is only applicable to Coverage A losses.

The percentages of losses resulting from roofs that are completely replaced as compared to all losses for the Fire, Wind and All Other Perils cause of loss groups have been estimated based on information available from Xactware and are approximately as follows:

<b>Cause of Loss Group</b>	<b>Percentage of Coverage A losses from "total" roof losses</b>
Fire	2.7%
Wind	18.7%
All Other Perils	7.9%

Using the cost comparison report for Coastal North Carolina prepared by the Institute for Business and Home Safety (IBHS), the increased cost associated with existing conventional/code-compliant roofs being completely replaced with IBHS FORTIFIED Roofs has been estimated to range from 15% to 25%. Note that these increases are for various combinations of roof size, roof complexity and coastal cities in North Carolina, and account for materials and labor. Based on this range, a statewide selection of 20% was made for the percentage increase in the cost of materials and labor. An additional selection of 5% was made to account for the cost of inspections. This results in a total additional cost of 25% that is associated with roofs that are completely replaced when upgrading to a FORTIFIED roof.

Multiplying these three items together results in the indicated factors shown in the following table:

<b>Cause of Loss Group</b>	<b>Indicated Factors</b>
Fire	0.006
Wind	0.044
All Other Perils	0.019

For example, for Fire, the factor is calculated as  $0.94 \times 0.027 \times 0.25 = 0.006$ .

The Extended Coverage indicated factor has been calculated by combining the above indicated factors for Wind and All Other Perils using peril-weights of the coastal territories in North Carolina. Peril weights were calculated using North Carolina statistical data reported for 2014 through 2018 and are shown in the table below:

<b>Cause of Loss Group</b>	<b>Peril Weights</b>
All Other Perils (excluding Fire)	0.098
Wind	0.902

The all-peril indicated factor using the above weights is shown in the table below:

<b>Cause of Loss Group</b>	<b>Indicated Factors</b>
Extended Coverage	0.042

The indicated factors below would apply to the Buildings Base Premium:

<b>Coverage</b>	<b>Indicated Factors</b>
Fire	0.006
Extended Coverage (including Wind)	0.042
Extended Coverage (excluding Wind)	0.019

**Rule 406**

This filing also introduces new deductible options. The factors for the new deductible options were selected to follow certain consistency criteria when possible.

The first step in calculating the factors for the new deductible options was to interpolate or extrapolate using the current factors. The results of these calculations were then adjusted to follow the criteria below when possible:

- ◆ Within an Amount of Insurance (AOI) group, the deductible factors should decrease at a decreasing rate as the deductible amount increases; and
- ◆ For a given deductible option, the factors should get closer to unity as the AOI increases.

In some instances, it was not possible to satisfy the consistency checks above without changing the current deductible factors. In such instances, the least inconsistent factor was selected for the new deductible option.

This filing also introduces an 1% all-perils deductible option. After converting the percentage deductible to a dollar amount using the average AOI for each AOI group, the same methodology described above was applied to select the deductible factor. The average AOIs are:

<b>Class</b>	<b>AOI Group</b>	<b>Average AOI</b>		
		<b>Territories 110-160</b>	<b>Territories 170-390</b>	<b>Statewide</b>
Buildings	Up To \$125,000	\$55,768	\$56,256	\$56,144
	\$125,001 To	\$149,974	\$149,449	\$149,583



	\$175,000			
	\$175,001 To \$250,000	\$208,931	\$208,008	\$208,257
	\$250,001 And Above	\$388,277	\$364,008	\$374,333
Contents	All	\$19,632	\$14,727	\$16,321

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**RULE A10.**  
**FORTIFIED ROOF – HURRICANE – NEW ROOF EXPENSE COVERAGES**

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**A. Coverage Description**

FORTIFIED Home™ is an engineering and building standard developed by the Insurance Institute for Business & Home Safety (IBHS) to mitigate wind-related hurricane damage. The program also includes evaluation and inspection requirements to ensure the technical standards are properly implemented, resulting in the designation of a home as meeting the FORTIFIED Home requirements.

With respect to a risk located in Territories 110, 120, 130, 140, 150 or 160, a policy may be endorsed to provide the following optional coverages:

**1. FORTIFIED Roof – Hurricane – New Roof Expense Coverage**

This coverage will pay up to \$5,000, without application of a deductible, for certain expenses necessary to obtain the **FORTIFIED Roof – Hurricane – New Roof designation** from IBHS for the roof of the insured dwelling damaged by a covered peril, which requires the roof to be fully replaced. This coverage applies only if:

- a. The amount of the covered loss to the roof covering of the insured dwelling is greater than 50% of the replacement cost value of the entire roof covering;
- b. The roof sheathing on that dwelling is (or was immediately prior to the loss) a minimum of 7/16-inch Oriented Strand Board (OSB) or plywood; and
- c. That dwelling is not (or was not immediately prior to the loss) on an unreinforced dry stacked foundation or is otherwise ineligible for FORTIFIED Home Review as defined by the IBHS.

**2. IBHS Certified Evaluator Expense Coverage**

If the **FORTIFIED Roof – Hurricane – New Roof Expense Coverage** described in Paragraph A.1. does not apply, this coverage will pay up to \$600, without application of a deductible, for the direct expenses incurred by the named insured for the services of an IBHS certified evaluator. This coverage applies only if:

- a. The entire roof covering of the insured dwelling is replaced to the **FORTIFIED Roof – Hurricane – New Roof** standard as recognized by the IBHS during the policy period;
- b. The named insured obtains the IBHS designation **FORTIFIED Roof – Hurricane – New Roof** from the IBHS; and
- c. Satisfactory proof of the IBHS designation **FORTIFIED Roof – Hurricane – New Roof** for the insured dwelling is submitted to the insurer.

The insured will be responsible for arranging and coordinating the roof replacement work, as well as the inspections, assessments and verifications required by IBHS. Nothing in this section is intended to change the applicable loss settlement provisions of the policy, other than to pay the IBHS costs as referenced above in this section, subject to the maximum coverage limits of the endorsement.

**C. Premium**

1. Multiply the Fire Coverage A Base Premium by .006.
2. For policies with Extended Coverage, including windstorm or hail coverage, multiply the Extended Coverage A Base Premium by .042.
3. For policies with Extended Coverage, excluding windstorm or hail coverage, multiply the Extended Coverage A Base Premium by .019.

**D. Endorsement**

Use **FORTIFIED Roof – Hurricane – New Roof Expense Coverages – North Carolina Endorsement DP 32 04.**

**406. DEDUCTIBLES**

<b>Fire</b>				
<b>Coverage A, B, D Or E And Coverage Options For Buildings And Non-building Structures</b>				
<b>Deductible Amount</b>	<b>Coverages A, B, D And E Limit</b>			
	<b>Up To \$125,000</b>	<b>\$125,001 To \$175,000</b>	<b>\$175,001 To \$250,000</b>	<b>\$250,001 And Above</b>
\$ 100*	1.080	1.070	1.060	1.050
250*	1.040	1.035	1.030	1.025
1,000	0.981	0.987	0.988	0.992
<u>1,500</u>	<u>0.965</u>	<u>0.976</u>	<u>0.978</u>	<u>0.986</u>
<u>2,000</u>	<u>0.949</u>	<u>0.964</u>	<u>0.969</u>	<u>0.979</u>
2,500	0.933	0.953	0.959	0.973
<u>3,000</u>	<u>0.919</u>	<u>0.944</u>	<u>0.951</u>	<u>0.967</u>
<u>4,000</u>	<u>0.892</u>	<u>0.925</u>	<u>0.935</u>	<u>0.956</u>
5,000	0.865	0.906	0.919	0.945
7,500	0.809	0.866	0.884	0.922
10,000	0.759	0.829	0.854	0.901
<u>1%</u>	<u>1.016</u>	<u>0.976</u>	<u>0.967</u>	<u>0.959</u>

\* Refer to state rates for the minimum annual additional premium charge that applies per location for all \$100 and \$250 Fire Deductibles.

**Table 406.B.1.#1 Fire Coverage A, B, D Or E Deductibles**

<b>Fire</b>	
<b>Coverage C And Other Personal Property Coverage Options</b>	
<b>Deductible Amount</b>	<b>Factor</b>
\$ 100*	1.070
250*	1.035
1,000	0.989
<u>1,500</u>	<u>0.980</u>
<u>2,000</u>	<u>0.970</u>
2,500	0.961
<u>3,000</u>	<u>0.953</u>
<u>4,000</u>	<u>0.938</u>
5,000	0.923
7,500	0.891
10,000	0.862
<u>1%</u>	<u>1.057</u>

\* Refer to state rates for the minimum annual additional premium charge that applies per location for all \$100 and \$250 Fire Deductibles.

**Table 406.B.1.#2 Fire Coverage C Deductibles**

**406. DEDUCTIBLES**

<b>Territories 110, 120, 130, 140, 150 and 160 (Beach &amp; Coastal)</b>				
<b>E.C., V. &amp; M.M., Broad And Special Forms</b>				
<b>Coverage A, B, D Or E And Coverage Options For Building And Non-building Structures</b>				
<b>Deductible Amount</b>	<b>Coverage A, B, D Or E Limit</b>			
	<b>Up To \$125,000</b>	<b>\$125,001 To \$175,000</b>	<b>\$175,001 To \$250,000</b>	<b>\$250,001 And Above</b>
\$ 100*	1.072	1.047	1.035	1.022
250*	1.040	1.027	1.021	1.011
1,000	0.935	0.957	0.967	0.980
<u>1,500</u>	<u>0.890</u>	<u>0.924</u>	<u>0.941</u>	<u>0.965</u>
<u>2,000</u>	<u>0.845</u>	<u>0.890</u>	<u>0.914</u>	<u>0.950</u>
2,500	0.800	0.857	0.888	0.935
<u>3,000</u>	<u>0.773</u>	<u>0.834</u>	<u>0.869</u>	<u>0.923</u>
<u>4,000</u>	<u>0.719</u>	<u>0.787</u>	<u>0.830</u>	<u>0.898</u>
5,000	0.665	0.741	0.791	0.874
7,500	0.582	0.660	0.719	0.825
10,000	0.530	0.599	0.662	0.784
<u>1%</u>	<u>0.997</u>	<u>0.924</u>	<u>0.910</u>	<u>0.901</u>

\* Refer to state rates for the minimum annual additional premium charge that applies per location for all \$100 and \$250 E.C., V. & M.M., Broad And Special Forms Deductibles.

**Table 406.B.1.#3 E.C., V. & M.M., Broad And Special Forms Coverage A, B, D Or E Deductibles**

<b>Territories 110, 120, 130, 140, 150 and 160 (Beach &amp; Coastal)</b>	
<b>E.C., V. &amp; M.M., Broad And Special Forms</b>	
<b>Coverage C And Other Personal Property Coverage Options</b>	
<b>Deductible Amount</b>	<b>Factor</b>
\$ 100*	1.030
250*	1.016
1,000	0.973
<u>1,500</u>	<u>0.952</u>
<u>2,000</u>	<u>0.931</u>
2,500	0.910
<u>3,000</u>	<u>0.895</u>
<u>4,000</u>	<u>0.864</u>
5,000	0.833
7,500	0.775
10,000	0.728
<u>1%</u>	<u>1.021</u>

\* Refer to state rates for the minimum annual additional premium charge that applies per location for all \$100 and \$250 E.C., V. & M.M., Broad And Special Forms Deductibles.

**Table 406.B.1.#4 E.C., V. & M.M., Broad And Special Forms Coverage C Deductibles**

**406. DEDUCTIBLES**

<b>Territories 170-390 (Inland)</b>				
<b>E.C., V. &amp; M.M., Broad And Special Forms</b>				
<b>Coverage A, B, D Or E And Coverage Options For Building And Non-building Structures</b>				
<b>Deductible Amount</b>	<b>Coverage A, B, D Or E Limit</b>			
	<b>Up To \$125,000</b>	<b>\$125,001 To \$175,000</b>	<b>\$175,001 To \$250,000</b>	<b>\$250,001 And Above</b>
\$ 100*	1.108	1.083	1.073	1.056
250*	1.060	1.047	1.044	1.034
1,000	0.910	0.928	0.939	0.948
<u>1,500</u>	<u>0.849</u>	<u>0.876</u>	<u>0.893</u>	<u>0.911</u>
<u>2,000</u>	<u>0.788</u>	<u>0.825</u>	<u>0.848</u>	<u>0.875</u>
2,500	0.727	0.773	0.802	0.838
<u>3,000</u>	<u>0.691</u>	<u>0.739</u>	<u>0.771</u>	<u>0.813</u>
<u>4,000</u>	<u>0.620</u>	<u>0.671</u>	<u>0.708</u>	<u>0.762</u>
5,000	0.548	0.603	0.645	0.711
7,500	0.451	0.500	0.541	0.621
10,000	0.393	0.436	0.472	0.555
<u>1%</u>	<u>0.997</u>	<u>0.877</u>	<u>0.840</u>	<u>0.780</u>

\* Refer to state rates for the minimum annual additional premium charge that applies per location for all \$100 and \$250 E.C., V. & M.M., Broad And Special Forms Deductibles.

**Table 406.B.1.#5 E.C., V. & M.M., Broad And Special Forms Coverage A, B, D Or E Deductibles**

<b>Territories 170-390 (Inland)</b>	
<b>E.C., V. &amp; M.M., Broad And Special Forms</b>	
<b>Coverage C And Other Personal Property Coverage Options</b>	
<b>Deductible Amount</b>	<b>Factor</b>
\$ 100*	1.077
250*	1.045
1,000	0.936
<u>1,500</u>	<u>0.891</u>
<u>2,000</u>	<u>0.845</u>
2,500	0.800
<u>3,000</u>	<u>0.770</u>
<u>4,000</u>	<u>0.711</u>
5,000	0.651
7,500	0.555
10,000	0.489
<u>1%</u>	<u>1.067</u>

\* Refer to state rates for the minimum annual additional premium charge that applies per location for all \$100 and \$250 E.C., V. & M.M., Broad And Special Forms Deductibles.

**Table 406.B.1.#6 E.C., V. & M.M., Broad And Special Forms Coverage C Deductibles**

406. DEDUCTIBLES

Territories 110, 120, 130, 140, 150 And 160 (Beach & Coastal)					
Coverage A, B, D Or E And Coverage Options For Buildings And Non-building Structures					
Windstorm Or Hail Deductible Percentage	All Other Perils Deductible Amount	Coverages A, B, D And E Limit			
		Up To \$125,000	\$125,001 To \$175,000	\$175,001 To \$250,000	\$250,001 And Above
1%	\$ 100	0.956	0.926	0.916	0.899
	250	0.952	0.925	0.915	0.898
	500	0.946	0.924	0.913	0.897
	1,000	0.933	0.921	0.911	0.895
	<u>1,500</u>	=	<u>0.918</u>	<u>0.909</u>	<u>0.890</u>
	<u>2,000</u>	=	=	<u>0.907</u>	<u>0.884</u>
	2,500	-	-	-	0.879
	<u>3,000</u>	=	=	=	<u>0.879</u>
	<u>4,000</u>	=	=	=	<u>0.878</u>
	5,000	-	-	-	0.878
	7,500	-	-	-	0.872
	10,000	-	-	-	0.855
<u>1%</u>	=	=	=	=	
2%	\$ 100	0.868	0.841	0.832	0.818
	250	0.866	0.840	0.832	0.817
	500	0.863	0.838	0.830	0.816
	1,000	0.856	0.836	0.828	0.815
	<u>1,500</u>	<u>0.849</u>	<u>0.834</u>	<u>0.826</u>	<u>0.813</u>
	<u>2,000</u>	<u>0.842</u>	<u>0.832</u>	<u>0.825</u>	<u>0.812</u>
	2,500	-	0.830	0.823	0.810
	<u>3,000</u>	=	<u>0.828</u>	<u>0.821</u>	<u>0.809</u>
	<u>4,000</u>	=	=	<u>0.818</u>	<u>0.807</u>
	5,000	-	-	-	0.805
	7,500	-	-	-	0.797
	10,000	-	-	-	0.792
<u>1%</u>	<u>0.862</u>	<u>0.834</u>	<u>0.824</u>	<u>0.807</u>	
<u>3%</u>	<u>\$ 100</u>	<u>0.814</u>	<u>0.787</u>	<u>0.780</u>	<u>0.767</u>
	<u>250</u>	<u>0.812</u>	<u>0.786</u>	<u>0.779</u>	<u>0.766</u>
	<u>500</u>	<u>0.809</u>	<u>0.785</u>	<u>0.778</u>	<u>0.765</u>
	<u>1,000</u>	<u>0.803</u>	<u>0.782</u>	<u>0.775</u>	<u>0.764</u>
	<u>1,500</u>	<u>0.797</u>	<u>0.780</u>	<u>0.774</u>	<u>0.762</u>
	<u>2,000</u>	<u>0.791</u>	<u>0.778</u>	<u>0.772</u>	<u>0.761</u>
	<u>2,500</u>	<u>0.785</u>	<u>0.776</u>	<u>0.770</u>	<u>0.759</u>
	<u>3,000</u>	<u>0.779</u>	<u>0.775</u>	<u>0.769</u>	<u>0.758</u>
	<u>4,000</u>	=	<u>0.771</u>	<u>0.766</u>	<u>0.756</u>
	<u>5,000</u>	=	<u>0.768</u>	<u>0.763</u>	<u>0.754</u>
	<u>7,500</u>	=	=	=	<u>0.747</u>
	<u>10,000</u>	=	=	=	<u>0.743</u>
<u>1%</u>	<u>0.808</u>	<u>0.780</u>	<u>0.772</u>	<u>0.756</u>	
<u>4%</u>	<u>\$ 100</u>	<u>0.759</u>	<u>0.734</u>	<u>0.727</u>	<u>0.716</u>
	<u>250</u>	<u>0.758</u>	<u>0.733</u>	<u>0.727</u>	<u>0.715</u>
	<u>500</u>	<u>0.755</u>	<u>0.731</u>	<u>0.725</u>	<u>0.714</u>
	<u>1,000</u>	<u>0.750</u>	<u>0.729</u>	<u>0.723</u>	<u>0.712</u>

		<u>1,500</u>	<u>0.745</u>	<u>0.727</u>	<u>0.721</u>	<u>0.711</u>
		<u>2,000</u>	<u>0.740</u>	<u>0.725</u>	<u>0.719</u>	<u>0.709</u>
		<u>2,500</u>	<u>0.736</u>	<u>0.723</u>	<u>0.718</u>	<u>0.708</u>
		<u>3,000</u>	<u>0.731</u>	<u>0.721</u>	<u>0.716</u>	<u>0.707</u>
		<u>4,000</u>	<u>0.721</u>	<u>0.718</u>	<u>0.714</u>	<u>0.705</u>
		<u>5,000</u>	=	<u>0.715</u>	<u>0.711</u>	<u>0.703</u>
		<u>7,500</u>	=	=	<u>0.704</u>	<u>0.698</u>
		<u>10,000</u>	=	=	=	<u>0.695</u>
		<u>1%</u>	<u>0.754</u>	<u>0.727</u>	<u>0.719</u>	<u>0.705</u>
5%	\$	100	0.705	0.680	0.675	0.665
		250	0.704	0.679	0.674	0.664
		500	0.701	0.678	0.673	0.663
		1,000	0.697	0.675	0.670	0.661
		<u>1,500</u>	<u>0.693</u>	<u>0.673</u>	<u>0.668</u>	<u>0.660</u>
		<u>2,000</u>	<u>0.690</u>	<u>0.671</u>	<u>0.667</u>	<u>0.658</u>
		2,500	0.686	0.669	0.665	0.657
		<u>3,000</u>	<u>0.683</u>	<u>0.668</u>	<u>0.664</u>	<u>0.656</u>
		<u>4,000</u>	<u>0.677</u>	<u>0.665</u>	<u>0.661</u>	<u>0.654</u>
		5,000	0.671	0.663	0.659	0.652
		7,500	-	0.657	0.655	0.648
		10,000	-	-	0.651	0.646
		<u>1%</u>	<u>0.701</u>	<u>0.673</u>	<u>0.666</u>	<u>0.654</u>
7.5%	\$	100	0.622	0.599	0.594	0.585
		250	0.620	0.598	0.593	0.585
		500	0.618	0.596	0.592	0.584
		1,000	0.615	0.594	0.590	0.582
		<u>1,500</u>	<u>0.612</u>	<u>0.592</u>	<u>0.588</u>	<u>0.580</u>
		<u>2,000</u>	<u>0.609</u>	<u>0.590</u>	<u>0.587</u>	<u>0.579</u>
		2,500	0.606	0.588	0.585	0.577
		<u>3,000</u>	<u>0.604</u>	<u>0.587</u>	<u>0.584</u>	<u>0.576</u>
		<u>4,000</u>	<u>0.599</u>	<u>0.584</u>	<u>0.581</u>	<u>0.574</u>
		5,000	0.594	0.581	0.578	0.572
		7,500	0.585	0.578	0.574	0.569
		10,000	-	0.574	0.572	0.566
		<u>1%</u>	<u>0.618</u>	<u>0.592</u>	<u>0.586</u>	<u>0.574</u>
10%	\$	100	0.557	0.535	0.531	0.522
		250	0.555	0.534	0.530	0.522
		500	0.553	0.533	0.529	0.521
		1,000	0.550	0.530	0.527	0.519
		<u>1,500</u>	<u>0.547</u>	<u>0.528</u>	<u>0.525</u>	<u>0.518</u>
		<u>2,000</u>	<u>0.545</u>	<u>0.526</u>	<u>0.523</u>	<u>0.516</u>
		2,500	0.542	0.524	0.521	0.515
		<u>3,000</u>	<u>0.540</u>	<u>0.523</u>	<u>0.520</u>	<u>0.514</u>
		<u>4,000</u>	<u>0.536</u>	<u>0.520</u>	<u>0.517</u>	<u>0.512</u>
		5,000	0.532	0.518	0.515	0.510
		7,500	0.524	0.514	0.511	0.506
		10,000	0.518	0.511	0.509	0.504
		<u>1%</u>	<u>0.553</u>	<u>0.528</u>	<u>0.523</u>	<u>0.512</u>

Table 406.B.2.a.(7)#1 Coverage A, B, D Or E Windstorm Or Hail Percentage Deductibles

**406. DEDUCTIBLES**

Territories 110, 120, 130, 140, 150 And 160 (Beach & Coastal)													
Coverage C And Other Personal Property Coverage Options*													
Windstorm Or Hail Deductible Percentage	All Other Perils Deductible Amount												
	\$100	\$250	\$500	\$1,000	\$1,500	\$2,000	\$2,500	\$3,000	\$4,000	\$5,000	\$7,500	\$10,000	1%
1%	0.909	0.908	0.906	0.902	<u>0.898</u>	<u>0.894</u>	0.890	<u>0.887</u>	<u>0.882</u>	0.876	0.870	0.853	=
2%	0.827	0.826	0.825	0.822	<u>0.820</u>	<u>0.817</u>	0.815	<u>0.813</u>	<u>0.808</u>	0.804	0.795	0.791	<u>0.826</u>
3%	<u>0.775</u>	<u>0.774</u>	<u>0.773</u>	<u>0.770</u>	<u>0.768</u>	<u>0.766</u>	<u>0.764</u>	<u>0.762</u>	<u>0.758</u>	<u>0.754</u>	<u>0.747</u>	<u>0.742</u>	<u>0.774</u>
4%	<u>0.723</u>	<u>0.722</u>	<u>0.721</u>	<u>0.719</u>	<u>0.717</u>	<u>0.715</u>	<u>0.713</u>	<u>0.711</u>	<u>0.708</u>	<u>0.705</u>	<u>0.698</u>	<u>0.694</u>	<u>0.722</u>
5%	0.671	0.670	0.669	0.667	<u>0.665</u>	<u>0.664</u>	0.662	<u>0.661</u>	<u>0.658</u>	0.655	0.650	0.645	<u>0.670</u>
7.5%	0.591	0.590	0.589	0.587	<u>0.585</u>	<u>0.584</u>	0.582	<u>0.581</u>	<u>0.578</u>	0.575	0.571	0.568	<u>0.590</u>
10%	0.528	0.527	0.526	0.523	<u>0.521</u>	<u>0.520</u>	0.518	<u>0.517</u>	<u>0.515</u>	0.513	0.508	0.505	<u>0.527</u>

\* Only use when policy also covers building or non-building structures.

**Table 406.B.2.a.(7)#2 Coverage C And Other Personal Property Windstorm Or Hail Percentage Deductibles**



406. DEDUCTIBLES

Territories 170-390 (Inland)					
Coverage A, B, D Or E And Coverage Options For Buildings And Non-building Structures					
Windstorm Or Hail Deductible Percentage	All Other Perils Deductible Amount	Coverages A, B, D And E Limit			
		Up To \$125,000	\$125,001 To \$175,000	\$175,001 To \$250,000	\$250,001 And Above
1%	\$ 100	0.990	0.947	0.926	0.885
	250	0.975	0.937	0.917	0.878
	500	0.949	0.921	0.902	0.867
	1,000	0.903	0.893	0.878	0.848
	<u>1,500</u>	=	<u>0.865</u>	<u>0.854</u>	<u>0.833</u>
	<u>2,000</u>	=	=	<u>0.830</u>	<u>0.817</u>
	2,500	-	-	-	0.802
	<u>3,000</u>	=	=	=	<u>0.784</u>
	<u>4,000</u>	=	=	=	<u>0.747</u>
	5,000	-	-	-	0.711
	7,500	-	-	-	0.654
	10,000	-	-	-	0.608
<u>1%</u>	=	=	=	=	
2%	\$ 100	0.916	0.866	0.843	0.802
	250	0.902	0.855	0.833	0.795
	500	0.879	0.840	0.819	0.784
	1,000	0.841	0.812	0.794	0.765
	<u>1,500</u>	<u>0.803</u>	<u>0.791</u>	<u>0.775</u>	<u>0.749</u>
	<u>2,000</u>	<u>0.765</u>	<u>0.769</u>	<u>0.756</u>	<u>0.734</u>
	2,500	-	0.748	0.737	0.718
	<u>3,000</u>	=	<u>0.727</u>	<u>0.718</u>	<u>0.707</u>
	<u>4,000</u>	=	=	<u>0.680</u>	<u>0.686</u>
	5,000	-	-	-	0.664
	7,500	-	-	-	0.605
	10,000	-	-	-	0.567
<u>1%</u>	<u>0.874</u>	<u>0.791</u>	<u>0.753</u>	<u>0.693</u>	
<u>3%</u>	<u>\$ 100</u>	<u>0.872</u>	<u>0.821</u>	<u>0.799</u>	<u>0.764</u>
	<u>250</u>	<u>0.858</u>	<u>0.810</u>	<u>0.789</u>	<u>0.757</u>
	<u>500</u>	<u>0.836</u>	<u>0.795</u>	<u>0.775</u>	<u>0.746</u>
	<u>1,000</u>	<u>0.799</u>	<u>0.767</u>	<u>0.750</u>	<u>0.727</u>
	<u>1,500</u>	<u>0.765</u>	<u>0.745</u>	<u>0.731</u>	<u>0.711</u>
	<u>2,000</u>	<u>0.730</u>	<u>0.724</u>	<u>0.712</u>	<u>0.696</u>
	<u>2,500</u>	<u>0.696</u>	<u>0.703</u>	<u>0.693</u>	<u>0.680</u>
	<u>3,000</u>	<u>0.662</u>	<u>0.684</u>	<u>0.676</u>	<u>0.669</u>
	<u>4,000</u>	=	<u>0.646</u>	<u>0.642</u>	<u>0.647</u>
	<u>5,000</u>	=	<u>0.608</u>	<u>0.608</u>	<u>0.626</u>
	<u>7,500</u>	=	=	=	<u>0.574</u>
	<u>10,000</u>	=	=	=	<u>0.539</u>
	<u>1%</u>	<u>0.831</u>	<u>0.746</u>	<u>0.709</u>	<u>0.655</u>
	<u>4%</u>	<u>\$ 100</u>	<u>0.829</u>	<u>0.775</u>	<u>0.755</u>
<u>250</u>		<u>0.815</u>	<u>0.765</u>	<u>0.745</u>	<u>0.719</u>
<u>500</u>		<u>0.792</u>	<u>0.750</u>	<u>0.731</u>	<u>0.707</u>
<u>1,000</u>		<u>0.757</u>	<u>0.721</u>	<u>0.707</u>	<u>0.688</u>

		<u>1,500</u>	<u>0.726</u>	<u>0.700</u>	<u>0.687</u>	<u>0.673</u>
		<u>2,000</u>	<u>0.696</u>	<u>0.679</u>	<u>0.668</u>	<u>0.657</u>
		<u>2,500</u>	<u>0.665</u>	<u>0.657</u>	<u>0.649</u>	<u>0.642</u>
		<u>3,000</u>	<u>0.634</u>	<u>0.641</u>	<u>0.634</u>	<u>0.631</u>
		<u>4,000</u>	<u>0.573</u>	<u>0.608</u>	<u>0.604</u>	<u>0.609</u>
		<u>5,000</u>	=	<u>0.575</u>	<u>0.573</u>	<u>0.587</u>
		<u>7,500</u>	=	=	<u>0.498</u>	<u>0.542</u>
		<u>10,000</u>	=	=	=	<u>0.511</u>
		<u>1%</u>	<u>0.788</u>	<u>0.700</u>	<u>0.665</u>	<u>0.617</u>
5%	\$	100	0.785	0.730	0.711	0.688
		250	0.771	0.720	0.701	0.681
		500	0.749	0.705	0.687	0.669
		1,000	0.715	0.676	0.663	0.650
		<u>1,500</u>	<u>0.688</u>	<u>0.655</u>	<u>0.644</u>	<u>0.635</u>
		<u>2,000</u>	<u>0.661</u>	<u>0.633</u>	<u>0.624</u>	<u>0.619</u>
		2,500	0.634	0.612	0.605	0.604
		<u>3,000</u>	<u>0.615</u>	<u>0.598</u>	<u>0.592</u>	<u>0.593</u>
		<u>4,000</u>	<u>0.578</u>	<u>0.570</u>	<u>0.565</u>	<u>0.571</u>
		5,000	0.540	0.542	0.539	0.549
		7,500	-	0.495	0.496	0.511
		10,000	-	-	0.464	0.483
		<u>1%</u>	<u>0.745</u>	<u>0.655</u>	<u>0.621</u>	<u>0.579</u>
7.5%	\$	100	0.729	0.681	0.667	0.650
		250	0.715	0.670	0.658	0.643
		500	0.693	0.655	0.643	0.632
		1,000	0.659	0.626	0.619	0.613
		<u>1,500</u>	<u>0.633</u>	<u>0.605</u>	<u>0.600</u>	<u>0.597</u>
		<u>2,000</u>	<u>0.608</u>	<u>0.584</u>	<u>0.580</u>	<u>0.582</u>
		2,500	0.582	0.563	0.561	0.566
		<u>3,000</u>	<u>0.565</u>	<u>0.549</u>	<u>0.548</u>	<u>0.555</u>
		<u>4,000</u>	<u>0.532</u>	<u>0.520</u>	<u>0.521</u>	<u>0.534</u>
		5,000	0.498	0.492	0.495	0.512
		7,500	0.444	0.449	0.453	0.474
		10,000	-	0.421	0.423	0.446
		<u>1%</u>	<u>0.689</u>	<u>0.605</u>	<u>0.577</u>	<u>0.541</u>
10%	\$	100	0.692	0.650	0.640	0.626
		250	0.678	0.639	0.630	0.619
		500	0.656	0.624	0.616	0.608
		1,000	0.623	0.596	0.591	0.589
		<u>1,500</u>	<u>0.598</u>	<u>0.575</u>	<u>0.572</u>	<u>0.573</u>
		<u>2,000</u>	<u>0.573</u>	<u>0.553</u>	<u>0.553</u>	<u>0.558</u>
		2,500	0.548	0.532	0.534	0.542
		<u>3,000</u>	<u>0.532</u>	<u>0.518</u>	<u>0.521</u>	<u>0.531</u>
		<u>4,000</u>	<u>0.499</u>	<u>0.489</u>	<u>0.494</u>	<u>0.509</u>
		5,000	0.466	0.461	0.468	0.487
		7,500	0.417	0.419	0.425	0.449
		10,000	0.384	0.391	0.396	0.422
		<u>1%</u>	<u>0.652</u>	<u>0.575</u>	<u>0.550</u>	<u>0.517</u>

Table 406.B.2.a.(7)#3 Coverage A, B, D Or E Windstorm Or Hail Percentage Deductibles

**406. DEDUCTIBLES**

Territories 170-390 (Inland)													
Coverage C And Other Personal Property Coverage Options*													
Windstorm Or Hail Deductible Percentage	All Other Perils Deductible Amount												
	\$100	\$250	\$500	\$1,000	\$1,500	\$2,000	\$2,500	\$3,000	\$4,000	\$5,000	\$7,500	\$10,000	1%
1%	0.927	0.917	0.901	0.873	<u>0.845</u>	<u>0.817</u>	0.789	<u>0.770</u>	<u>0.731</u>	0.693	0.634	0.587	=
2%	0.845	0.836	0.821	0.796	<u>0.775</u>	<u>0.754</u>	0.733	<u>0.716</u>	<u>0.681</u>	0.646	0.585	0.548	<u>0.842</u>
<b>3%</b>	<u>0.803</u>	<u>0.794</u>	<u>0.779</u>	<u>0.754</u>	<u>0.734</u>	<u>0.714</u>	<u>0.694</u>	<u>0.678</u>	<u>0.646</u>	<u>0.614</u>	<u>0.558</u>	<u>0.522</u>	<u>0.800</u>
<b>4%</b>	<u>0.761</u>	<u>0.751</u>	<u>0.737</u>	<u>0.713</u>	<u>0.693</u>	<u>0.674</u>	<u>0.655</u>	<u>0.640</u>	<u>0.611</u>	<u>0.582</u>	<u>0.531</u>	<u>0.495</u>	<u>0.758</u>
5%	0.719	0.709	0.695	0.671	<u>0.653</u>	<u>0.634</u>	0.616	<u>0.603</u>	<u>0.576</u>	0.550	0.504	0.469	<u>0.716</u>
7.5%	0.674	0.665	0.650	0.626	<u>0.608</u>	<u>0.591</u>	0.573	<u>0.560</u>	<u>0.535</u>	0.510	0.467	0.436	<u>0.671</u>
10%	0.646	0.636	0.621	0.598	<u>0.580</u>	<u>0.563</u>	0.545	<u>0.533</u>	<u>0.508</u>	0.483	0.441	0.412	<u>0.643</u>

\* Only use when policy also covers building or non-building structures.

**Table 406.B.2.a.(7)#4 Coverage C And Other Personal Property Windstorm Or Hail Percentage Deductibles**

406. DEDUCTIBLES

Territories 110, 120, 130, 140, 150 And 160 (Beach & Coastal)					
Coverage A, B, D Or E And Coverage Options For Buildings And Non-building Structures					
Windstorm Or Hail Deductible Amount	All Other Perils Deductible Amount	Coverage A Or B Limit			
		Up To \$125,000	\$125,001 To \$175,000	\$175,001 To \$250,000	\$250,001 And Above
\$1,000	\$ 100	0.942	0.962	0.972	0.984
	250	0.940	0.961	0.971	0.983
	500	0.938	0.959	0.970	0.982
\$2,000	\$ 100	0.850	0.896	0.921	0.955
	250	0.849	0.895	0.920	0.954
	500	0.847	0.893	0.918	0.953
	1,000	0.843	0.891	0.916	0.952
	<u>1,500</u>	<u>0.839</u>	<u>0.889</u>	<u>0.914</u>	<u>0.951</u>
\$5,000	\$ 100	0.685	0.758	0.807	0.887
	250	0.683	0.757	0.806	0.886
	500	0.681	0.756	0.805	0.885
	1,000	0.678	0.753	0.803	0.883
	<u>1,500</u>	<u>0.676</u>	<u>0.751</u>	<u>0.801</u>	<u>0.882</u>
	<u>2,000</u>	<u>0.674</u>	<u>0.749</u>	<u>0.799</u>	<u>0.880</u>
	2,500	0.672	0.747	0.797	0.879
	<u>3,000</u>	<u>0.670</u>	<u>0.745</u>	<u>0.795</u>	<u>0.878</u>
	<u>4,000</u>	<u>0.666</u>	<u>0.741</u>	<u>0.791</u>	<u>0.875</u>
\$7,500	\$ 100	0.606	0.681	0.738	0.841
	250	0.605	0.680	0.738	0.841
	500	0.603	0.679	0.736	0.840
	1,000	0.600	0.676	0.734	0.838
	<u>1,500</u>	<u>0.598</u>	<u>0.674</u>	<u>0.732</u>	<u>0.836</u>
	<u>2,000</u>	<u>0.595</u>	<u>0.672</u>	<u>0.731</u>	<u>0.835</u>
	2,500	0.593	0.670	0.729	0.833
	<u>3,000</u>	<u>0.592</u>	<u>0.669</u>	<u>0.728</u>	<u>0.832</u>
	<u>4,000</u>	<u>0.589</u>	<u>0.666</u>	<u>0.725</u>	<u>0.830</u>
\$10,000	\$ 100	0.556	0.623	0.684	0.803
	250	0.555	0.622	0.684	0.802
	500	0.553	0.621	0.682	0.801
	1,000	0.550	0.618	0.680	0.799
	<u>1,500</u>	<u>0.548</u>	<u>0.616</u>	<u>0.678</u>	<u>0.798</u>
	<u>2,000</u>	<u>0.545</u>	<u>0.614</u>	<u>0.677</u>	<u>0.796</u>
	2,500	0.543	0.612	0.675	0.795
	<u>3,000</u>	<u>0.542</u>	<u>0.611</u>	<u>0.674</u>	<u>0.794</u>
	<u>4,000</u>	<u>0.539</u>	<u>0.608</u>	<u>0.671</u>	<u>0.792</u>
	5,000	0.536	0.606	0.669	0.790
	7,500	0.532	0.602	0.665	0.786

Table 406.B.2.b.(7)#1 Coverage A, B, D Or E Windstorm Or Hail Fixed-dollar Deductibles

**406. DEDUCTIBLES**

<b>Territories 110, 120, 130, 140, 150 And 160 (Beach &amp; Coastal)</b>											
<b>Coverage C And Other Personal Property Coverage Options*</b>											
<b>Windstorm Or Hail Deductible Amount</b>	<b>All Other Perils Deductible Amount</b>										
	<b>\$100</b>	<b>\$250</b>	<b>\$500</b>	<b>\$1,000</b>	<b>\$1,500</b>	<b>\$2,000</b>	<b>\$2,500</b>	<b>\$3,000</b>	<b>\$4,000</b>	<b>\$5,000</b>	<b>\$7,500</b>
\$ 1,000	0.977	0.977	0.975	–	=	=	–	=	=	–	–
2,000	0.937	0.936	0.935	0.933	<u>0.931</u>	=	–	=	=	–	–
5,000	0.848	0.847	0.846	0.844	<u>0.842</u>	<u>0.841</u>	0.839	<u>0.837</u>	<u>0.834</u>	–	–
7,500	0.793	0.792	0.791	0.789	<u>0.787</u>	<u>0.786</u>	0.784	<u>0.783</u>	<u>0.780</u>	0.778	–
10,000	0.750	0.749	0.747	0.745	<u>0.743</u>	<u>0.742</u>	0.740	<u>0.739</u>	<u>0.737</u>	0.735	0.731

\* Only use when policy also covers building or non-building structures.

**Table 406.B.2.b.(7)#2 Coverage C And Other Personal Property Windstorm Or Hail Fixed-dollar Deductibles**

406. DEDUCTIBLES

Territories 170-390 (Inland)					
Coverage A, B, D Or E And Coverage Options For Buildings And Non-building Structures					
Windstorm Or Hail Deductible Amount	All Other Perils Deductible Amount	Coverage A Or B Limit			
		Up To \$125,000	\$125,001 To \$175,000	\$175,001 To \$250,000	\$250,001 And Above
\$1,000	\$ 100	0.979	0.983	0.987	0.985
	250	0.965	0.972	0.978	0.978
	500	0.943	0.957	0.963	0.967
\$2,000	\$ 100	0.900	0.917	0.930	0.940
	250	0.886	0.907	0.921	0.933
	500	0.864	0.892	0.906	0.922
	1,000	0.831	0.863	0.882	0.903
	<u>1,500</u>	<u>0.798</u>	<u>0.834</u>	<u>0.858</u>	<u>0.884</u>
\$5,000	\$ 100	0.766	0.791	0.817	0.849
	250	0.752	0.781	0.808	0.842
	500	0.730	0.766	0.793	0.831
	1,000	0.697	0.737	0.769	0.812
	<u>1,500</u>	<u>0.673</u>	<u>0.716</u>	<u>0.750</u>	<u>0.796</u>
	<u>2,000</u>	<u>0.648</u>	<u>0.694</u>	<u>0.730</u>	<u>0.781</u>
	2,500	0.624	0.673	0.711	0.765
	<u>3,000</u>	<u>0.600</u>	<u>0.652</u>	<u>0.692</u>	<u>0.749</u>
	<u>4,000</u>	<u>0.551</u>	<u>0.609</u>	<u>0.653</u>	<u>0.718</u>
\$7,500	\$ 100	0.712	0.731	0.756	0.797
	250	0.698	0.721	0.747	0.790
	500	0.676	0.706	0.732	0.779
	1,000	0.643	0.677	0.708	0.760
	<u>1,500</u>	<u>0.618</u>	<u>0.656</u>	<u>0.689</u>	<u>0.744</u>
	<u>2,000</u>	<u>0.594</u>	<u>0.634</u>	<u>0.669</u>	<u>0.729</u>
	2,500	0.569	0.613	0.650	0.713
	<u>3,000</u>	<u>0.554</u>	<u>0.599</u>	<u>0.637</u>	<u>0.702</u>
	<u>4,000</u>	<u>0.524</u>	<u>0.571</u>	<u>0.610</u>	<u>0.681</u>
	5,000	0.494	0.543	0.584	0.659
\$10,000	\$ 100	0.681	0.695	0.716	0.759
	250	0.666	0.684	0.706	0.752
	500	0.645	0.669	0.692	0.741
	1,000	0.611	0.640	0.668	0.722
	<u>1,500</u>	<u>0.587</u>	<u>0.619</u>	<u>0.649</u>	<u>0.706</u>
	<u>2,000</u>	<u>0.562</u>	<u>0.598</u>	<u>0.629</u>	<u>0.691</u>
	2,500	0.538	0.577	0.610	0.675
	<u>3,000</u>	<u>0.523</u>	<u>0.563</u>	<u>0.597</u>	<u>0.664</u>
	<u>4,000</u>	<u>0.492</u>	<u>0.534</u>	<u>0.570</u>	<u>0.642</u>
	5,000	0.462	0.506	0.544	0.620
	7,500	0.420	0.463	0.501	0.582

Table 406.B.2.b.(7)#3 Coverage A, B, D Or E Windstorm Or Hail Fixed-dollar Deductibles

**406. DEDUCTIBLES**

Territories 170-390 (Inland)											
Coverage C And Other Personal Property Coverage Options*											
Windstorm Or Hail Deductible Amount	All Other Perils Deductible Amount										
	\$100	\$250	\$500	\$1,000	\$1,500	\$2,000	\$2,500	\$3,000	\$4,000	\$5,000	\$7,500
\$ 1,000	0.983	0.974	0.959	–	=	=	–	=	=	–	–
2,000	0.924	0.915	0.900	0.877	0.854	=	–	=	=	–	–
5,000	0.813	0.803	0.789	0.765	0.747	0.730	0.712	0.694	0.659	–	–
7,500	0.756	0.747	0.732	0.708	0.690	0.673	0.655	0.643	0.619	0.595	–
10,000	0.718	0.709	0.694	0.671	0.653	0.636	0.618	0.606	0.581	0.557	0.517

\* Only use when policy also covers building or non-building structures.

**Table 406.B.2.b.(7)#4 Coverage C And Other Personal Property Windstorm Or Hail Fixed-dollar Deductibles**

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**RULE 509.**  
**EARTHQUAKE COVERAGE**

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Rule **509.** is replaced by the following:

**A. Coverage Description**

When added to the Fire policy, this peril shall apply to the same coverages and for the same limits that apply to the peril of Fire.

Use Earthquake Coverage Endorsement **DP 04 69.**

**B. Loss Assessment Coverage**

When the policy is extended to cover loss assessment resulting from loss by this peril, the limit of liability shall be based on the insured's proportionate interest in total value of all collectively owned buildings and structures of the corporation or association of property owners. Refer to company for rates.

Use Loss Assessment Coverage For Earthquake Endorsement **DP 04 68.**

**C. Deductible**

The base deductible is 5% of the limit of liability for Coverage **A, B** or **C**, whichever is greatest and is subject to a ~~\$250~~ **500** minimum.

This deductible may be increased for a premium credit. In the event of an Earthquake loss to covered property, the dollar amount is deducted from the total of the loss for Coverages **A, B** and **C**.

**D. Premium For Base Deductible**

Develop the premium as follows:

1. From the state rates:
  - a. Determine the Earthquake Zone;
  - b. Determine if Rate Table **A**, and/or **B** applies;
  - c. Select the rate according to construction from the Rate Table; and
2. Multiply the rate determined in Paragraph **D.1.c.** by the amounts of insurance for:
  - a. Coverages **A, B, C, D** and **E**;
  - b. Improvements, Alterations and Additions – Increased Limits;
  - c. Other Building Coverage options (i.e. Bldg. Items Coverage);
  - d. Other Personal Property Coverage (i.e. Merchandise in Storage);
  - e. Ordinance or Law total amount of insurance (includes basic, and if applicable, increased amounts).

**E. Premium for Higher Deductibles**

Multiply the Base Premium determined in Paragraph ~~**ED.**~~ by a factor from the following table:

Deductible Percentage	Frame And Superior	Masonry
10%	.89	.95
15%	.78	.89
20%	.67	.84
25%	.56	.79

**Table 509.E. Higher Deductibles Factors**



**RULE 509.  
EARTHQUAKE COVERAGE**

**D. Premium For Base Deductible**

<b>Rate per \$1000</b>				
	<b>Zone</b>	<b>Frame*</b>	<b>Masonry*</b>	<b>Superior</b>
<b>Table A</b>				
Coverages A, B, D Or E	3	\$ .36	\$ 1.72	\$ .68
Improvements, etc.	4	.23	1.05	.39
& Other Building Options	5	.18	.57	.27
<b>Table B</b>				
Coverage C & Other	3	\$ .36	\$ 1.43	\$ .36
Personal Property	4	.23	.82	.23
Options	5	.18	.57	.18
* If exterior Masonry Veneer is covered, rate as Masonry; if not covered – rate as Frame.				
<b>Zone Definitions</b>				
<b>Zone 3</b>				
Anson	Davie	Richmond		
Brunswick	Gaston	Robeson		
Cabarrus	Iredell	Rowan		
Catawba	Lincoln	Scotland		
Cleveland	Mecklenburg	Stanly		
Columbus	Montgomery	Union		
<b>Zone 4</b>				
Alexander	Forsyth	Pender		
Alleghany	Graham	Polk		
Ashe	Haywood	Randolph		
Avery	Henderson	Rutherford		
Bladen	Hoke	Surry		
Buncombe	Jackson	Swain		
Burke	Macon	Transylvania		
Caldwell	Madison	Watauga		
Cherokee	McDowell	Wilkes		
Clay	Mitchell	Yadkin		
Cumberland	Moore	Yancey		
Davidson	New Hanover			
<b>Zone 5</b>				
Balance of State				

**Table 509.D.1.(R) Premium For Base Deductible 5% Deductible**