



CONNECTICUT FAIR PLAN

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July 14, 2008 – C-MAP is available for eligible properties in Connecticut

In an effort to increase homeowners insurance options for coastal residents in Connecticut, the Insurance Department contacted the Connecticut FAIR Plan and asked them to develop a Coastal Market Assistance Program (**C-MAP**) for Connecticut. The Connecticut Legislature supported this initiative and subsequently passed Public Act 07-77 that authorized the Insurance Commissioner to establish and adopt regulations for a C-MAP. C-MAP is intended to provide a market for those homeowners risks located within 2600 feet of the Connecticut Coast that are having difficulty securing insurance coverage.

As this is the initial rollout of C-MAP, this document is intended to provide a brief summary of the Program. As mentioned above, it will be administered by the Connecticut FAIR Plan.

Currently, in the voluntary market, when a Connecticut homeowner applies for a new policy to insure a coastal property within 2600 feet of the coast, the insurer may require:

1. A Hurricane Deductible of up to 5% of Coverage A
- And**
2. Some type of loss mitigation for the dwelling. Acceptable loss mitigation currently includes:
 - a. Permanent storm shutters **
- Or**
- b. Hurricane impact resistant glass **
- Or**
- c. Precut plywood ready to install

<input type="checkbox"/> ** Installation of these mitigation measures qualifies the account for a premium discount
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Coverage through C-MAP does not require installation of loss mitigation. Therefore, C-MAP is available for those coastal homeowners who choose not to install any loss mitigation. However, C-MAP does require a 5% Hurricane Deductible on all risks.

C-MAP is not intended to be the first market of choice. Nor is it intended to compete with the voluntary insurance market. Rather, if a homeowner cannot find coverage in the voluntary market, he or she can apply to the C-MAP through an agent.

C-MAP is available through any Connecticut licensed Agent or producer.

It is important to note that broader coverage may be available through the voluntary market.

Notice to Insurance Producers

Currently, C-MAP only offers two options:

1. **Self-Certification by Participating Companies** – An insurer participating in C-MAP may receive an application directly from an applicant (if the company is a direct writer) or a licensed producer appointed by such insurer for property that does not qualify for policy issuance under the insurer’s filed coastal underwriting guidelines. The insurer may nonetheless decide to accept such application by making an exception to its proximity to coast underwriting guidelines and issue a policy.

The following companies have agreed to participate in C-MAP and to self-certify coastal properties subject to their underwriting guidelines:

Allstate Insurance Company
Arbella Insurance Group
Hanover Insurance Company
Hartford Insurance Group
Liberty Mutual Insurance
Metropolitan Property and Casualty
New London County Insurance
Travelers Property Casualty Group

Producers who represent these carriers should contact them first to see if the participating company is willing to waive one of their coastal underwriting requirements for new business. These carriers represent over 45% of the Connecticut homeowners market.

As additional companies agree to become participants in C-MAP, they will be added to the above list and that can be found on the CT FAIR Plan’s website.

If your agency does not represent any of the participating companies, then option 2 may be appropriate for you.

2. **“Stand-Alone” C-MAP Coastal Policy** - This Stand-Alone policy is a Dwelling Fire Form 2 (DP-2 Broad Coverage) with Personal Liability Coverage included. Certain optional C-MAP approved endorsements are available, including Personal Property Replacement Cost for Contents. Broad theft coverage will automatically be provided on all C-MAP Stand-Alone policies.

The application and additional information for the Stand-Alone C-MAP Policy can be found on the CT FAIR Plan’s website.

Future C-MAP Option - In the future, C-MAP will offer a “Wrap-Around” Coastal Policy in conjunction with coverage from one of the C-MAP participating companies. The “Wrap- Around” policy will be available as an additional policy option. More on this will be provided when the “Wrap-Around” Policies are finalized.

C-MAP Minimum Eligibility requirements

The Property must:

- Be located within 2600 feet of the Connecticut Coast;
- Be owner occupied;
- Be a one, two, three or four family dwelling or one family owner occupied (no rentals) seasonal dwelling; **And**
- Have flood insurance, if located within Flood Zones A or V

And

Must have been:

- Non-renewed, conditionally renewed or cancelled for a reason other than premium non-payment
- Or**
- A new purchase or to be acquired
- Or**
- Currently insured with the Connecticut FAIR Plan

All properties must meet C-MAP approved underwriting guidelines.

Coverage with the DP-2 Broad Form 'Stand-Alone' C-MAP Coastal policy:

Coverage A: Dwelling - \$500,000 maximum limit with a minimum of 80% of Replacement Cost

Coverage B: Other Structures - 10% of Coverage A with option to increase

Coverage C: Personal Property - \$350,000 maximum
Replacement cost is 70% of Coverage A
Actual Cash Value is 50% of Coverage A

Coverage D: Fair Rental Value

Coverage E: Additional Living Expense

Broad Theft Coverage: see DP 04 72 07 88

Personal Liability: choice of \$25,000, \$50,000, \$100,000 or a maximum of \$300,000.

Mandatory Hurricane Deductible – a 5% hurricane deductible will apply to all CT FAIR Plan C-MAP policies. The minimum all other perils deductible is \$500.

Optional Endorsements:

Personal Property Replacement Cost
Automatic Increase in Coverage
Permitted Incidental Occupancies – Property
Permitted Incidental Occupancies – Liability
Loss Assessment Property Coverage
Premise Alarm or Fire Protection
Water Backup and Sump Overflow
Unit Owners Coverage (condo)
Third Party Notification
Premium Finance Endorsement
Personal Injury

Additional C-MAP information can be found at the FAIR Plan's website www.ctfairplan.com