

## **POST HURRICANE IAN INCLUDING DEBBIE, HELENE, and MILTON**

During the impact of Hurricane Ian, which occurred in September of 2022, the Hilton Grand Vacations (HGV) Windstorm Insurance Coverage included a \$150 million windstorm limit, a deductible buy-down policy that provided a per association windstorm deductible of \$100,000 or less if the association was near another HGV Managed association, and Business Interruption Insurance (BI). The BI Insurance is the portion of the policy that covers an Owner's loss of use of their week and their Maintenance Fees and Taxes. Due to the catastrophic impact of Hurricane Ian, it was evident that the deductible would be met, and the properties would be closed for an extended period.

Since Hurricane Ian, we have had two insurance policy renewals, and most of our coverages are still the same. The current policies continue to have \$150 million windstorm limits per occurrence, and we continue to carry Business Interruption Insurance. However, the deductibles have changed, and the carriers no longer offer Wind Buy-down coverage. Accordingly, each managed association located within our coverage area now has a deductible of 5% of the Total Insured Value of the Assessed Value of the property.

If the damage is so significant that deductible levels will be met, then Business Interruption Insurance becomes available. Deductibles can range from hundreds of thousands of dollars to millions per occurrence. For storms, Debbie, Helene, and Milton, very few locations had enough damage to reach their deductibles. Although these locations were closed for a few days to a few weeks, they will not receive a Business Interruption Reimbursement. This unfortunate circumstance is caused by the volume of large storms, which cause more significant claims and force insurance providers to limit coverage.

Some properties remaining closed for extended periods due to the recent hurricane Milton will meet deductibles and receive Business Interruption Coverage. If your property will be receiving Business Interruption due to an evacuation or closure from Helene or Milton, your property Director will address that in their weekly update.

As a note, Timbers Resorts, along with their common areas, are not part of your Associations, and therefore, their closures and properties have no impact on your HGV Managed Associations or Insurance Coverage.

Sincerely,

Matthew Fox  
Hilton Grand Vacations Management