

Homeowners Mitigation Credits

South Carolina law requires insurers to offer **premium discounts** for **mitigation measures** that **strengthen coastal homes and businesses** against damage from hurricanes. These discounts, which are typically referred to as mitigation credits, must be offered on the portion of the premium attributable to wind losses.

Because state law does not specify the amount of the discounts or credits that insurers must offer, the amount and range of premium savings from mitigation credits can vary significantly from one insurer to another. In spring 2016, the South Carolina Department of Insurance surveyed property insurers to prepare this guide for coastal homeowners. It includes a list detailing the maximum credit offered for each mitigation measure by reporting insurer.

This guide also includes a summary of what coastal homeowners are realizing in premium savings currently (“Average Savings Realized”) and the largest discount a coastal homeowner can expect to be offered, on average, across all reporting insurers (“Max. Credits Available”).

Spotlight: Storm Shutters



Coastal homeowners with storm shutters are **saving an average of 8%** on their annual insurance premiums.

Depending upon the type installed, **insurers offer discounts up to 12%** for hurricane-rated storm shutters

Average Savings Realized

Max. Credits Available

Homeowners Mitigation Credits

Average Savings Realized



- Roof Tie Downs: 5%
- Storm Shutters: 8%
- Impact Resistant Glass: 8%
- Openings: 8%
- Wall to Floor Strength: 5%
- Building Codes: 9%

SC consumers that take advantage of mitigation credits have, on average, saved 14% on their homeowners insurance premiums.



IBHS: 13%



SC Safe Home: 11%

Max. Credits Available



- Roof Tie Downs: 9%
- Storm Shutters: 12%
- Impact Resistant Glass: 12%
- Openings: 15%
- Wall to Floor Strength: 9%
- Building Codes: 11%

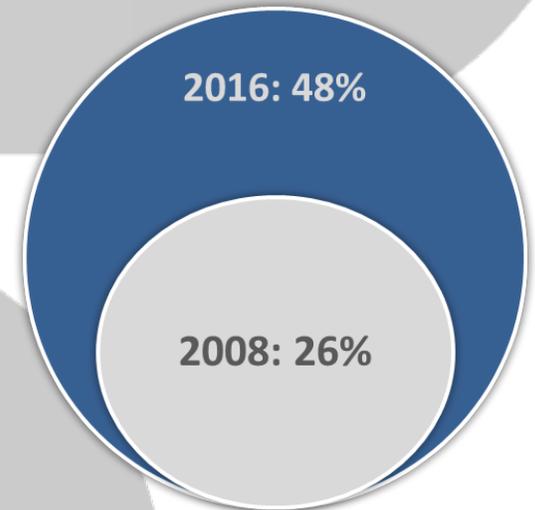
Coastal homeowners insurers offer, on average, a maximum premium credit of 48% for all mitigation measures combined.



IBHS: 20%



SC Safe Home: 9%



Average Max Available Credit – Then and Now

Maximum Available Homeowners Insurance Mitigation Credits

This table includes the largest discount insurers offer for each category of mitigation measure. It also provides the maximum discount each reporting insurer will offer for all mitigation measures combined.

Company	By-Peril Rating? (Yes/No)	Storm Shutters	Roof Tie Downs	Impact Resistant Glass	Openings	Wall to Floor Strength	IBHS	SC Safe Home	Max. Mitigation Credit Available
AIG Property Casualty Co	Yes	30%	10%	30%	0%	0%	0%	0%	74%
Allied Property & Casualty Insurance Co	Yes	22%	22%	0%	22%	22%	0%	0%	45%
Allstate Indemnity Co	No	5%	7%	0%	17%	0%	0%	0%	67%
Allstate Insurance Co	No	5%	7%	0%	17%	0%	0%	0%	67%
Allstate Property & Casualty Insurance Co	No	5%	7%	0%	17%	0%	0%	0%	73%
Allstate Vehicle & Property Insurance Co	Yes	12%	7%	0%	17%	0%	0%	0%	84%
American Bankers Insurance Co Of FL	No	10%	4%	10%	10%	0%	0%	0%	46%
American Security Insurance Co	Yes	10%	4%	3%	10%	3%	0%	0%	38%
American Strategic Insurance Corp	Yes	15%	0%	15%	15%	0%	0%	0%	48%
Amica Mutual Insurance Co	Yes	10%	3%	10%	10%	0%	20%	0%	20%
Auto Owners Insurance Co	Yes	60%	70%	49%	49%	49%	21%	0%	83%
Automobile Insurance Co Of Hartford CT	No	5%	3%	7%	5%	0%	10%	8%	18%
Bankers Standard Insurance Co	Yes	3%	15%	5%	25%	0%	0%	0%	93%
Chubb National Insurance Co	Yes	30%	3%	30%	0%	0%	0%	0%	78%
Cincinnati Insurance Co	No	10%	3%	10%	10%	0%	0%	0%	68%
Coastal Select Insurance Co	Yes	15%	0%	12%	15%	0%	0%	0%	44%
Encompass Indemnity Co	No	0%	7%	0%	17%	0%	0%	0%	69%
Encompass Insurance Co Of America	No	0%	7%	0%	17%	0%	0%	0%	69%
Federal Insurance Co	No	10%	3%	10%	0%	0%	0%	0%	31%
Federated National Insurance Co	Yes	20%	3%	20%	20%	0%	58%	0%	68%
Foremost Insurance Co Grand Rapids MI	No	10%	10%	10%	10%	10%	0%	0%	10%
Garrison Property & Casualty Insurance Co	No	16%	10%	1%	0%	0%	0%	0%	24%
Great Northern Insurance Co	Yes	30%	3%	30%	0%	0%	0%	0%	78%
Hartford Accident & Indemnity Co	Yes	3%	12%	6%	6%	1%	0%	0%	20%
Hartford Casualty Insurance Co	No	9%	3%	3%	9%	3%	0%	0%	33%

Maximum Available Homeowners Insurance Mitigation Credits

This table includes the largest discount insurers offer for each category of mitigation measure. It also provides the maximum discount each reporting insurer will offer for all mitigation measures combined.

Company	By-Peril Rating? (Yes/No)	Storm Shutters	Roof Tie Downs	Impact Resistant Glass	Openings	Wall to Floor Strength	IBHS	SC Safe Home	Max. Mitigation Credit Available
Hartford Fire Insurance Co	Yes	3%	12%	6%	6%	1%	0%	0%	20%
Hartford Insurance Co Of The Midwest	No	8%	5%	8%	8%	3%	0%	0%	33%
Hartford Underwriters Insurance Co	No	9%	3%	3%	9%	3%	0%	0%	33%
Homeowners Of America Insurance Co	Yes	15%	15%	15%	15%	15%	15%	15%	63%
Homesite Insurance Co Of The Midwest	Yes	10%	10%	0%	0%	5%	0%	0%	61%
Interboro Insurance Co	Yes	20%	3%	20%	20%	0%	0%	0%	57%
Liberty Insurance Corp	Yes	4%	3%	0%	0%	2%	20%	5%	20%
Liberty Mutual Fire Insurance Co	No	4%	3%	0%	0%	2%	20%	5%	20%
Lighthouse Property Insurance Corp	Yes	0%	0%	0%	15%	0%	0%	0%	55%
LM Insurance Corp	Yes	4%	3%	0%	0%	2%	20%	5%	20%
Metropolitan Property & Casualty Insurance Co	No	4%	0%	4%	17%	0%	0%	0%	42%
Nationwide General Insurance Co	Yes	25%	25%	0%	25%	25%	35%	0%	78%
Nationwide Mutual Fire Insurance Co	No	16%	16%	0%	16%	16%	0%	0%	29%
Nationwide Property & Casualty Insurance Co	No	16%	16%	0%	16%	16%	0%	0%	29%
Occidental Fire & Casualty Co	Yes	20%	3%	20%	20%	0%	0%	0%	57%
Pacific Indemnity Co	No	10%	3%	10%	0%	0%	0%	0%	31%
Palmetto Casualty Insurance Co	No	3%	2%	3%	0%	0%	15%	5%	63%
Phoenix Insurance Co	No	5%	3%	7%	5%	0%	10%	8%	18%
Privilege Underwriters Reciprocal Exchange	Yes	0%	75%	75%	75%	0%	0%	0%	91%
Property & Casualty Insurance Co Of Hartford	No	9%	3%	3%	9%	3%	0%	0%	33%
Safe Harbor Insurance Company	Yes	0%	0%	0%	15%	0%	0%	0%	55%
Safeco Insurance Co Of America	No	6%	2%	2%	0%	0%	0%	0%	10%
SC Farm Bureau Mutual Insurance Co	No	3%	2%	3%	0%	0%	15%	5%	63%
Sentinel Insurance Co	No	9%	3%	8%	8%	3%	0%	0%	33%
Spinnaker Insurance Co	Yes	0%	0%	0%	15%	0%	0%	0%	55%

Maximum Available Homeowners Insurance Mitigation Credits

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St Johns Insurance Co	No	9%	3%	3%	0%	0%	0%	0%	29%
Standard Fire Insurance Co	No	5%	3%	7%	5%	0%	10%	8%	18%
State Farm Fire & Casualty Co	Yes	16%	7%	0%	23%	0%	25%	15%	97%
Travelers Commercial Insurance Co	Yes	10%	6%	15%	10%	0%	21%	16%	82%
Travelers Home & Marine Insurance Co	Yes	10%	6%	15%	10%	0%	21%	16%	82%
Travelers Indemnity Co of America	No	5%	3%	7%	5%	0%	10%	8%	18%
Trumbull Insurance Co	Yes	3%	12%	6%	6%	1%	0%	0%	20%
Twin City Fire Insurance Co	Yes	3%	12%	6%	6%	1%	0%	0%	20%
United Services Automobile Association	No	16%	10%	1%	0%	0%	0%	0%	24%
USAA Casualty Insurance Co	No	16%	10%	1%	0%	0%	0%	0%	24%
USAA General Indemnity Co	No	16%	10%	1%	0%	0%	0%	0%	24%
Vigilant Insurance Co	No	10%	3%	10%	0%	0%	0%	0%	31%
Westfield Insurance Co	No	9%	20%	3%	9%	0%	0%	0%	50%

Notes

The amounts shown are maximum available mitigation credits, so you may be eligible for a credit that is smaller than what is listed.

Example: The maximum Storm Shutters credit offered by your insurer is 10%, but you receive a 5% credit for the type of shutters on your home.

Premiums and mitigation credits may vary significantly from one company to the next, so it is a good idea to shop among different companies when purchasing a policy. Below are some of the reasons for differences in mitigation credits:

When calculating their rates, some companies use Traditional Rating which would apply mitigation credits to the entire premium. Other companies use By-Peril Rating which Data sources and prior claims experience differ by company.

The Maximum Mitigation Credit Available column may not appear consistent with the individual credits shown since many companies offer mitigation credits for items not listed in this table. Additionally, some companies may limit the Maximum Mitigation Credit Available to a certain amount.

Please Note:

This guide is intended to assist coastal property insurance consumers in evaluating various mitigation measures and potential premium reductions that may be realized.

It is important to keep in mind that this guide does not include all insurers writing coastal property insurance as only certain insurers were required to report data.¹

All insurers are required to provide coastal property insurance policyholders with a notice of the availability and range of mitigation credits at policy issuance and renewal.

Consumers are encouraged to review that notice and to talk with a licensed insurance agent or company representative to confirm the specific criteria that must be met in order to qualify for these discounts.

For More Information:

DOI.sc.gov/MarketAssist

SCSafeHome.com

DisasterSafety.org/Fortified

¹ Data call responses were required of P&C insurers writing homeowners insurance in South Carolina that: (1) had more than \$1 million of SC premiums and were in one of the top 25 insurance groups for homeowners premium writings nationally; or (2) wrote at least 10% of their SC homeowners business with wind coverage in the Wind Pool. All other homeowners insurers were encouraged to participate. For more information, please review the [Notice of Mitigation Credits and Discounts Data Call](#), issued April 28, 2016.