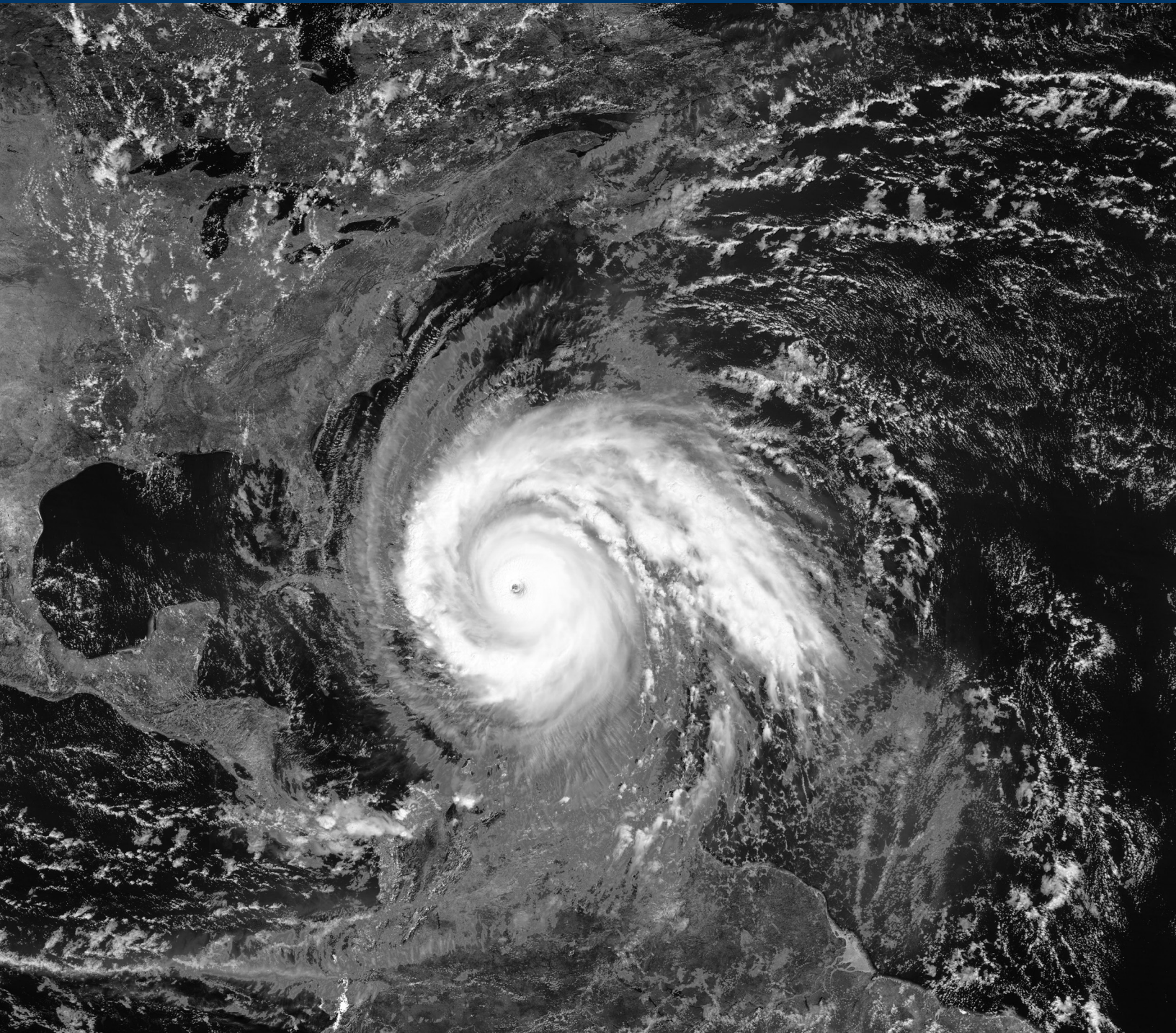


HURRICANE DEDUCTIBLES & POLICY LIMITS



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Hurricane season runs from June 1 – November 30 each year. With an above-average 2021 Atlantic hurricane season predicted, policyholders must ensure their policy aligns with their coverage needs before disaster strikes. There are certain components of hurricane coverage paramount to achieving total recovery. When you understand these components of your policy, you can tailor your coverage to guarantee that you are protected in the event a hurricane wipes out your home's structure or personal property.

We've created this eBook to identify and discuss these key components, giving policyholders the information they need to have a proactive discussion with their insurance agent about their coverage. Policyholders should not wait for a hurricane to hit before double checking their policy outlines enough coverage for their home. It is best to review your policy before hurricane season goes into full effect. The last thing you want is a second disaster with your insurance company when it is uncovered that your policy isn't up to the task of protecting your home.

A diamond-shaped warning sign with a white background and a thick black border. The sign is mounted on a wooden post and features the text "HURRICANE SEASON AHEAD" in bold, black, sans-serif capital letters. The background of the image is a dark, cloudy sky.

**HURRICANE
SEASON
AHEAD**

CONTENTS

- 01 Checking Your Homeowners Insurance Policy Limit
- 02 Understanding Your Hurricane/ Windstorm Deductible
- 03 States With Hurricane & Windstorm Deductibles
- 04 Merlin Law Group – Here To Help



CHECKING YOUR HOMEOWNERS INSURANCE POLICY LIMIT

First things first – there is no actual “hurricane insurance” policy. Instead, coverage from hurricanes comes from a combination of windstorm protection in a typical standard homeowners insurance policy and a separate flood insurance policy. When reviewing your homeowners insurance policy, we recommend verifying that your policy limit is enough to rebuild your home. Remember – the real estate value of your home is not the same as the cost to rebuild.

It is recommended to confirm, in detail, the cost to rebuild your home in case it is severely damaged or destroyed by a hurricane. Once you have that amount, confirm that your policy’s limit is enough to cover it. The cost to rebuild your home varies on a number of factors. For example, rising construction material costs could directly impact the cost to rebuild your home. This means you would have to adjust your policy limit for inflation. If your policy limit isn’t enough, you will be on the hook to cover any additional cost to rebuild your home.

UNDERSTANDING YOUR HURRICANE/ WINDSTORM DEDUCTIBLE

Insurers in most coastal states have separate hurricane and windstorm deductibles. You can find this information on the Declarations Page of your policy. What is your deductible? It is the amount policyholders must pay toward a loss before the insurance company steps in.

The primary difference is that a hurricane deductible only applies to hurricanes, whereas a windstorm deductible is applied to any type of wind. Look for information regarding specific triggers in the policy that would activate the deductibles. Triggers can vary depending on the state you live in, which is why it is important to check the policy language to know exactly when a deductible applies.

Hurricane and windstorm deductibles are typically expressed as percentages as opposed to a dollar amount. The general range for most policies is 1-5% of the insured value of your home's structure. This percentage can change if you live in an area prone to hurricane activity. Some insurers have an option for policyholders to pay higher premiums each month in exchange for a lower deductible.

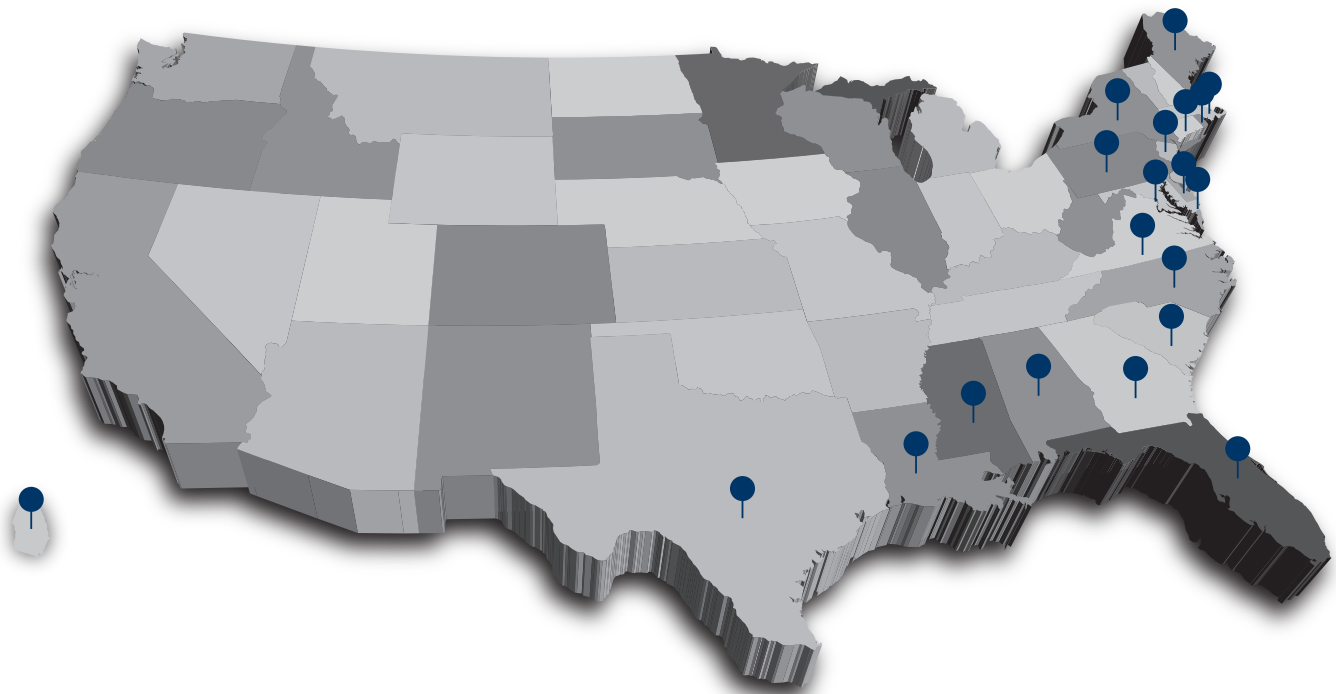
You can find helpful information on updates to laws regarding windstorm and hurricane deductibles [here](#). The information is sourced by The Insurance Information Institute.



STATES WITH HURRICANE & WINDSTORM DEDUCTIBLES

These 19 states, plus the District of Columbia, have some form of hurricane or windstorm deductibles in place for their standard homeowners insurance policies:

- Alabama
- Connecticut
- Delaware
- Florida
- Georgia
- Hawaii
- Louisiana
- Maine
- Maryland
- Massachusetts
- Mississippi
- New Jersey
- New York
- North Carolina
- Pennsylvania
- Rhode Island
- South Carolina
- Texas
- Virginia
- District of Columbia





MERLIN LAW GROUP – HERE TO HELP

Since 1985, Merlin Law Group has been assisting policyholders with property insurance claims achieve recovery. Our firm is dedicated to being The Policyholder's Advocate®, fighting for policyholders nationwide with experienced attorneys and the financial resources necessary to hold insurers accountable. Please contact Merlin Law Group if your insurance claim is being unfairly delayed, denied, or underpaid. We can provide a free case review to determine the status of your claim and initiate the process of challenging your insurer's decision.

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