



Important Public Notice

Field Insurance Brokers Inc. urges you, as part of your hurricane preparedness, to ensure that your **insured property values** for both **contents and buildings** are **adequate to replace or rebuild**.

Definitions:

Underinsurance - If the cost to rebuild or replace your property is greater than the amount for which you have insured it, then you are **underinsured** and you are considered as your own insurer for the difference. In such a case, you must bear the proportionate share of any loss.

In the event of a total loss, your insurer will pay up to the sum insured (its limit of indemnity). However, where there is a partial loss (e.g. roof destroyed), as explained in Example 1 below, then you the insured/client will also bear a proportionate share of that loss.

Deductible – The deductible is the amount you first have to pay towards the agreed cost of your claim. For catastrophic events like hurricane, wind storm, earthquake and volcanic eruption, the deductible is 2% of your insured value.

WORKED EXAMPLE:-

Set out below is an example to show the **impact of underinsurance** and the **application of the 2% deductible**.

Let us assume that the actual rebuilding cost of your property is \$500,000. Let us further assume that your roof was damaged in a hurricane and the repair cost was \$60,000.

	Example 1	Example 2
	Client is Underinsured	Client has Adequate Insurance
Current insured value	250,000	500,000
Roof destroyed in hurricane	60,000	60,000
Amount of underinsurance	Insured Value Actual rebuilding cost 250,000 – 50% 500,000	No underinsurance
Claim Settlement	$250,000 * 60,000 - 30,000$ 500,000 Less Catastrophe deductible 2% of insured value - \$5,000 Final payment – 30,000 – 5,000 – 25,000	$500,000 * 60,000 - 60,000$ 500,000 Less Catastrophe deductible 2% of insured value - \$10,000 Final payment – 60,000 – 10,000 – 50,000

We urge you to ensure that your insured property values are adequate to replace or rebuild.