

The 5 features your property should have are:

- 1) The roof including roof supports, roof decking and roof shingles are installed to withstand wind speeds of 85 miles per hour or higher.
- 2) The wooden roof trusses are connected to the top plate of the exterior walls by metal hurricane straps, clips or other appropriate means. Nailing is not appropriate.
- 3) All windows, skylights and patio doors are protected against flying debris caused by hurricane winds. Hurricane shutters, 3/4 inch plywood or impact resistant glass is acceptable.
- 4) If applicable all overhead garage doors and tracks are braced and reinforced to withstand 85 mile per hour winds or higher.
- 5) All exterior doors are fastened to doorjamb with 3 or more hinges, and have dead bolt locks or door pins that project a minimum of 1/2 inch.

Items number 1 and 2 are always required to qualify for a reduction.

If you think your property contains these features, please contact your producer for the instructions and form HD 99 03 (03-99) or see our web site at [www.njiua.org](http://www.njiua.org). Click on the consumer section for a copy of the form.

***The following schedule is used to determine your revised hurricane deductible:***

If you currently have a 3% hurricane deductible and \$500 all peril deductible and

have features 1 and 2, your deductible will be your all peril deductible of \$500.

If you currently have a 3% hurricane deductible and a \$1000 all peril deductible and have features 1 and 2, your deductible will be your all peril deductible of \$1000.

If you currently have a 4% hurricane deductible and \$1000 all peril deductible and have features 1 and 2, your new deductible is reduced from 4% to 2%. If your property has all 5 features, your new deductible will be the all peril deductible of \$1000.

If you currently have a 5% hurricane deductible and a \$1500 all peril deductible and have features 1 and 2, your new deductible is reduced from 5% to 3%. If your property has all 5 features, your revised deductible will be the all peril deductible of \$1500.

Your all peril deductible is the lowest deductible your policy can have.

***Does my NJIUA policy cover flood damage?***

**N**O, the Association does not offer flood insurance. The Department of Banking and Insurance requires all property and casualty insurers to provide their policyholders with written notice regarding the lack of coverage in the event of flood losses. Enclosed with your policy documents is Notice, **NJ FLOOD (1-2001)** that explains the lack of coverage for flood losses and where you may inquire about securing coverage to protect your property against a flood loss. Please review this Notice carefully.



**116 Coastal ZIP Codes**

Coastal Group # 1 Zip Codes			
07002	07721	08212	08731
07008	07723	08221	08732
07036	07724	08223	08734
07064	07730	08225	08736
07077	07732	08230	08738
07201	07735	08234	08739
07202	07737	08241	08740
07206	07739	08242	08741
07302	07748	08248	08750
07304	07750	08270	08753
07305	07753	08311	08754
07306	07755	08324	08755
07701	07756	08332	08756
07702	07757	08327	08757
07704	07758	08345	08758
07709	07760	08349	08832
07711	07762	08400	08861
07712	07764	08403	08862
07713	08005	08404	08878
07715	08050	08411	08879
07716	08087	08721	
07717	08092	08722	
07718	08201	08723	
07719	08205	08724	
07720	08210	08730	

Coastal Group # 2 Zip Codes			
07734	08204	08251	08742
07740	08226	08260	08751
08006	08232	08401	08752
08008	08243	08402	
08202	08244	08406	
08203	08247	08735	

***New Jersey  
Insurance Underwriting  
Association***

**HURRICANE DEDUCTIBLE  
PROGRAM**

**CONSUMER GUIDE**

  

***744 Broad Street  
Newark, NJ 07102  
973-622-3838  
Fax: 973-297-5032  
[www.njiua.org](http://www.njiua.org)***

## History

The use of deductibles in the insurance industry is not a new development. The dictionary's definition of deductible is "the amount for which the insured is responsible on each claim made on an insurance policy" or the out of pocket expense the insured undertakes in the event of a covered loss. Deductibles have always played an important role in insurance and have evolved throughout many years to include a broad range of coverages or tailored to apply to very specific events like an earthquake or tornado that have the potential to cause catastrophic losses. Hurricanes also have the potential to cause huge amounts of damage resulting in catastrophic losses for the insurance industry.

In March of 1999 the New Jersey Insurance Underwriting Association (NJIUA) with the approval of the New Jersey Department of Banking and Insurance (NJDOBI) introduced the use of a deductible specifically for a hurricane event. This deductible is an addition to an all peril deductible that is on all Association policies and is used for all covered losses except in the event of a hurricane.

To understand more about the NJIUA Hurricane Deductible Program, the Association has provided answers to the most frequently asked questions surrounding the program. Please review the questions and answers carefully.

## Frequently Asked Questions (FAQ's)

### ***Does the hurricane deductible apply everywhere in the state?***

**N**o, the Department of Banking and Insurance has designated 116 zip codes throughout several areas of New Jersey where the deductible may be triggered in the event of a hurricane. The zip codes are broken down into coastal group 1 zip codes and coastal group 2 zip codes.

### ***How can I tell if a deductible applies to my insured property?***

At the end of this brochure is a list of the 116 zip codes that are included in this program. If one or more properties you insure through NJIUA are located in one of the zip codes, the hurricane deductible applies. If there is more than one location listed on your policy, the deductible applies on a per location basis.

### ***How can I tell what my deductibles are?***

Your policy has 2 deductibles, an all peril deductible and a hurricane deductible. Both deductibles are shown on your declaration page.

### ***How are the deductible amounts determined?***

The all peril deductible and corresponding hurricane deductible are based on the location of the property, the zip code and the distance from the ocean or bay as determined by a widely accepted mapping program used by NJIUA.

Your deductible will fall into one of four categories:

- 1) A \$500 all peril deductible and a 3% hurricane deductible applies if your property is located in a coastal group 1 zip code and is more than 2 miles from the ocean or bay as measured at mean high tide.
- 2) A \$1000 all peril deductible and a 3% hurricane deductible applies if your property is located in a coastal group 1 zip code and is between 1 and 2 miles from the ocean or bay as measured at mean high tide.
- 3) A \$1000 all peril deductible and a 4% hurricane deductible applies if your property is located in a coastal group 1 zip code and is within 1 mile or less from the ocean or bay as measured at mean high tide.
- 4) A \$1500 all peril deductible and a 5% hurricane deductible applies if your property is located in one of the coastal group 2 zip codes.

### ***If there is a covered loss caused by a hurricane, how is my deductible calculated?***

To see how much your deductible would be, multiply the percent deductible shown on your declaration page by the dwelling limit or contents limit if only contents is covered. If the calculated amount is more than the all peril deductible, then the hurricane deductible applies. The higher of the two deductibles will always apply.

Here is an example based on dwelling coverage of \$100,000 and personal property coverage of \$25,000. The deductible is 3% hurricane and \$1000 all peril. The hurricane deductible amount is 3% x \$100,000 = \$3000 and is used because it is more than the \$1000 all peril.

A loss would be settled as follows:

Damage to building	\$ 6000
Damage to contents -	\$ 1000

Total Adjusted Damage	\$ 7000
Less deductible	<u>- 3000</u> (paid by you)

Insured Amount	\$4000 (paid by NJIUA)
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### ***Is the hurricane deductible something that can be removed from my policy?***

**N**o, the hurricane deductible is mandatory and cannot be removed from your policy.

### ***Is there anything that can be done to lower the deductible to something else?***

**Y**es, The New Jersey Insurance Underwriting Association supports a Hurricane Mitigation program. There are 5 things you can do to protect your property from a hurricane loss and mitigate the damage that may result. The reduction you may receive in your deductible will depend on what you do to your property and how well it is documented either through manufacturer's receipts, other bills or a builder's literature on house features. If these documents are not available, a home inspection will be required.