SAFEGUARDING PROPERTY

The Importance of Insurance Coverage During the Hurricane Season

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Having Insurance vs Having Insurance That Responds

THE PROBLEM

Many property owners discover — only at claim time — that their policy doesn't respond the way that they expect it to.

TODAY'S AGENDA

Six things every property owner, developer, or business can do to ensure their insurance performs when it matters most.

Hurricane Melissa

Some positive outcomes.

✓ SETTLED

Homeowner with a CAR policy for add-on to the home. Add-on sustained damage and home was looted post hurricane.

Policy responded. Full settlement under CAR and homeowner's policy responded to loss from theft.

✓ SETTLED

Homeowner with undeclared Airbnb and damage to the building.

Honoured the claim and worked with the homeowner to declare the Airbnb and buy the correct policy at renewal.

✓ SETTLED

Homeowner in a strata. Strata had a policy and homeowner had their own policy.

Worked with the other insurer to combine the values so no underinsurance and the homeowner was awarded a settlement to fix the damage

01 Document Everything — Properly

Treat your insurance documentation the way you treat your title deed.

THE BUILDING

Construction date, materials, finishes. Every renovation. Current replacement cost — not market value or purchase price.

CONTENTS

Full inventory: furniture, appliances, electronics, equipment. Receipts. Photographs.

EXTERNAL AREAS

Retaining walls, outbuildings, pools, landscaping. Often excluded or limited unless specifically added.

NON-PROPERTY LOSS

Loss of rent for landlords, business income, fixed costs, contractual obligations. If you can't trade for 6 weeks — that loss is insurable, but only if planned.

📷 Store photos off-site — cloud or email — so they survive even if the property doesn't.

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02 Review Your Sums Insured — Every Year

THE AVERAGE CLAUSE — HOW UNDERINSURANCE WORKS AGAINST YOU

You insure for J$30M. True replacement cost is J$40M. You were insured for 75% of actual value.
Your J$10M damage claim is settled at 75% = J$7.5M. The J$2.5M shortfall is yours.

HOMEOWNERS

- Insure to at least 85% of the replacement value
- Must do: update your sum insured after renovations or major purchases
- Construction costs have risen significantly since 2022
- Visit bciconline.com for a free rebuilding estimate

COMMERCIAL

- No buffer — declared value IS your insured value
- Average clause applies strictly. No exceptions.
- Annual increases based on inflation coupled with professional valuations every 3-4 years strongly recommended
- Brokers must drive this at every renewal

Put the review in your calendar. When renewal notice arrives — update before you renew.

03 Know What Your Policy Actually Covers

HOMEOWNERS

COVERS

Building + contents, named perils (fire, storm, flood), public liability.

WATCH OUT FOR

Business activities from home, high-value jewellery items, outbuildings not auto-included.

Running a business from home? Disclose it — non-disclosure can void a claim.

COMMERCIAL ALL RISKS

COVERS

Building, contents, BI extension available. All perils covered unless specifically excluded.

WATCH OUT FOR

Exclusions: gradual deterioration, vermin, some flood scenarios. Read them.

'All Risks' means any cause of loss except what's excluded — not literally everything.

CONTRACTORS ALL RISK

COVERS

Works in progress, plant & equipment on-site, third-party liability during construction.

WATCH OUT FOR

Cover ends on handover plus maintenance period. Transition to permanent policy must be timed correctly.

Completed building, no permanent policy = uninsured gap. Plan the switch.

No surprises at claim time. Read your policy — especially the exclusions.

04 Parametric Insurance — What's Coming & Why It Matters

HOW IT WORKS

Traditional: event → damage → adjuster → payment.

Parametric: a trigger event occurs (e.g. winds exceed X at your location) → pre-agreed payout automatically. No loss required. No adjuster. No average.

Payment can arrive within days of the event - no claim form, no waiting period.

WHERE IT FITS BEST

1. Fund your excess/deductible immediately — so a large storm event doesn't create a cash crisis
2. Cover lost revenue for the first 2–4 weeks, before a traditional BI claim settles
3. Bridge losses not covered under standard policies

INDICATIVE PRICING

$5M parametric cover, premium 250k.
Payout for category 3 wind speed in your parish $1.25M

Payout for Cat 4 wind speed in your parish $2.5M
Payout for Cat 5 wind speed in your parish $5M

BCIC is actively monitoring this space. Availability is expected to expand.

05 How to Talk to Your Insurer or Broker

Most policyholders have one real conversation per year — at renewal — and it's mostly about price. That's not enough.

1. **Request a coverage review — not just a renewal**
   Before hurricane season. Go through what you have, what it covers, and what it doesn't. Your broker should be leading this or seek advice from your insurer.

2. **Ask the specific questions**
   Is my boundary wall covered? What's my storm deductible? What's my Business Interruption indemnity period? Ask in writing.

3. **Don't let your broker auto-renew**
   A good broker earns their commission by reviewing your risk annually. If they're not doing that, insist!

4. **Notify mid-term when things change**
   Renovation, new equipment, change in activity — call immediately. Don't wait for renewal.

06 What to Do When a Claim Occurs

NOTIFY PROMPTLY

Call your broker or insurer as soon as it is safe. Don't wait for a full assessment. Early notification starts the clock.

PHOTOGRAPH EVERYTHING

Before any clean-up or emergency repairs. Take photos of every damaged surface and item. This documentation IS your claim.

MITIGATE FURTHER LOSS

Take reasonable steps to prevent more damage — tarping a roof, boarding windows. Keep every receipt. Most policies require this.

COOPERATE WITH THE ADJUSTER

Provide documentation, answer questions, give access. Delays slow down your settlement.

ASK FOR INTERIM PAYMENTS

Insurers can make partial payments during assessment. Ask for this.

01
Document

02
Update Values

03
Know Your Policy

04
Explore Parametric

05
Talk to Your Broker

06
Be Ready to Claim

Insurance is a tool. Like any tool, it works best when you use it correctly.

The work happens before the storm — in the documentation you create, the values you maintain, and the conversations you have.

Hurricane season is here....but there's still time.