2017 FHCF Premium Calculation Examples

In order to calculate your company's 2017 FHCF premium, you will need the 2017 FHCF Rates and the 2017 FHCF Ratemaking Formula Report. Below are some examples.

Example #1

Type of Business	Residential		Year Built	2001
Construction	Frame		Structure Opening Protection	Credit Given
Deductible	$2,000		Roof Shape	Hip
FHCF Rating Region	1		Coverage Option	90%
Total Exposure	$1,000,000			

Based on the above information the *FHCF Base Rate* from the rate tables = 0.1271

Premium prior to FHCF Mitigation Adjustment = (Base Rate) x (Total Exposure / $1,000)

$$(0.1271) \times (\$1,000,000 / \$1,000) = \boxed{\$127.10}$$

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Use the last page of Exhibit XIV of the 2017 FHCF Ratemaking Formula Report to determine the Final FHCF Premium Adjusted for Mitigation. The steps are illustrated below.

1. *Preliminary Factor* = (year built factor) x (roof shape factor) x (opening protection factor)

   (0.7238) x (0.8389) x (0.8405) = 0.5103

2. *Capped Factor* = Preliminary Factor

   Capped Factor = 0.5103

3. *Final Rate* = (base rate) x (capped factor) x (on balance factor)

   (0.1271) x (0.5103) x (0.9680) = 0.0628

4. *Final FHCF Premium Adjusted for Mitigation* = (Final Rate) x (Total Exposure / $1,000)

   (0.0628) x ($1,000,000 / $1,000) = $\boxed{\$62.80}$

Example #2

Type of Business	Residential		Year Built	1990
Construction	Masonry Veneer		Structure Opening Protection	Credit Given
Deductible	2%		Roof Shape	Gable
FHCF Rating Region	12		Coverage Option	90%
Total Exposure	$500,000			

Based on the above information the *FHCF Base Rate* from the rate tables = 1.1555

Premium prior to FHCF Mitigation Adjustment = (Base Rate) x (Total Exposure / $1,000)

$$(1.1555) \times (\$500,000 / \$1,000) = \boxed{\$577.75}$$

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1. *Preliminary Factor* = (year built factor) x (roof shape factor) x (opening protection factor)

   (1.4012) x (1.1131) x (0.8405) = 1.3109

2. *Capped Factor* = Preliminary Factor

   Capped Factor = 1.3109

3. *Final Rate* = (base rate) x (capped factor) x (on balance factor)

   (1.1555) x (1.3109) x (0.9680) = 1.4663

4. *Final FHCF Premium Adjusted for Mitigation* = (Final Rate) x (Total Exposure / $1,000)

   (1.4663) x ($500,000 / $1,000) = $\boxed{\$733.15}$

Example #3

Type of Business	Tenants		Year Built	1992
Construction	Masonry		Structure Opening Protection	No Credit Given
Deductible	$500		Roof Shape	Unknown
FHCF Rating Region	20		Coverage Option	90%
Total Exposure	$100,000			

Based on the above information the *FHCF Base Rate* from the rate tables = 1.1510

Premium prior to FHCF Mitigation Adjustment = (Base Rate) x (Total Exposure / $1,000)

$$(1.1510) \times (\$100,000 / \$1,000) = \boxed{\textbf{\$115.10}}$$
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Use the last page of Exhibit XIV of the 2017 FHCF Ratemaking Formula Report to determine the Final FHCF Premium Adjusted for Mitigation. The steps are illustrated below.

1. *Preliminary Factor* = (year built factor) x (roof shape factor) x (opening protection factor)

   (1.3984) x (1.0128) x (1.0082) = 1.4279

2. *Capped Factor* = Preliminary Factor

   Capped Factor = 1.4279

3. *Final Rate* = (base rate) x (capped factor) x (on balance factor)

   (1.1510) x (1.4279) x (0.9958) = 1.6366

4. *Final FHCF Premium Adjusted for Mitigation* = (Final Rate) x (Total Exposure / $1,000)

   (1.6366) x ($100,000 / $1,000) = $\boxed{\textbf{\$163.66}}$