

**Coastal Select Insurance Company**  
**Residential Windstorm-Hurricane (Form Number CS HU D003)**

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**Common Coverage Questions for Hurricane Losses**

**Special Note Please Read**

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This information is for general information only. The insurance policy and endorsement forms, not this document, define the terms of coverage. All claims have unique facts and circumstances and must be analyzed individually to determine applicable coverage. If an actual loss has occurred, notify us immediately, and an adjuster will be assigned to investigate the specific circumstances of the loss and provide a definitive answer.

**Deductibles**

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Q. How does the Wind/Hurricane deductible apply to the covered loss?

A. If your home sustains damage from a hurricane, your Wind/Hurricane deductible will apply to the covered loss. The deductible is either a percentage of the total limits of liability for the coverages selected or minimum deductible. The greater of the percentage deductible or minimum deductible applies to the loss. For example, say the percentage deductible applies to the following loss scenario.

Dwelling limits = \$250,000

Contents limits = \$100,000

Additional Living Expense limits = \$20,000

Total policy limits = \$370,000

Assume percentage deductible of 2% thus ( $\$370,000 \times .02\% = \$7,400$  deductible applies to the loss)

Q. What type of damage does the policy cover?

A. The policy covers wind or hail damage during a hurricane which results in direct physical damage to property covered by the policy. The Hurricane must be declared by the Central Pacific Hurricane Center of the National Weather Service, (CPHC/NWS)

Q. When does coverage from the hurricane begin and end?

A. Coverage begins when Central Pacific Hurricane Center of the National Weather Service CPHC/NWS issues a Hurricane Watch or Warning in the county where covered property is located and ending 72 hours following the cancellation of the watch or warning for the county.

**Interior Damage to Dwelling or Contents**

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Q. Does the policy afford coverage to the interior of the building and contents?

A. Assuming both dwelling and contents coverage was selected and purchased, any resulting damage from rain to the interior of the covered dwelling or its contents is covered only if the direct force of the wind first damages the building causing an opening through which

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the rain enters the building. If there was no wind created opening through which the rain entered there would be no coverage for interior water damage to the building or contents.

- Q. Are Contents covered if they are located outside of the insured dwelling or a building or structure?
- A. No. For contents to be covered they must be located inside a fully enclosed covered building or structure and the direct force of the wind must first damage the covered building or structure causing an opening through which the rain enters.

**Evacuation Expense - Additional Living Expenses – No Direct Damage**

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- Q. Is additional living expenses covered if I evacuate when my home has not sustained any damage?
- A. No, there must first be direct physical damage to the covered dwelling from wind during a hurricane watch or warning that makes the home uninhabitable. If you are just evacuating and going somewhere to wait out the storm, there would be no coverage for this expense.
- Q. Is additional living expenses covered if I'm ordered by the authorities to evacuate my home but there is no damage in the area?
- A. No, there must first be direct physical damage to neighboring property from wind during a hurricane watch or warning that results in civil authority prohibiting access to your home. If you are ordered to evacuate your home and there is no direct physical damage to neighboring property from wind during a hurricane watch or warning, there would be no coverage for this expense.
- Q. If I evacuate and return to find my home sustained direct physical damage from wind during the hurricane watch or warning and is uninhabitable, is additional living expense covered?
- A. Yes, additional living expense would be covered from the time your home sustained covered damage that made it uninhabitable. This coverage is also subject to your policy deductible.

**Additional Living Expenses - With Direct Damage**

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- Q. When does Additional Living Expense respond?
- A. Your home must first sustain direct physical damage from wind during a hurricane watch or warning that makes it uninhabitable. Coverage would then respond to the reasonable and necessary increase in living expenses you incur for your household to maintain its normal standard of living. Coverage would be provided for the shortest time required to repair or replace the damaged property. If you permanently relocate, coverage would be provided for a reasonable time for your household to settle elsewhere.

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- Q. What will additional living expenses coverage pay for?
- A. The additional living expense coverage would apply to expenses that are in addition to (over and beyond) your normal living expenses that you would not have incurred if damage from a from wind during the hurricane watch or warning had not made your home uninhabitable. Items that may be considered additional living expense include, but may not be limited to: Increased cost of housing, such as a hotel or rental property; or increased cost to board pets or rent furniture for a temporary residence, increased meal expenses from having to eat out. An example of additional meal expense is as follows: If before the loss you normally spend \$150 a week for groceries and eating out, and after the loss you have to eat out more often because you are in a hotel and spend \$250 a week, your covered additional living expenses for meals would be \$100 a week (i.e., \$250 spent in a week minus your normal expense of \$150 = \$100 additional expense). In addition, the costs must be actually incurred and you will need to submit valid receipts for the amounts being claimed. Please be sure to retain all receipts for any expenses you incur that you believe relate to your loss.
- Q. If I do not know whether I have damage to my home, and the authorities will not let me in the area because of direct physical damage from wind during a hurricane watch or warning to neighboring properties, is additional living expenses covered?
- A. Yes, if there is wide-spread direct physical damage from wind during a hurricane watch or warning to neighboring property and civil authority prohibits access to the area, your policy provides coverage for additional living expenses for the time civil authorities prohibit access to the time civil authorities re-open the area for up to 30 days.
- Q. If my home does not have utilities such as power or water because of outages due to the storm but is otherwise habitable will you pay for the cost of a hotel and/or costs of meals to eat out?
- A. No, there must first be direct physical damage from wind during a hurricane watch or warning that makes the home uninhabitable. Wide-spread power and utility outages are considered consequential losses (not covered by the policy) and not direct loss (which the policy covers).

**Food Spoilage**

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- Q. If my home is not damaged and does not have power, and the food in my refrigerator and freezer spoils, will this loss be covered?
- A. No, your food in the freezer and refrigerator are considered part of your contents and the policy will only respond to direct physical damage from wind during a hurricane watch or warning. For contents to be covered inside a covered building or structure the direct force of the wind must first damage the covered building or structure causing an opening through which the rain or wind enters and causes damage.

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**Tree Damage and Debris Removal**

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- Q. Are my trees and plants covered for wind damage?  
A. No, the policy does not provide coverage for trees, plants or shrubs.
- Q. Is the cost to remove debris of downed trees on my property covered?  
A. No. Trees, plants or shrubs is not covered property under the policy.

**Flood Damage vs. Wind**

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- Q. Does my Coastal Select Residential Windstorm/Hurricane (CSRWH) policy cover flood damage?  
A. No, the policy specifically excludes damage caused by flood. If you have flood coverage with another carrier you should report the claim to them as soon as possible.

**Loss Settlements**

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- Q. How will my covered loss be adjusted and paid?  
A. Once we have established the amount of the covered claim, your adjuster will discuss the coverage and settlement amount with you.
- Q. Will my mortgage company be named on my settlement check?  
A. Yes, if you have a mortgage on the property the mortgagee will be named on the dwelling damage settlement check.

**Homeowners Associations**

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- Q. How do Homeowners Association requirements affect the claim?  
A. The wording within the Coastal Select Residential Windstorm/Hurricane policy provides the complete terms and conditions for what would be covered and payable in the event of a loss or damage. Any agreements outside the policy that the homeowner may have with third parties do not affect or alter the policy terms and conditions or coverage. As an example, if the homeowner belongs to an association that has rules or regulations requiring specific type or method of repair beyond the industry standards that increases the cost of repair after a loss the policy does not provide coverage to meet the requirement or increased costs. Additional Coverage provided under enforcement of Ordinance or Law applies to enforcement of regulations by government bodies and do not apply to enforcement of rules or regulations by Homeowners Associations.
- Q. Are Loss Assessments from Homeowners Associations covered?

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- A. Yes, if your home is in a development that is subject to a homeowners association, in general, the policy will respond to your share of loss assessment charged against you during the policy period, as owner of the Insured Location. The assessment must be made as a result of direct physical loss caused by wind during a hurricane watch or warning that occurs during the policy period to property owned by all members collectively and is of the type that would be covered by the policy if owned by you. The limit of \$5,000 is the most that can be paid with respect to any one loss, regardless of the number of assessments. We will only apply one deductible to the total amount of any one Windstorm loss.

For example the cost to remove trees downed by a storm is not covered because trees plants and shrubs are no property that is covered by the policy. Conversely, the cost to repair structures and property that are of the type that would be covered by the policy if owned by you owned, and that are owned collectively by the homeowners association would be covered. The company will determine the amount of the covered loss under the policy for the loss assessment.

In order to make a claim under the policy for loss assessment the following documentation needs to be submitted to the company:

- A copy of the homeowners association's by laws. This is needed to determine each parties responsibilities, ownership of property and provides the rules for assessments.
- A complete copy of the assessment documents from the homeowners association, which should include but not be limited to the following:
  - the assessment letter and statement received from the association
  - any other documents including estimates that provide a detailed breakdown of the assessment, reason for the assessment, the property or injury involved and the cause of loss. This is needed so that the policy coverage can be applied accurately.

- Q. Does the policy provide coverage for the dwelling repairs due to the enforcement of an ordinance or law?

- A. Yes. The policy provides 10% of the Coverage A. Dwelling limits for increased costs of construction, demolition or repairs due to the enforcement of an ordinance or law for that part of the building that sustained direct physical damage from wind during a hurricane watch or warning. This coverage is only payable if the building repairs or rebuild is completed. There are other terms of this coverage that should be reviewed.

**Common Questions under Optional Endorsements**

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**Economic Demand Surge (Endorsement Number CS HU EDS)**

- Q. What is Economic Demand Surge (EDS) coverage?

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- A. Economic Demand Surge (EDS) means an increase in building materials and labor costs that may result from a surge in demand after the storm. If your policy covers Other Structures, EDS coverage includes those structures.
- Q. If I have purchased Economic Demand Surge (EDS) coverage how does it respond to the covered loss?
- A. EDS coverage changes the limits of liability for Dwelling building that is shown on the policy declarations. The amount of EDS coverage is for up to 15% of the dwelling limits of liability. For instance if the dwelling limits of liability are \$250,000, EDS increases those limits by 15% or 37,500. Thus the new dwelling limits of liability are \$287,500.

**Personal Property Replacement Cost (Endorsement Number CS HU E0RC)**

- Q. How does the Personal Property Replacement Cost respond to a covered loss?
- A. This endorsement provides coverage for replacement cost of personal. To receive replacement cost the actual repair or replacement of the covered property must first be completed. When the loss exceeds \$500.00, the loss will be paid on an actual cash basis, (i.e. replacement cost less depreciation). You would then be entitled to submit a replacement cost claim for the amount of the withheld depreciation if you advise us of your intent to repair or replace the property within 180 days and you complete the repair or replacement within 365 days from the date of loss. Documentation will be required and you should retain all your receipts.

**Fair Rental Value (Endorsement Number CS HU FRV)**

- Q. How does this coverage respond to loss where the insured location becomes completely or partially uninhabitable by windstorm/hurricane?
- A. The coverage pays for the lesser of the Fair Rental Value or the actual loss sustained less expenses that do not continue for the shortest time it takes to repair or replace that part of the building rented or held for rent for up to 12 months if that's the time it takes to make repairs.