



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

Bulletin PC-33
January 2000

To: All Companies Licensed to Write Homeowners Insurance in Connecticut

Subject: Homeowners Insurance Wind and Hurricane Deductibles

The Connecticut Insurance Department recently surveyed insurance companies concerning their use of Homeowners wind, hurricane and high windstorm deductibles in Connecticut. All licensed insurance company groups that annually write greater than \$2.5 million of Homeowners insurance premium in Connecticut were surveyed. The cooperation of all insurers that participated in the survey is appreciated.

One of the Department's primary concerns is that consumers understand their coverage. An item identified during the survey is the clarity of applicable deductibles on the policy declarations page. Percent deductibles for wind, hurricane or high windstorm can be confusing for consumers. We are concerned that, prior to a loss, consumers do not understand the actual dollar amount that is represented by the percent deductible. Some consumers may not understand that the deductible is a percentage of the dwelling limit and not a percentage of the loss amount.

Many companies have addressed this by clearly identifying both the percent amount and the associated dollar amount of the wind, hurricane or high wind percent deductible on the declarations page. We believe this approach better informs consumers of the actual dollar amount that will apply at the time of a claim.

In an effort to be proactive and preclude confusion at the time of the claim, please determine if your company uses percent deductibles for wind, hurricane or high windstorm. If not already provided, on or before April 1, 2000, please revise the Homeowners declarations page to include both the percent amount and associated dollar amount of the wind, hurricane, or high windstorm percent deductible.

Please complete attached response form and return it to the department to the attention of Karen Romero by January 20, 2000. If you have questions or need additional information, please call Karen Romero at 860-297-3870.

A handwritten signature in black ink that reads "George M. Reider, Jr." with a stylized flourish at the end.

George M. Reider, Jr.
Insurance Commissioner

Connecticut Insurance Department Homeowners Insurance Wind and Hurricane Deductibles

Company Response Form for Bulletin PC-33

The undersigned company acknowledges receipt of Bulletin PC- 33 and confirms that:
(Check appropriate paragraph)

- The company Homeowners insurance program declarations page displays the wind, windstorm or hurricane deductible percent and the deductible dollar amount represented by the percent.
- The company does not use a percent wind, windstorm or hurricane deductible.
- The company Homeowners insurance program includes a percent wind, windstorm or hurricane deductible. On or before April 1, 2000, the company will revise the declarations page to display both the percent and associated dollar amount of the deductible. The implementation date for the company's revised declarations page is _____.

Comments:

Group Name	NAIC#
Company	NAIC#
Contact Person/Title	
Email Address	
Telephone Number	
Fax Number	

By:

Name:	Signature
Title:	
Date:	

Return to : Connecticut Insurance Department, Attention Karen Romero, P. O. Box 816, Hartford, Connecticut 06142-0816 or Fax to 860-297-3978