



INSURANCE NEWS FOR REAL ESTATE PROFESSIONALS

WINDSTORM COVERAGE ON LARGER HOMES
CITIZENS' NEW MAXIMUM IMPACTS MARKETPLACE

PUBLISHED BY MORRIS & REYNOLDS INSURANCE

FALL 2012



CITIZENS' NEW \$ 1,000,000 DWELLING LIMIT MAXIMUM

In an effort to reduce exposure to claims the State of Florida's insurer of last resort, Citizens, ceased writing new policies with a Dwelling limit above \$ 1,000,000.00 as of February 1, 2012 and began non-renewing their existing clients with such limits as of May 1, 2012. If a home needs \$ 1,000,000 or more windstorm coverage on its Dwelling (Coverage "A") Citizens Property & Casualty Corporation is no longer an available option.

The **good news** is that Morris & Reynolds has access to more insurers, more choices, than just about any other agency and there are plenty of solutions both for homes with and, even those without, full windstorm mitigation protection.

Page two of this newsletter lists some of *The Company We Keep* to help illustrate the range and number of insurers available at this time.

RECENT COVERAGE & COST EXAMPLES

To illustrate the status of the market we are pleased to share three recent actual client examples; two homes with full mitigation protection on all openings and one with no mitigation measures. Each home is located east of U.S. One in Miami-Dade County.

Two homes have state of the art mitigation and were built within the last decade, while the third is 30 years old and has no mitigation protection. Page two offers a recent condo unit example.

EXAMPLE ONE:

YEAR BUILT 2002 / WITH MITIGATION PROTECTION ON ALL OPENINGS

Prior to being non-renewed by **Citizens**, the home had a \$ 9,315.00 wind premium with a Dwelling limit of \$ **1,375,000** and 2% deductible. **Fireman's** home premium added \$ 4,431.00 for a total 2011 cost of \$ **13,746.00**.

As of the summer of 2012 some of the available options included the following:

American Platinum (Universal) quoted a Dwelling limit of \$ **1,400,000** at **\$11,969.50**.

Beazley quoted a \$ 1,375.00 limit with a 5% wind deductible at \$ **24,211.03**.

Chartis quoted a Dwelling limit of \$ **3,000,000** and a 2% wind deductible at **\$19,616.00** as part of a 'package'.

Chartis Specialty quoted a Dwelling limit of \$1,375,000 with a \$5,000 All Other Perils and 5% Wind Deductible at **\$15,943.37** and \$ 15,360.20 or \$ 14,630.95 with deductibles of \$ 10,000 or \$ 25,000.

Fireman's Fund quoted a Dwelling limit of **\$1,375,000** with a 2% deductible at \$ 39,068 with a \$ 5,000,000 umbrella and \$25,000 of jewelry as part of a package.

Ironshore offered **\$1,375,000** and 5% deductible at **\$21,818.16**

Lexington quoted \$ **1,375,000** with a **10%** wind deductible at \$ **17,725.15**.

PURE offered a \$ **2,000,000** Dwelling limit at \$ **23,507**.

Tower Hill quoted \$ 1,375,000 and a 10% deductible at **\$25,466.27**.



EXAMPLE TWO:

YEAR BUILT 2009 / WITH MITIGATION PROTECTION ON ALL OPENINGS

Our next example is a home built in 2009 that needed a \$ **2,300,000.00** Dwelling limit and that has windstorm mitigation protection on all openings.

Chartis quoted the home with a \$ 3,000,000 limit with a 2% wind deductible at \$ **18,017.55**

Lexington quoted \$ **29,988.08** with a 10% wind deductible.

Lloyds quoted \$ **31,474.60** with a 10% wind deductible.

Pure quoted \$ **18,686.78** with a 5% wind deductible as part of a package.

EXAMPLE THREE:

30 YEAR OLD HOME WITHOUT MITIGATION PROTECTION

Built in 1982 this home has no shutters, nor impact glass, and needed coverage within 48 hours to close the purchase. Two quotes were secured the day the prospect called and the closing took place the following day.

Beasley quoted a \$ 1,120,000 Dwelling limit with a 5% deductible at **\$22,565.00**.

Ironshore quoted a \$ 1,129,000.00 Dwelling limit with a 5% wind deductible at **\$ 33,259.00**.



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INSURANCE NEWS FOR REAL ESTATE PROFESSIONALS

OPTIONS FOR LARGE HOMES NUMEROUS CONDOMINIUM UNIT MARKET IMPACTED BY CITIZENS CHANGES

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CITIZENS' CHANGES IMPACT CONDO UNIT COVERAGE TOO

In addition to the impact to single family homes noted on page one, the new \$ 1,000,000.00 Per Policy maximum impacts larger Condo unit coverage options.

A single unit with a combined Dwelling & Contents limit of \$ 1,000,000 or more is no longer eligible as of January 1st for new policies and existing policies are being non-renewed on and after May 1, 2012.

A condo unit's Dwelling coverage, often called *Improvements or Betterments*, or in other cases called *Additions and Alterations*, takes into account floor, wall and ceiling covering, as well as built in cabinets and appliances in kitchens, baths, dens or media rooms.

When you combine the Dwelling limit needs with the unit owner's needed Contents limit the total can often exceed the new \$ 1,000,000 maximum and would, therefore, no longer be eligible for Citizens.

CONDO UNIT PREMIUM EXAMPLE

As with single family homes, the good news is that there is a market of available insurers seeking to write such coverage (condo unit policies) and they will include windstorm.

EXAMPLE FOUR CONDO UNIT

The unit is located in downtown Miami in a building built in 2002 that has Class "A" Shutters and reinforced concrete construction. The unit owner sought \$ 1,050,000 in Property insurance (Improvements and Contents).

Pure quoted a condo unit owners (HO6) policy at \$ 7,253.00 with a 2% wind deductible.

THE COMPANY WE KEEP FOR LARGER HOMES



larger homes and the risks that affluent homeowners face including:

- ACE
- AIG / Chartis PCG
- American Platinum (Universal)
- Bankers Insurance Group
- Beasley
- Chubb & Son
- Chartis Specialty
- Fidelity National
- Fireman's Fund
- Florida Family
- Florida Peninsula
- Ironshore Specialty
- Lexington
- Lloyds of London
- Nationwide
- Olympus
- Progressive
- PURE
- Sawgrass Mutual
- Security First
- Southern Fidelity
- The Travelers
- Tower Hill
- Universal Property & Casualty

Morris & Reynolds specializes in insuring large residences and has helped real estate professionals close their sales since 1950. We represent and have access to all of the leading insurers that specialize in

CONTACT OUR EXPERTS TODAY

Whether you have a coverage question or need to bind insurance for a client's closing we can help. We are happy to help with inspection questions, exposure concerns or quotes you or your clients might desire. Our professional agent TEAM includes the following fine folks who are happy to help:

Lori Dones can be reached at Extension 136 or by email at lori@morrisandreynolds.com

Kyle MacKendree can be reached at Extension 112 or email at kyle@morrisandreynolds.com

Ivan Martinez can be reached at Extension 139 or by email at ivan@morrisandreynolds.com

Al Sigler can be reached at Extension 132 or by email at al@morrisandreynolds.com

Bob Reynolds can be reached at Extension 116 or via email at bob@morrisandreynolds.com



MORRIS & REYNOLDS INSURANCE

The Reynolds family has been in the insurance business since 1910 in Miami and has operated its independent agency, now in its third generation of family ownership, since 1950. Morris & Reynolds represents and has access to the world's leading insurers for all forms of Personal, Commercial and Employee Benefit protection.

Please contact us at any time. **305.238.1000.**



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