

An extended coverage endorsement adds coverage for perils not included in the basic policy.

THE EFFECT OF UL WIND UPLIFT RATINGS ON INSURANCE COSTS

In addition to fire coverage, an owner will most likely elect to obtain an Extended Coverage Endorsement. Any endorsement to a basic insurance policy adds coverage for perils not included in the basic policy. These include: windstorms, hail, explosions, riots, riots resulting from a strike, civil commotion, aircraft, vehicles, and smoke.

Since the events of 9/11, coverage can also be extended for acts of terrorism. Each additional peril covered, either in a package or separately, will usually add additional premium to the cost of the policy.

Of these perils, the one most affecting the Extended Coverage rate is windstorm.

Where necessary and prudent, a building owner may also add coverage for earthquake damage. Earthquake coverage is covered in MBMA's Insurance Bulletin No. 14.

Metal buildings have been engineered to withstand specified wind loads. Some metal roof systems have been investigated and listed by Underwriters Laboratories, Inc. (UL) with regard to wind uplift. UL 580 lists roof assemblies as Class 30, 60, or 90, meaning that they are designed and engineered to withstand continuous wind speeds of 30, 60, or 90 pounds per square foot.

What is ISO?

The Insurance Services Office, Inc. (ISO) is a subsidiary of Verisk Analytics, and provides data, underwriting, risk management and legal/regulatory services.

The ISO and rating bureaus generally have three major rate levels for extended coverage. These are:

1. Wind-resistive (superior construction)
2. Semi-wind-resistive
3. Ordinary

MBMA has also worked with UL to obtain a generic test qualifying re-roof applications as UL 90 roofs.



For comparative purposes, one rating jurisdiction has the following rates for extended coverage on buildings and contents with 80 or 90% coinsurance.

Wind-resistive.....0.039
 Semi-wind-resistive.....0.049
 Ordinary.....0.237

The recognition given the UL wind up-lift listing can vary from rating jurisdiction to jurisdiction. However, in most ISO jurisdictions, the following treatment is used:

UL 580 Class of Roof	Rate Level
90	Semi-wind-resistive
60 or 30	Ordinary

At one time, many rating jurisdictions recognized metal buildings with UL 90 roofs as wind resistive and those with UL 30 or 60 roofs as semi-wind resistive. As a result of the institution of a rating simplification program by ISO, all recognitions of UL wind up-lift rated roofs were deleted. MBMA acted quickly and was successful in getting ISO to restore the recognition of UL 90 as semi-wind resistive construction. Additional efforts are continuing with the insurance community to gain greater recognition of the superiority of metal building systems with UL 90 roofs.

MBMA has also worked with UL to obtain a generic test qualifying re-roof applications as UL 90 roofs. As treatment of the metal building for windstorm classification does vary from jurisdiction to jurisdiction, and as some states continue to make revisions in their treatment, it is wise to check with the local ISO or rating bureau office before quoting windstorm classifications. Also, some note that some jurisdictions prone to high winds require special treatment for roof assemblies.