

Frequently Asked Questions

Tower Hill Insurance Exchange is dedicated to providing the same outstanding customer service and claim service that Tower Hill has afforded Florida customers since 1972. Uniquely, the Exchange is organized as a “reciprocal insurer,” which means you as a policyholder (also referred to as a “subscriber”) become a part owner in the Exchange. *Below we’ve included answers to frequently asked questions about the Exchange.*

What is a reciprocal insurer, and how does it work?

Tower Hill’s newest risk-bearing entity, Tower Hill Insurance Exchange (“the Exchange”), is considered a reciprocal insurer because the policyholders (aka subscribers) will insure each other and share in the underwriting profits generated via subscriber savings accounts.

Whereas conventional carriers are owned by shareholders or private investors, reciprocal insurance companies are owned by their members or subscribers. Some of the best known and popular reciprocals are USAA, Farmers Insurance, Privilege Underwriters Reciprocal Exchange (PURE), and Erie Insurance.

Who manages the Exchange?

THIE will be managed by Tower Hill Risk Management (THRM) as the Attorney-in-Fact (AIF). THRM will be responsible for all facets of the Exchange’s operations. When you sign the Power of Attorney, you are authorizing the Attorney-in-Fact to manage the company on your behalf. Tower Hill Risk Management is an affiliate of Tower Hill Insurance Group, LLC.

Besides Tower Hill Risk Management, who helps manage the Exchange?

Tower Hill Insurance Exchange will also be guided by an annually elected Subscribers Advisory Committee (SAC). No official powers beyond oversight are afforded to the SAC.

Is Tower Hill Insurance Exchange an admitted or excess and surplus (E&S) lines company?

Tower Hill Insurance Exchange is an admitted carrier and its policyholders (subscribers) are protected by the Florida Insurance Guarantee Association (FIGA). The Exchange

also purchases coverage from the Florida Hurricane Catastrophe Fund (FHCF) to reduce its overall loss in the event of a hurricane.

What is Tower Hill Insurance Exchange's industry rating?

The Exchange holds a Financial Stability Rating® of A (Exceptional) from Demotech, Inc., as of December 27, 2021.

In which states are Tower Hill Insurance Exchange policies available?

Currently, Tower Hill Insurance Exchange products are only available in Florida.

How can I purchase a Tower Hill Insurance Exchange policy?

Tower Hill Insurance Exchange products are available to consumers exclusively through the insurance agencies authorized to represent the Exchange and other Tower Hill affiliates. To purchase a policy, please contact your local insurance agent.

Will State of Florida assessments be added to Tower Hill Insurance Exchange policies?

As an admitted carrier in the State of Florida, the Exchange is subject to the same potential assessments from both FIGA and the FHCF as all other Florida admitted insurers.

When will my current Tower Hill policy transfer to Tower Hill Insurance Exchange?

At renewal, most Tower Hill Preferred and Tower Hill Signature personal lines (i.e., homeowners, rental property, etc.) policies will transfer to the Exchange.

Will my Tower Hill policy coverages change with Tower Hill Insurance Exchange?

While your Tower Hill Insurance Exchange policy contains comparable coverage to your prior Tower Hill policy, we have made some coverage changes. For specific coverages included in your policy, please refer to your individual Declarations Page and Coverage Comparison chart that will be included with your policy offer. *Please contact your insurance agent with coverage-related questions or to make policy changes.*

If I have a question about policy billing or need to report a claim, whom should I contact?

Tower Hill Insurance Exchange still has the same management team and strong customer service that Tower Hill has been providing to customers for 50 years! Please contact our Customer Service Center at (800) 342-3407) with questions about billing or to report a Claim. If you need emergency repair services, such as water extraction or roof tarping, contact CastleCare at (844) TOWER-11 for assistance 24/7. CastleCare is an exclusive benefit available for Exchange and Tower Hill customers.

What are Subscriber Savings Accounts (SSAs)?

SSAs are accounts which allow reciprocal members (subscribers) to share in the Exchange's underwriting profit. For Tower Hill Insurance Exchange members, SSAs will be established at a later date upon the Exchange's achieving underwriting profitability. Details on how the SSA works are spelled out in the Subscriber's Agreement that the member is required to sign and return.

Once the account is established, the subscriber will be able to monitor their balance; however, they will not be able to access their balance until they leave the Exchange/are no longer a member. Accounts cannot lose value in the event the Exchange has an unprofitable year. Distribution of fund balances is at the sole discretion of the AIF but must be pre-approved by the Florida Office of Insurance Regulation (FLOIR).

What is a Subscriber Surplus contribution?

Each policy will include a Subscriber Surplus Contribution, which will be applied directly to the Exchange's surplus. The funds are considered fully earned unless the policy is cancelled for an underwriting reason during the first 90 days of the term.

The initial contribution will be 10% of the annual policy premium. Once the admitted Surplus is sufficient to support the growth projections of THIE, Subscriber Surplus Contributions may be reduced and/or eliminated at the discretion of the AIF. The Subscriber Surplus Contribution will be itemized on the Quote Sheet and Declarations page.