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# Multifamily Selling and Servicing Guide

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## 501.03B Windstorm Insurance

### Requirements

The Property must have separate windstorm insurance if the Special Causes of Loss Form excludes any type of wind-related Catastrophic Event.

The coverage amount must be at least 100% of the insurable value. This valuation may not rely solely on Probable Maximum Loss (PML) calculations.

The deductible amount may not exceed the greater of

- 10% of the insurable value,
- the applicable maximum amount in [Part II, Chapter 5: Property and Liability Insurance, Section 501.02A: Minimum Coverage Amounts](#), or
- for the business income insurance (including rental value insurance), 15 days of income or equivalent.

### Guidance

A state insurance plan, state-managed windstorm, or beach erosion insurance pool is acceptable for catastrophic windstorm coverage (i.e., not for non-catastrophic windstorm or other perils), if no other catastrophic windstorm coverage is available.



# Glossary

## C

### Catastrophic Event

Natural or man-made hazard resulting in an event of substantial extent causing

- significant physical damage or destruction,
- loss of life, or
- drastic change to the natural environment, such as
  - earthquake,
  - flood,
  - terrorist attack, or
  - windstorm.

#### **Synonyms**

- Catastrophic Events

## P

### Property

Multifamily residential real estate securing the Mortgage Loan, including the

- fee simple or Leasehold interest,
- Improvements, and
- personal property (per the Uniform Commercial Code).

#### **Synonyms**

- Properties
- Property's