



Hurricanes and High-Value Homes

The past two decades brought about more coastal catastrophes than ever before seen in American history. Beginning with Hurricane Andrew in 1992, which resulted in \$15 billion in insured losses, insurance companies all across America, including Connecticut, began increasing their rates and incorporating requirements for storm shutters, plywood window coverings, or roof tie-downs in their homeowner policies. These requirements were put in place as an effort to decrease insurance companies' risk and lower their coastal exposure. Then, following the increasingly catastrophic hurricane seasons in 2004 and 2005, including Hurricane Katrina which resulted in \$40.6 billion in insured losses, insurance companies grew even more proactive in constricting their underwriting guidelines in an effort to mitigate their risk and lower their coastal exposure.

How do insurance companies constrict their underwriting guidelines?

This means that insurance companies put into play more requirements in order for their clients to obtain homeowner insurance coverage. For instance, some insurance companies require owners of homes within 2,600 feet of the coast to attain mitigation requirements; such as installing storm shutters, or plywood over windows. Some companies offer a choice between reaching mitigation requirements and purchasing a hurricane deductible to cover potential loss in the event of a major storm. Finally, some companies have no requirements in place for mitigation or hurricane deductibles. Connecticut companies are reasonable in the fact that if a homeowner complies with mitigation requirements *and* purchases a hurricane deductible, he might enjoy a decrease in his homeowner policy premium.

Why bother investing in structurally reinforcing your home?

Attaining mitigation requirements that an insurance company has in place often means investing in structurally reinforcing your home. There are several reasons why structurally reinforcing your high-value home could prove beneficial. First, improving the soundness of the windows, doors, and roof of your home allows many insurance companies to offer discounts on your homeowners' premium; a truth that many homeowners are unaware of. By adding storm shutters, strong windows, reinforced doors, roof tie-downs, or a new roof, insurance companies may reduce your overall homeowner's premium due to your effort to protect your home against the elements, thereby reducing their risk as a company.

Making these structural changes in your home has other benefits aside from a reduced homeowners' premium. Coastal houses receive more of a beating from the weather than houses inland, even in Connecticut where major hurricanes seldom make landfall. Therefore, structurally enforcing them not only decreases your homeowners' premium, but strengthens your home against potential losses from violent winds and rains.

Another benefit to structurally reinforcing your home is that these improvements dramatically increase the value of your house. According to HGTV's (Home and Garden Television) "20 Ways to Add Value to Your Home," adding a new roof and new energy-efficient windows were listed as vital ways to increase the value of your home.

If I decide to add structural integrity to my home, which products are best?

If you decide that structurally reinforcing your home indeed is beneficial, there are certain products that have proven trustworthy and reliable. Since you will be investing money in this project, making sure that the products you invest in are dependable is important.

As far as windows are concerned, the magazine *Coastal Living* quotes Marc Andreas, former brand marketing manager for Pella's Architect Series windows and doors, "In storm zones...there's been an amazing shift in the mind-set toward impact-resistant glass, which employs a layer of shatterproof laminate to protect home interiors from flying debris," (Coastal Living: Stormworthy Products). The magazine later suggests that high-grade double-hung windows fair well against high winds and rain.

To further reinforce your windows, some homeowners purchase storm shutters to add more protection to their homes. Some studies show that to maximize the protection benefits of using these windows, all windows in the house must have them, not just those on the ocean side.

Doors that swing outward instead of inward withstand wind pressure much more effectively. The wind supports the seal around the door rather than working against it.

Finally, a metal roof, although expensive, withstands hurricane winds and is also fire-resistant. If you do not wish to invest in a metal roof, making sure the roof on your home is sturdy and in tact will be important. If wind finds its way into your home through a window or door, the roof has a greater chance of blowing off. **As Charlie Reese of the Institute for Business and Home Safety says, "Once the wind gets into a house, all it wants to do is find a way out."** Therefore, making sure windows and doors are secure is just as vital as providing your home with a sturdy roof.

If I make these structural reinforcements to my home, how will I be guaranteed a reduction in my homeowner policy premium?

Before financially investing in adding structural integrity to your home, you should have the assurance that you will indeed receive a reduction in your homeowner policy premium. Find an independent insurance agent who specializes in insuring high-value waterfront homes. They will do the best job matching your home with the right insurance carrier and giving you accurate quotes. You might also get more helpful information by visiting the websites of PURE Insurance or Chubb Insurance.

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