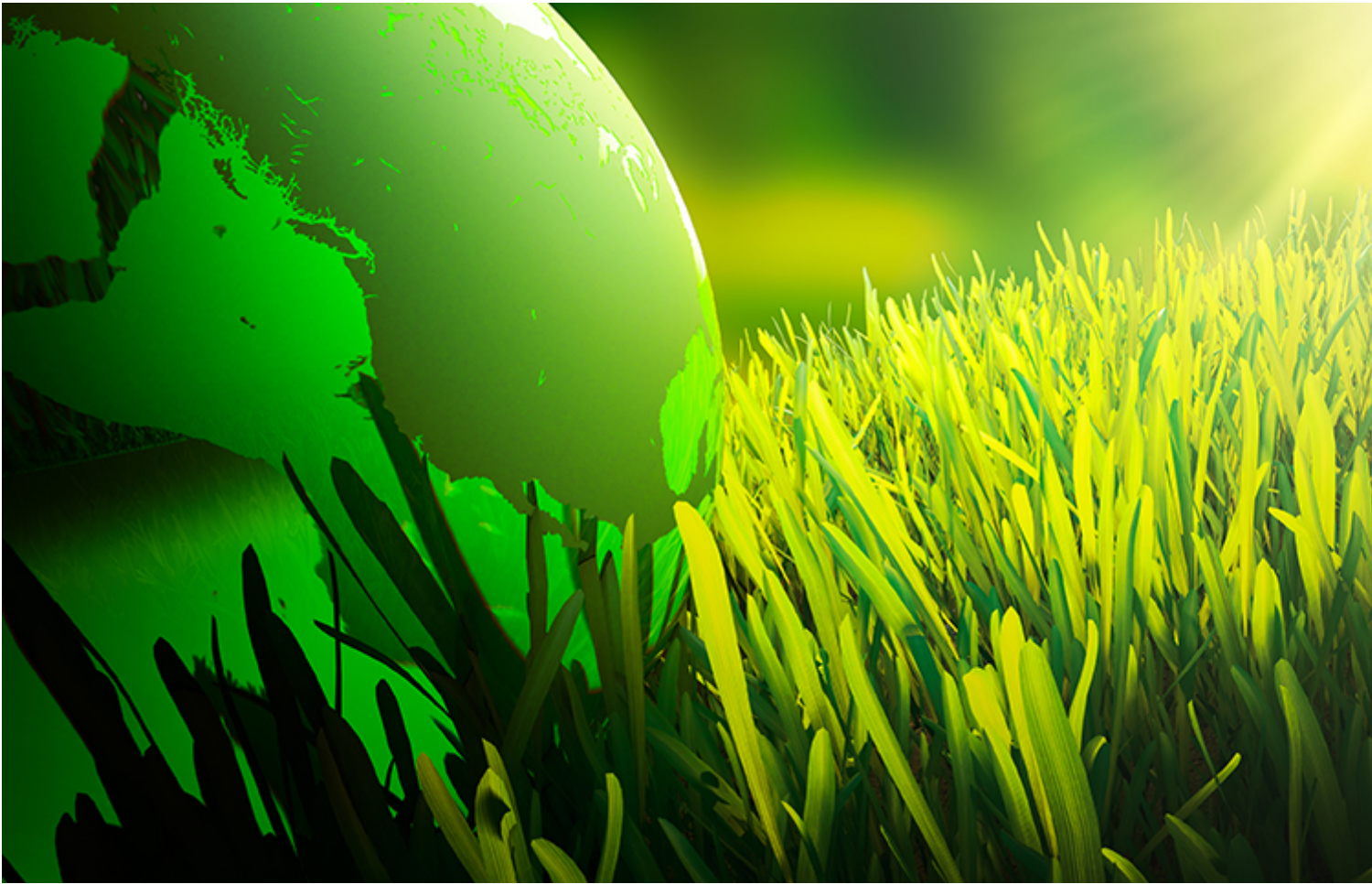




Green insurance

Being kind to the environment can save you money on your policies

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Adopting practices that are known to be safe for the environment?aka "going green"?might also help you save on your insurance costs. Whether you're considering an eco-friendlier car, a more sustainable home or "green" business practices, check out this sampling of insurance benefits and products for the

Green insurance incentives for motor vehicles

Fossil fuels deplete our resources and contribute to pollution?and many insurers offer discounts for vehicles that don't gas guzzle.

- **Hybrid vehicle premium discounts** are offered by a number of auto insurance companies (and similar discounts may also be available on boat insurance for hybrid-electric boats and yachts).
- **Endorsements that allow hybrid replacement?**that is, optional coverage whereby, after a total car loss, the insured can replace his or her traditional automobile with a comparable hybrid vehicle.
- **Alternative fuel premium discounts**, which apply if your car uses an alternative energy source such as biodiesel, electricity, natural gas, hydrogen or ethanol.
- **Pay as You Drive (PAYD) programs**, which require the installation of a device to track the miles driven in your car. The PAYD offers policy discounts to drivers who, according to their sensor, drive fewer miles than the average?thus saving consumers money while reducing accidents, congestion and air pollution.

Green insurance for homes

Insurers are helping to promote sustainable building practices by offering eco-friendly policies to homeowners, which include options such as:

- **Premium discounts for LEED certified homes.** LEED is short for the Leadership in Energy and Environmental Design Green Building Rating System. This system, developed by the U.S. Green Building Council, is a recognized environmental standard in the building world and has high efficiency and sustainability standards.
- **Eco-friendly replacement materials endorsements**, which are offered on some standard homeowners policies. After a loss, these allow the insured to replace or rebuild with more sustainable materials, practices and products.

For example, some companies will pay homeowners extra if they recycle debris rather than send destroyed materials straight to a landfill, and replace old kilowatt-hungry appliances with Energy Star machines, which meet an energy-savings rating created by a joint program of the U.S. Environmental Protection Agency and the Department of Energy.

- **Broad coverage for alternative energy sources.** For homeowners who generate their own geothermal, solar or wind power and sell any surplus energy back to the local power grid, there are now policies that cover both the extra expense of temporarily buying electricity from another source and for the income lost during a power outage (as long as the outage is caused by a covered peril). Policies also generally cover the cost of getting back online, such as utility charges for inspection and reconnection.

Green insurance for businesses

There are many green commercial property insurance policies and endorsements directed at specific segments of the business community such as manufacturers. Examples of these include policies that:

- **Cover installing "green" building systems and materials** to replace the standard ones, after a loss. These eco-friendly replacements would include energy efficient electrical equipment and interior lighting, water conserving plumbing and nontoxic, low odor paints and carpeting.
- **Allow "green certified" rebuilding** in the event of a total loss. In addition to the building itself, this coverage may pay for engineering inspections of heating, ventilation, air-conditioning systems, building recertification fees, replacement of vegetative or plant covered roofs and debris recycling and loss of income and costs incurred when alternative energy generating equipment is damaged.

Next steps link: If you own a business you should also understand environmental liability insurance.

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