



Wind Deductible Buyback Coverage

What is Wind Deductible Buyback (WDBB) Coverage?

As a result of increased losses from stronger natural disasters, property insurance carriers are forced to offset a hardening insurance market by issuing policies with higher wind and hail deductibles. This is especially true in coastal states with growing populations, such as Florida and South Carolina. In the face of these growing wind and hail deductibles, many business owners are deciding to **“buy down” their deductibles** into something more manageable to protect themselves and their financial outlook.

WDBB insurance is designed to help business owners avoid big out of pocket expenses following a covered event. WDBB insurance (also known as “wind buy-back insurance”) is a policy, separate from the primary insurance policy, that **reduces an insured’s deductible in the event of a wind or hail loss**. While a WDBB policy functions as an add-on to an insured’s existing primary insurance policy, a WDBB policy does not operate independently of the primary insurance policy.

HOW DOES WDBB WORK?

WDBB policies significantly soften the expense of a wind and hail deductible for business owners. For example, a policyholder that has a \$10 million property with a 5% wind deductible (\$500,000 deductible) could purchase a separate WDBB policy to cover \$450,000 of the original deductible. The WDBB policy would reduce the out-of-pocket deductible expense to the insured to around \$50,000.

KEY BENEFITS:

- Helps policyholders avoid severe, out-of-pocket deductible expenses following a covered event.
- Assists insurance carriers looking to offset the challenges of a hardening primary property insurance market. The hardening market often creates higher premiums, less coverage, and stricter underwriting requirements for policyholders and potential policyholders.
- Useful for property owners who are subject to restriction caps on their loans or mortgages. Lenders will sometimes require property owners to reduce their property insurance deductible to maintain their loan or to be approved for a refinance/new loan.



AVAILABLE LIMITS
UP TO **\$3 MILLION***

WDBB PROGRAM PAYS
UP TO **12.5% COMMISSION**
Written on behalf of a
worldwide leader of specialty
and reinsurance products.

*Per risk with a preference on single location risk opportunity's location in Tier 1 or Tier 2 zones.

**“Disasters don’t plan ahead,
but you can.”**

- Federal Emergency Management Agency (FEMA)

ABOUT US New Paradigm Underwriters is at the forefront of providing natural catastrophe parametric risk transfer solutions and other (re)insurance products that tackle some of the most challenging risks facing consumers and businesses throughout the world. With our proprietary products and technology, we have been a leader in the development of the parametric marketplace and successfully deploying capacity profitably for almost a decade.



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