

### Before entering a risk

#### What kinds of properties can be insured through FloodPlus?

- We currently write homes that are primary, secondary, seasonal, tenanted, vacant and COC/renovation occupancy. The product is not currently available to condos or mobile homes.
- The maximum dwelling replacement cost we can offer a quote on is \$1.25 million with the maximum contents limit for a primary residence being 70% of the dwelling limit.
- We write risks in all flood zones (A, B, C, X, V and unmapped), as well as non-participating communities, and also cover dwellings with previous losses. Unfortunately homes located in FEMA floodways, CBRA zones or buildings partially or entirely over water are out of appetite and will be declined.

#### What information do I need about an address to create a quote?

- We need to know the full address of the location, including; house number and zip to be able to locate as accurately as possible.
- No elevation certificate is necessary, but the following are required to return a quote:
  - year built
  - construction type
  - occupancy
  - full replacement cost.
- The total square footage is needed as a sense-check so that FloodPlus agrees the replacement cost is suitable for the dwelling type.
- The next series of questions prompt you to enter whether the home is elevated or not. This is the physical elevation off the ground. Google street view can help sense-check this. You will then be asked about the foundations. If the dwelling isn't elevated, whether there is a basement or not must be declared. If there is a basement, its completion status is needed. Garages and enclosures can be added for elevated properties, as these will likely be at ground level. Again, whether they are finished or not must be stated.
- If the home you are quoting is elevated and has an elevator, it should be rated as having a finished enclosure.

#### Do I need an elevation certificate?

No. Elevation certificates are not required to fill out a quote, nor are they needed as evidence. We have the data of the elevation of the land down to a ten-foot resolution. All we need to know, is by how much the home is physically elevated above the ground and by what method it's elevated.

#### What if the risk I am looking at has a building RCV greater than \$1.25 million?

We currently only write risks that have a building replacement cost of up to \$1.25 million. This may be something we change in the future, but all risks that have a building replacement cost of greater than \$1.25 million will automatically be declined.

#### What is the FloodPlus definition of flood?

Unlike the NFIP, the FloodPlus definition of flood is more extensive and mirrors the definition used in the 'water damage' exclusion of the HO3 wording. The full FloodPlus definition of flood is a general and temporary condition of partial or complete inundation of normally dry land areas due to the unusual or rapid accumulation or runoff of surface waters from any source including, waves, tidal wave, tsunami, tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge).

In addition, flood also includes mudflow which is defined as a rapid movement of liquid and flowing mud caused by earth being saturated and carried by a current of water. The definition of mudflow does not extend to other earth movements such as landslides or mudslides.

Water which includes back up through sewers or drains, or the overflow, discharge or escape of water from any water main, pipe or hose source is does not fall within the flood definition specifically excluded from cover.

#### What is the FloodPlus definition of elevation?

Unlike many carriers, when you are quoting a risk in FloodPlus, we are asking for the difference in height between the ground the home sits on and the height of the first floor in feet. This can be calculated in a number of ways:

- physically measuring the height;
- approximating the height using an image of the home obtained from the internet or insured;
- retrieving the height from an application; or
- calculating the height from an elevation cert.

With FloodPlus, the elevation height is not the height of the BFE, nor the relative height between the first floor and BFE (which you may be familiar with) and it is not the height above sea level of the home. It is a lot more simple than that – it is the amount the first floor is above the ground next to it.

#### What limits do I need to enter when prompted?

The limits you enter into the quote are the full replacement cost values of the property and the contents limits (which can be selected as either ACV or RCV). If you only wish to see the NFIP like-for-like limits and pricing, you must still enter the full limits in order for the algorithm to price correctly. Once the premium options are returned you can see the various coverage options, including NFIP limits.

#### Can I bind a quote straight away?

FloodPlus has no waiting period, you can go from quote to bind in a matter of minutes. This is unlike the NFIP, where you have to wait 30 days for a policy to incept.

#### What if the other structures are greater than 10% of the building RCV?

We have an endorsement that can increase the other

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structure limits, although full underwriting caution should be taken when looking at replacement costs and uses for such large additional structures. Any additional structures that have commercial exposure should not be considered for this increase in limits.

### Do you cover personal property only?

No, the coverage options are currently confined to:

1. full limits including additional structures, personal property and loss of use elements
2. NFIP like-for-like coverage including personal property
3. NFIP building only limits.

With the FloodPlus personal property coverage, it is covered for flooding anywhere in the world, this includes contents in basements, which is why we ask for the basement, enclosures and garages finished/unfinished status.

### What if the risk has had previous losses?

We bind risks that have had previous losses. We ask for the past five years of loss history. If there has been a loss, we ask if there have been any elevation after the loss. If the property has been elevated since the loss, then the risk is completely different to when it experienced the losses and will make a distinct difference in premium calculation. With every loss that is entered, the loss year and full loss amount are requested.

### What is the loss settlement?

Replacement cost cover is provided for the main building and other structures, however a 80% co-insurance clause is applied to properties that have been insured for their full replacement cost. Risks that are insured for NFIP 'look-alike' limits will not have this added.

### What if the insured owns more than one property?

If the insured has more than one property and they have different addresses, the risks will have to have separate quotes and separate policies. If the insured has an annex or guest house that has the same address as the main dwelling, the additional building could be considered an 'other structure' and be endorsed onto the policy of the main home.

### Can you explain to me your appetite?

Unlike the NFIP, our pricing is a little more granular and we take into account a larger number of attributes about the risk when pricing it. Generally, risks in X zones that are further away from A zones and risks in A and V zones where the first floor is elevated above the BFE are in appetite. As we cover contents in basements, risks in higher hazard zones that have finished basements or enclosures are out of appetite and we will price accordingly.

We favour post-firm risks over older properties, however we offer a quote on any eligible property no matter what its age is. We also take into account how exposed to storm surge a

dwelling is, so those risks in lower hazard zones that may be closer to the coast may have different pricing to inland risks.

The occupancy of a risk can also influence the pricing you receive. Risks that are either vacant, or being renovated or constructed (COC) will have an inflated price as we consider these less within appetite.

### Do you cover docks or piers?

No, FloodPlus excludes cover for:

- wharfs, piers and docks
- fences
- retaining walls
- culverts
- ripraps
- seawalls and bulkheads
- bridges.

### What is the difference between the non-coastal product and the coastal product?

The coastal and non-coastal product eligibility is determined by which zone the risk is in. All V zone risks will automatically be given the FloodPlus coastal product whereas risks in all other zones will be given the regular FloodPlus 'non-coastal' product.

The main difference between the two products is the slightly more restrictive cover for loss of use in the coastal form. Whilst risks eligible for the non-coastal product will receive 20% of the building limit for loss of use as standard with the full value option, insureds of the coastal product can choose between either a 2% or 5% of building limit coverage for loss of use with their full value option. Some other differences include but not limited to the following:

- risks on the coastal form will not receive any cover for trees, shrubs and plants, but the non-coastal form will have cover for these to a sub-limit of \$5,000. This is limited to \$250 for lawns, any one tree or plants.
- the coastal form has slightly more restrictive cover for ALE, where the first five days are not covered and for rental income, the first 30 days are not covered.

### Do you cover swimming pools or hot tubs?

We do not cover swimming pools and their equipment, including but not limited to heaters, pumps and pipes. In addition to this, the exclusion extends to hot tubs and spas that are not bathroom fixtures.

### Why does the number of stories include basements/enclosures?

Unlike the NFIP, FloodPlus policies cover personal property from the effects of flooding in basements and enclosures. This means that in order to correctly calculate the risk to personal property from flood, if there is any storey located below ground level or at ground level (in garages and basements) it needs to be included in the quote. A two-storey home with a basement is therefore considered three stories in FloodPlus.

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### What if I receive a geocoding error?

FloodPlus uses Google as a primary geolocator and Corelogic as a secondary geolocator. This means that 97% of risks are located with an accuracy level of 'rooftop'. Within the 3% that aren't located to 'rooftop', some dwellings are located to 'street' level, but around 1% of houses may not be found at all – these are usually very new or very remote dwellings. We recommend double-checking the address and check words are written in full – for example; write 'south' not 'S'.

### Why do you need to know the square footage?

When FloodPlus calculates the premium for a location, it needs to ensure that the replacement cost value entered is viable so as to validate the RCV. The total square footage of the living area of the building is required including all floors so that the calculation for replacement cost per square foot can be achieved. The replacement cost per square foot of the dwelling must be at least \$100 or the quote will be declined.

### How do I include garages and enclosures?

Enclosures will occur from the building being elevated. Once the elevation height of the building (the physical height above the ground) has been submitted, a question will appear asking whether there are any garages or enclosures and also their respective completion statuses. An enclosure can either be finished or unfinished and this will be rated accordingly.

Garages are nearly always attached to a building at ground level. This can be inside an enclosure underneath the main dwelling or to the side but still on the ground. To prompt information about garage features, the dwelling must be 'elevated'.

- If a dwelling is elevated and has a garage to the side or separate from the main structure, the true physical elevation of the building needs to be included.
- If a garage is separate and not attached to the main building, it will be covered under the other structures limit.

The completion status of the garage is also requested. A garage can either be finished or unfinished and will be rated accordingly.

### Does the deductible apply to each limit?

No. The deductible you see and choose on the quote is applied once to the risk. This differs from the NFIP where the deductible is applied to both the building and contents limits.

### Once I have received a quote

#### Can I choose and see different deductible options?

Yes. You do not need to go through the quoting process again in order to compare the different deductible options. All of them will have been pulled through on the initial quote. You will see a drop-down menu with all the deductible options available. If you select a different option, you can see how the premium adjusts. You may bind any of these options.

#### Why was the risk declined?

The main reason for a risk being declined is that the

dwelling is located in either a CBRA zone or a FEMA floodway – FloodPlus does not currently write risks in these zones. A message will appear notifying you of this.

Secondly, if the dwelling RCV limit is greater than \$1.25 million then the quote will immediately be declined. Again, you will be made aware of this.

If the personal property limits don't fall within the required percentage of the dwelling RCV your quote will also be declined. When entering the risk details, you should be reminded of the personal property limits needed for the occupancy of your risk.

There is a sense-check mechanism in FloodPlus to validate the RCV of the dwelling, so if the replacement value per square foot is below \$100 per square foot, your risk will be declined. If this happens, the replacement cost value of the dwelling may need reassessing.

97% of all risks are geocoded to an accuracy of 'rooftop', but occasionally a risk may not be geolocated at all. If this happens, FloodPlus cannot produce an accurate quote and your risk will be declined. On the coastal FloodPlus product, if your risk cannot be geolocated to rooftop, it will be declined.

If a risk is partially or entirely over water, it will be declined.

#### I have rated two similar properties in close proximity but they have produced very different premiums, why is this?

The peril of flood is unique in many ways. Our pricing mechanism is more granular than simply viewing all risks in the same flood zone and area in the same way. As an example, an X zone that has some surge exposure is more likely to flood compared to an X zone that is inland.' – continue on with 'our pricing mechanism.

#### Why is my risk priced differently to the NFIP?

See previous answer. The FloodPlus rating method is different and in some cases more granular than the NFIP methodology. We take into account a number of different rating factors, including distance to nearby flood zones and have purchased high-resolution ground elevation data.

#### Is the price I have received correct?

If the information you have input is accurate and has been sense-checked using web-based tools and/or images of the property, then yes.

#### Do you give credits for flood outlets/venting?

There is currently no credit given to flood venting or outlets.

#### I need some help understanding the quote options

There are three different quote options created when entering a risk for quoting. FloodPlus should also generate every deductible available for the three coverage options. The different deductibles can be selected on a drop down menu

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and the premiums for each option can be compared. The options available are:

- full value: the first coverage option is a full value limit option in which there are separate limits for dwelling, other structures, personal property and loss of use
- dwelling \$250k: the second coverage, an 'NFIP lookalike' option is a \$250k limit for dwelling only
- combined value: the third coverage option is also for 'NFIP lookalike' limits that offers a \$250k dwelling limit and \$100k personal property limit.

When entering the dwelling details into FloodPlus, even if you require the second or third coverage option, you must input the full dwelling and personal property replacement costs, not the limits sought.

### **I have quoted this risk more than once and the premiums have changed?**

A quote is valid for 30 days, but if there is a need to re-quote due to a material change during this period or after that period of time then you may notice a slight variance in the prices. This is due to underwriting decisions made in London.

Behind the scenes, the London team are tweaking the pricing algorithms to improve the accuracy of quoting and to respond to aggregate build up in different areas. The changes are generally very minor although coverholders will be notified of any changes or moratoriums. If you have any questions, please contact your local underwriting teams.

### **Why are the prices for the different deductible options the same (min or max)?**

If you scroll through the different deductible options and notice that the premium is unchanged it is likely the address you are rating has hit a minimum or maximum rate. This means that the rate for the risk that the system has triggered cannot be increased for a maximum rate or decreased for a minimum rate, so the premium for all deductible options will be the same.

## **Renewals and changes**

### **Why are there different loss of use limits in the coastal product?**

V zones carry the risk of more widespread and more severe flooding. In order to limit our exposure we have chosen to cap the loss of use element of the coverage to both 2% and 5% options of the building RCV in the full limit option.

### **What if the limits for the other structures is too small?**

Some insureds may have other structure limits that exceed the automatically given 10% of the building RCV for the full value option. These risks, if approved can have an endorsement attached to them to increase the other structures limit. Dwellings that have an external guest house or annex at the same address will be considered.

### **What if the occupancy of the dwelling changes during the policy?**

If the occupancy of the dwelling changes, for example, a builder's risk becomes completed and occupied, then this is a change your local underwriting team will need to know about. Material changes to occupancy can be endorsed and the premium will be adjusted accordingly.

### **Any further questions?**

If your question remains unanswered, you may forward this to your local underwriting team.