

Limited Roof Surfaces Settlement Windstorm or Hail Losses Endorsement



What is Limited Roof Endorsement?

This endorsement revises the homeowner policy settlement provisions for roof losses, resulting from windstorm or hail to a pre-determined schedule of replacement cost based on roof age and roof type as shown on the policy declarations. In the states where available, the Limited Roof endorsement is optional until the roof age is **11 years** or more.

Once the roof age is 11 years or older, the endorsement is systematically applied to all major Homeowner new and renewal business. The requirement to include this endorsement does not apply for roof type surfaces of Slate, Tile, Metal and Wood/Shake. As of April 2024, the mandatory application of this endorsement applies to the following states only: IA, IL, OH, and MO.

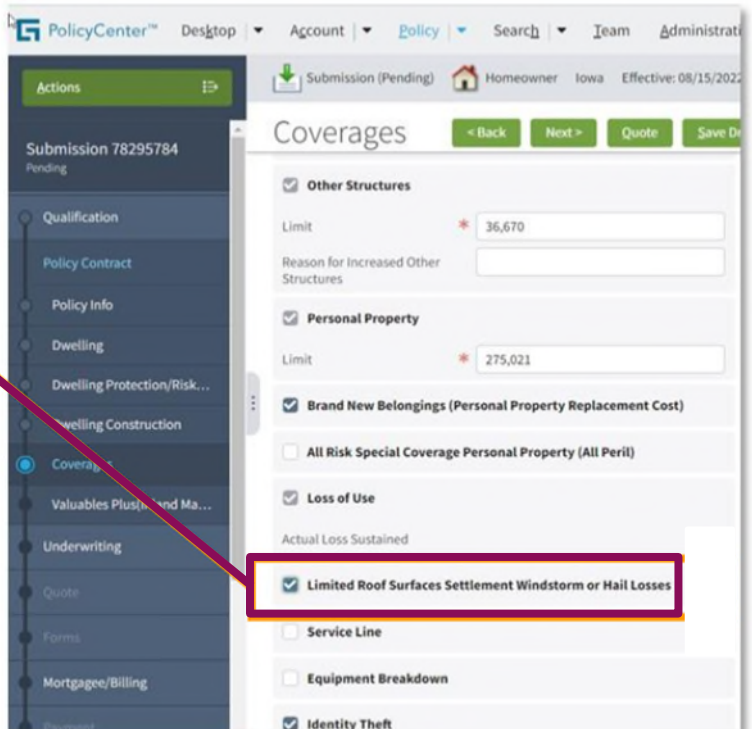
Tornado and hurricane losses, among other types of weather that fall under the windstorm or hail peril, fall under this endorsement; however, if a home is deemed to be a total loss, the schedule would not be applied to the roof surfaces.

Customer Benefits

- Allows for competitive quotes, as some carriers are already using and/or requiring roof schedules.
- Limited Roof can save customers up to 20% on their premium, with average savings of 6% - 15%*.

**Percentages are based on internal Pricing impacts.*

Where can I include (or not include) Limited Roof coverage in PolicyCenter?

Action	Screen
Unless the coverage is mandatory, agents may toggle the endorsement on/off on the Coverages screen in PolicyCenter.	

Where can I include (or not include) Limited Roof coverage in Comp Raters?

Action

Comparative raters will vary slightly in appearance, but each will include a question on the carrier-specific question screen.

- If the roof age is under 11 years and the endorsement is optional for the policy, the system will default to “No.”
- If the roof age is 11 years or older, the endorsement is mandatory and the system will default to “Yes.”

An example of the EZLynx Rater screen is shown here.

Screen

Customers should be adequately informed of their coverage

Roof claim payments with this endorsement may be substantially lower than the cost to repair or replace the roof depending on the roof age.

The policy declarations will show the roof year and type as well as include a message about the importance of keeping Nationwide informed of roof updates. See example below.

The Limited Roof endorsement form is attached to customer's policy and includes the payment schedule based on roof age and type.

Example Declarations

What are the differences between the available roof coverages?				
Roof Coverage Type	Limited Roof (where available)	ACV Roof (not available to new customers once Limited Roof released in company)	HO-3 (Replacement Cost)	Better Roof (where available)
Premium	Lowest	Low	Mid	Highest
Applicable Perils	Wind or Hail <ul style="list-style-type: none"> All other perils follow base policy settlement Not applicable if home is total loss. 	Wind or Hail <ul style="list-style-type: none"> All other perils follow base policy settlement 	All covered perils	All covered perils
Coverage	Portion of covered roof surfaces Repair/Replacement (after deductible)	Portion of covered roof surfaces Repair/Replacement (after deductible)	All covered roof surfaces Repair/Replacement (after deductible and replacement)	All covered upgraded roof surfaces replacement (after deductible and replacement)
Loss Settlement Approach	Pre-determined schedule based on roof age and roof type as rated on policy at time of loss. The schedule applies to all aspects of the covered repair and/or replacement: including but not limited to material, labor, overhead and profit, permits, etc.	Depreciation % applied based on age, use and condition of roof at time of loss. Depreciation applies to material components only.	Depreciation % applied same as ACV for initial payment. Replacement cost is payable after replacement is completed and receipt submitted to the company.	Depreciation % applied same as ACV for initial payment. Replacement cost and upgraded material costs are payable after replacement is completed and the receipt submitted to the company.
Form Number NOTE: Forms are found on Reference Connect. Forms may vary by state.	H 03 64 06 22	HO 04 93 03 22	HO 03 12 03 22	HIN 2104
Coverage interaction with another roof endorsement	<ul style="list-style-type: none"> ACV Roof will no longer be an option for new business customers once Limited Roof is an available coverage in the state. Any existing customer will be able to retain ACV Roof unless Limited Roof is mandatory based on age and type. Better Roof cannot be added to a policy that has Limited Roof. Cosmetic Roof can be added to a policy that has Limited Roof. 			

Limited Roof FAQs

- Why can't I remove this endorsement from the policy?** The Limited Roof endorsement is required and systematically applied to all major Homeowner new and renewal business with roofs aged 11 years or more, except for roof type surfaces of Slate, Tile, Metal and Wood/Shake.
- Why are Slate, Tile, Metal and Wood/Shake roof types excluded from the systematic application of the endorsement?** These roof types generally have a longer life expectancy and less susceptibility to damage from routine hail and windstorms than other roof type surfaces.
- Will customers with an ACV Roof endorsement be automatically rolled to the Limited Roof endorsement?** Renewing customers that already have ACV Roof on their policy will continue with ACV Roof until the roof age and type require a switch to Limited Roof. At that time, the change will occur systematically at renewal.
- Will Nationwide automatically update the roof year on the policy if the roof is replaced because of a claim?**
No, it is the responsibility of the customer and agent to update the policy with this information. Claims associates are not authorized to make changes within the policy management system.
- Why can't I select Better Roof coverage AND Limited Roof?**
These roof coverages contradict each other and therefore cannot co-exist.
- Can the Limited Roof endorsement be added/removed mid-term?**
Yes, provided the roof age and type do not make it mandatory, otherwise it cannot be removed.
- Where can I update the roof age on the policy?**
Roof Age can be updated in PolicyCenter on the *Dwelling Construction* screen, in the **Renovation Details section (Roof Year)**.

The screenshot shows the 'Dwelling Construction' screen in PolicyCenter. At the top, there's a header with 'Submission (Pending)', 'Homeowner', 'Indiana', 'Effective: 02/20/2024', and 'Account:'. Below this is a navigation bar with buttons: '< Back', 'Next >', 'Quote', and 'Withdraw Submission'. A red note states: 'Please note that Roof Year will not be editable after leaving this screen.'

The main content area is divided into two sections. On the left is the 'MSB' section with options to 'Create new' (selected) or 'Find existing using estimate number' and 'Find existing using policy number'. There are buttons for 'Launch MSB' and 'Retrieve from MSB'. Below these are fields for 'Estimate #', 'Year Built', 'Construction Type', 'Wall Siding', and 'Foundation Type'. On the right is the 'Renovation Details' section. It has a table with columns 'Type', 'Year*', 'Work completed by a licensed contractor?', and 'Description'. The 'Roof' row is highlighted, and the 'Year*' field is set to '2022' and is circled in red. Below the table are several yes/no questions with radio buttons: 'Is the home currently under course of construction?', 'Any Current Extensive remodeling or rehabilitation?', 'Has the Dwelling been converted from non-residential to residential?', and 'Will Earthquake coverage be added to this location?'.

Note: Updating this field may trigger underwriting rules. Additional underwriting review and documentation may be required.

By accepting a copy of these materials:

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