

# Habitational Property Rates Stabilizing, *But Terms and Deductibles Remain*

The habitational property market is showing signs of stabilizing, with rates leveling off after a period of increases. However, terms with wind/hail (W/H) deductibles and higher all-other-peril (AOP) deductibles, are expected to remain. The industry average for W/H deductibles currently sits at around 2%. In the E&S market, deductibles are being used more as underwriting tools than as credit tools to reduce premiums. Most binding markets are now mandating building valuations to support the requested values.

## COVERAGE AND MARKETS AVAILABLE

We can write most coverages for habitational risks including general liability, property, package policies, monoline GL, monoline property, and excess lines. Markets are accessible for mixed-use occupancy, including mercantile and apartments.

## PROGRAM FOR INVESTOR PROPERTIES

A specialized program is available for “investor properties.” The program requires a minimum of five properties, with a preference for 10 or more rental dwellings. Each location must have a total insured value (TIV) of no more than \$2 million with this program.

## TYPES OF HABITATIONAL

We have markets available to cover a wide range of property types, including:

- Student housing (excluding fraternity and sorority housing)
- Apartments
- Short-term rentals
- Condos and townhomes
- Dwellings
- Mobile home parks
- Senior living facilities
- Boarding houses

Additionally, markets are accessible for condo and homeowners’ associations, as well as lessor’s risk only (LRO) properties.

## BUILDING CONSTRUCTION CLASSES

When classifying construction, it’s important to understand the different types:

**Class 1 - Frame:** Exterior walls made of wood or other combustible materials, even if combined with non-combustible materials like brick veneer or stucco.

**Class 2 - Joisted Masonry:** Masonry exterior walls with combustible floors and roofs.

**Class 3 - Non-Combustible:** Exterior walls, floors, and roofs are made of metal or other non-combustible materials.

**Class 4 - Masonry Non-Combustible:** Masonry exterior walls with metal or other non-combustible floors and roofs.

**Class 5 - Modified Fire Resistive:** Masonry or fire-resistive materials for exterior walls and floors/roofs with a fire-resistance rating of one to two hours.

**Class 6 - Fire Resistive:** Masonry or fire-resistive materials for exterior walls and floors/roofs with a fire-resistance rating of at least two hours.

With the stabilization of property rates and evolving underwriting practices, now is a good time to reach out to your underwriter and review your insured’s coverages. We’re here to help you find the right solution and navigate the complexities of the market.