

Non-Pricing Ways to Manage Severe Weather

March 30, 2013



Agenda / Considerations

- Inspections / Re-inspections
- Underwriting Guidelines
- Deductibles
- Prevention
- Contract / Coverage Changes
- Residual Markets



Inspections / Re-inspections

- ❑ Roof Age, Condition and Material
- ❑ Presence of Mitigation Devices
- ❑ Insured to Value



Underwriting Guidelines

- ❑ Prior Losses
- ❑ Non-renewals
- ❑ Correct Classification
- ❑ Lower Risk Properties

Exposure Management

- Define High Risk Areas
 - State, County, Distance from Coast
 - Concentration within a radius
- Establish Thresholds
 - Maximum AOI
 - Maximum # of properties
 - Maximum % of total business
- Monitor and Take Action



Deductibles

- All-Peril Deductibles
- Hurricane / Tropical Cyclone Deductibles
- Wind / Hail Deductibles



Prevention

- Education
 - Mitigation Devices
 - Flood Insurance
- Pre-Event Warnings
- Maintenance Reminders



Contract / Coverage Changes

- Limit Additional Living Expense
- Reporting Requirements
- Limit Replacement Cost Coverage
 - Actual Cash Value
 - Roof Payment Schedule
- Exclusions
 - Pool Enclosures
 - Roof
 - Cosmetic Damage



Residual Markets

- Wind Pools
 - AL, MS, NC, SC, TX
- Citizens
 - LA, FL
- Fair Plans
 - All other states excluding Maine