

## **Private flood insurance**

Advisory notice (Biggert-Waters Act & FHA)

**Please note flood insurance is also available through the National Flood Insurance Program.**

**This policy meets the definition of private flood insurance contained in 42 U.S.C. 4012a(b)(7) and the corresponding regulation.**

**This policy meets the definition of private flood insurance contained in 24 CFR 203.16a(e) for FHA-insured mortgages.**

This insurance policy:

- is issued by an insurer that is approved to engage in the business of insurance in the State in which the insured building is located by the insurance regulator of that State;
- provides flood insurance coverage which is at least as broad as the coverage provided under a standard flood insurance policy under the national flood insurance program;
- includes a requirement for the insurer to give 45 days' written notice of cancellation or non-renewal of flood insurance coverage to the insured and the regulated lending institution or Federal agency lender;
- includes:
  1. information about the availability of flood insurance coverage under the national flood insurance program;
  2. a mortgage interest clause similar to the clause contained in a standard flood insurance policy under the national flood insurance program; and
  3. a provision requiring an insured to file suit not later than one year after date of a written denial of all or part of a claim under this policy;
- contains cancellation provisions that are as restrictive as the provisions contained in a standard flood insurance policy under the national flood insurance program.

SAMPLE

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## Introduction

Various provisions in this policy restrict coverage. Please read the entire policy carefully to determine rights, duties and what is and is not covered.

Words and phrases that appear in **bold** have special meaning. Refer to the Definitions section.

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## Agreement

We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of this policy.

If the National Flood Insurance Program for flood insurance to dwellings provides broader coverage than that provided under this insurance, that broader cover will automatically apply to this policy without additional premium charge.

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## Definitions

- a. In this policy, **you** and **your** refer to the named **insured** shown in the declarations page and the spouse if a resident of the same household. **We**, **us** and **our** refer to the company providing this insurance.
- b. In addition, certain words and phrases are defined as follows:
  1. **Basement** means any area of the sunken room or sunken portion of a room, having its floor below ground level (subgrade) on all sides.
  2. **Business** means:
    - a. a trade, profession or occupation engaged in on a full-time, part-time or occasional basis; or
    - b. any other activity engaged in for money or other compensation, except the following:
      - (i) one or more activities, not described in (2) through (4) below, for which no **insured** receives more than USD2,000 in total compensation for the 12 months before the beginning of the policy period;

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- (ii) volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;
  - (iii) providing home day care services for which no compensation is received, other than the mutual exchange of such services; or
  - (iv) the rendering of home day care services to a relative of an **insured**.
3. **Condominium** means that form of ownership of real property in which each unit owner has an undivided interest in common elements.
4. **Flood** means 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).
- Flood** includes **mudflow**. All flooding in a continuous or protracted event will constitute a single **flood**.
5. **Insured** means:
- a. **you** and residents of **your** household who are:
    - (i) **your** relatives; or
    - (ii) other persons under the age of 21 and in **your** care or the care of a resident of **your** household who is **your** relative;
  - b. a student enrolled in school full-time, as defined by the school, who was a resident of **your** household before moving out to attend school, provided the student is under the age of:
    - (i) 24 and **your** relative; or
    - (ii) 21 and in **your** care or the care of a resident of **your** household who is **your** relative; or
- When the word **an** immediately precedes the word **insured**, the words **an insured** together mean one or more **insureds**.
6. **Mudflow** means a rapid movement of liquid and flowing mud caused by earth being saturated and carried by a current of water.
- We** do not include within this definition other earth movements such as landslide, mudslide or slope failure.
7. **Other structures** means any permanent structure within the grounds of the **residence premises** set apart from the dwelling by clear space. This includes:
- a. structures connected to the dwelling by only a fence, utility line or similar connection;
  - b. garages used for domestic purposes;
  - c. terraces, patios, driveways, footpaths and walls.
8. **Pollutants** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
9. **Residence premises** means: the non-**condominium** family dwelling where **you** reside or rent to others and which is shown as the **residence premises** in the declarations page.
- Residence premises **also includes** other structures **and grounds at that location**.

## Coverages

- a. **Coverage A – dwelling**
  - 1. **We** cover:
    - a. the dwelling on the **residence premises** shown in the declarations page, including structures attached to the dwelling; and

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- b. materials and supplies stored in a fully enclosed building on the **residence premises** or on an adjacent property used to construct, alter or repair the dwelling or a detached garage on the **residence premises**.
  2. **We** do not cover land, including land on which the dwelling is located.
  3. With respect to dwelling property within a **basement**, the following limitations apply:
    - a. no coverage is provided unless:
      - (i) **you** declared a **basement** when **you** applied for this insurance; and
      - (ii) **basement** coverage is shown as in force in the declarations page.
    - b. where coverage is in force, coverage is limited to the following items which must be installed in their functioning locations and, if necessary for operation, connected to a power source:
      - (i) central air conditioners;
      - (ii) cisterns and the water in them;
      - (iii) drywall for walls and ceilings in a basement including the cost of labor to nail it, unfinished and unfloated and not taped, to the framing;
      - (iv) electrical junction and circuit breaker boxes;
      - (v) electrical outlets and switches;
      - (vi) elevators, dumbwaiters and related equipment. This does not include related equipment installed below the base flood elevation after September 30<sup>th</sup>, 1987;
      - (vii) fuel tanks and the fuel in them;
      - (viii) furnaces and hot water heaters;
      - (ix) heat pumps;
      - (x) nonflammable insulation in a basement;
      - (xi) pumps and tanks used in solar energy systems;
      - (xii) stairways and staircases attached to the building, not separated from it by elevated walkways;
      - (xiii) sump pumps;
      - (xiv) water softeners and the chemicals in them, water filters, and faucets installed as an integral part of the plumbing system;
      - (xv) well water tanks and pumps;
      - (xvi) footings, foundations, posts, pilings, piers, or other foundations walls and anchorage systems required to support a building; and
      - (xvii) required utility connections for any of the items (i) to (xvi) in this list.
- b. **Coverage B – other structures**
  1. **We** cover **other structures** on the **residence premises** set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.
  2. **We** do not cover:
    - a. land, including land on which the **other structures** are located;
    - b. **other structures** rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage;
    - c. **other structures** from which any **business** is conducted;
    - d. **other structures** used to store **business** property. However, **we** do cover a structure that contains **business** property solely owned by an **insured** or a tenant of the dwelling, provided that **business** property does not include

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gaseous or liquid fuel, other than fuel in a permanently installed fuel tank of a vehicle or craft parked or stored in the structure; or

- e. hot tubs and spas that are not bathroom fixtures, swimming pools and their equipment including but not limited to heaters, filters, pumps and pipes;
  - f. fences, retaining walls, culverts, riprap, seawalls, bulkheads, wharves, piers, bridges or docks.
3. The limit of liability for this coverage will not be more than 10% of the limit of liability that applies to Coverage A. Use of this coverage does not reduce the Coverage A limit of liability.

#### c. Coverage C – personal property

##### 1. Covered property

**We** cover personal property owned or used by an **insured** while it is anywhere in the world. After a loss and at **your** request, **we** will cover personal property owned by:

- a. others while the property is on the part of the **residence premises** occupied by an **insured**; or
- b. a guest or a residence employee, while the property is in any residence occupied by an **insured**.

##### 2. Limit for basement personal property

With respect to personal property within a **basement**, the following limitations apply:

- a. no coverage is provided unless:
  - (1) **you** declared a **basement** when **you** applied for this insurance; and
  - (2) an amount for **basement** personal property coverage is shown in the declarations page.
- b. Where coverage is in force, **our** limit of liability for each loss for all personal property within a **basement** is USD15,000. This limit does not increase the Coverage C limit of liability.

The **basement** personal property limit does not apply to any the following items of personal property within a **basement**, when installed in its functioning location and, if necessary for operation, connected to a power source:

- (1) air conditioning units, other than central air conditioners;
- (2) clothes washers and dryers; and
- (3) food freezers, other than walk-in, and food in any freezer;

However, any amount **we** pay for items in the above list will reduce the amount of cover remaining for other covered **basement** personal property which is not in this list. For example:

##### Example 1

For one loss, if the total **we** pay for items listed above in b.(1)-(3) is USD20,000, there will be no coverage amount remaining for any items of covered personal property which are not listed above in b.(1)-(3), for example sofas and/or televisions, and therefore **we** will not pay for such non-listed items.

##### Example 2

For one loss, if the total **we** pay for items listed above in b.(1)-(3) is USD5,000, **we** will also pay up to a total of USD10,000 for items of covered personal property which are not listed above in b.(1)-(3), for example sofas and/or televisions.

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#### 3. Limit for property at other locations

##### a. Other residences

Our limit of liability for personal property usually located at an **insured's** residence, other than the **residence premises**, is 10% of the limit of liability for Coverage C, or USD1,000, whichever is greater. However, this limitation does not apply to personal property:

- (1) moved from the **residence premises** because it is:
  - (a) being repaired, renovated or rebuilt; and
  - (b) not fit to live in or store property in;
- (2) on a newly acquired principal residence for 30 days from the time **you** begin to move the property there.

##### b. Self-storage facilities

Our limit of liability for personal property owned or used by an **insured** and located in a self-storage facility is 10% of the limit of liability for Coverage C, or USD1,000, whichever is greater. However, this limitation does not apply to personal property moved from the **residence premises** because it is:

- (a) being repaired, renovated or rebuilt; and
- (b) not fit to live in or store property in.

#### 4. Special limits of liability

The special limit for each category shown below is the total limit for each loss for all property in that category. These special limits do not increase the Coverage C limit of liability.

- a. USD200 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum other than platinumware, coins, medals, scrip, stored value cards and smart cards.
- b. USD1,500 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps. This Dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.  
This limit includes the cost to research, replace or restore the information from the lost or damaged material.
- c. USD1,500 on trailers or semitrailers.
- d. USD2,500 on jewelry, watches, furs and garments trimmed with or consisting principally of fur, precious and semiprecious stones.
- e. USD2,500 on cameras, projection machines, films and related articles of equipment;
- f. USD2,500 on musical equipment and related articles of equipment
- g. USD2,500 on golf clubs and golf equipment;
- h. USD2,500 on antiques, fine arts, paintings and similar articles of rarity or antiquity, which cannot be replaced, memorabilia, souvenirs, collectors' items and similar articles, whose age or history contribute to their value
- i. USD2,500 on firearms and related equipment.
- j. USD2,500 on silverware, silver-plated ware, goldware, gold-plated ware, platinumware, platinum-plated ware and pewterware. This includes flatware, hollowware, tea sets, trays and trophies made of or including silver, gold or pewter.
- k. USD2,500 on property, on the **residence premises**, used primarily for **business** purposes.
- l. USD1,500 on property, away from the **residence premises**, used primarily for **business** purposes. However, this limit does not apply to antennas, tapes, wires, records, disks or other media that are:

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- (1) used with electronic equipment that reproduces, receives or transmits audio, visual or data signals; and
    - (2) in or upon a motor vehicle.
  - m. USD250 on portable electronic equipment that:
    - (1) reproduces, receives or transmits audio, visual or data signals;
    - (2) is designed to be operated by more than one power source, one of which is a motor vehicle's electrical system; and
    - (3) is in or upon a motor vehicle.
  - n. USD250 for antennas, tapes, wires, records, disks or other media that are:
    - (1) used with electronic equipment that reproduces, receives or transmits audio, visual or data signals; and
    - (2) in or upon a motor vehicle.
  - 5. **Property not covered**

**We** do not cover:

    - a. articles separately described and specifically insured, regardless of the limit for which they are insured, in this or other insurance;
    - b. animals, birds or fish;
    - c. trees (except to the extent that coverage for felled trees is provided in e.1.b. under the Debris removal additional coverage), shrubs, plants or lawns;
    - d. motor vehicles.

This includes a motor vehicle's equipment and parts; However, this paragraph 4.c. does not apply to:

Motor vehicles not required to be registered for use on public roads or property which are:

    - (1) used solely to service a residence; or
    - (2) designed to assist the handicapped;  - e. aircraft, meaning any contrivance used or designed for flight, including any parts whether or not attached to the aircraft.
- We** do cover model or hobby aircraft not used or designed to carry people or cargo;
- f. hovercraft or watercraft including their engines, parts, furnishings and equipment;
- Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles;
- g. property of roomers, boarders and other tenants, except property of roomers and boarders related to an **insured**;
  - h. property in an apartment regularly rented or held for rental to others by an **insured**;
  - i. property rented or held for rental to others off the **residence premises**;
  - j. **business** data, including such data stored in:
    - (1) books of account, drawings or other paper records; or
    - (2) computers and related equipment.
- We** do cover the cost of blank recording or storage media and of pre-recorded computer programs available on the retail market;
- k. credit cards, electronic fund transfer cards or access devices used solely for deposit, withdrawal or transfer of funds;
  - l. virtual currency of any kind, by whatever name known, whether actual or fictitious including, but not limited to, digital currency, crypto currency or any other type of electronic currency;



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- m. water or steam; or
- n. grave markers.

#### d. Coverage D – optional cover for loss of use

The limit of liability shown in the declarations page for Coverage D is the total limit for the coverages in 1. Additional living expense and 2. Fair rental value below. No coverage is provided for this optional cover unless a limit of liability for Coverage D is shown in the declarations page.

##### 1. Additional living expense

If a loss covered under this insurance makes that part of the **residence premises** where **you** reside not fit to live in, **we** cover any necessary increase in living expenses incurred by **you** so that **your** household can maintain its normal standard of living. **We** do not cover the first five days of **your** additional living expenses.

Payment will be for the shortest time required to repair or replace the damage or, if **you** permanently relocate, the shortest time required for **your** household to settle elsewhere.

The most **we** will pay for **your** additional living expenses in each period of 30 consecutive days is 1/12<sup>th</sup> of the limit of liability stated in the declarations page for Coverage D. For example: when the limit of insurance is USD30,000 the most **we** will pay for each period of 30 consecutive days is USD2,500.

##### 2. Fair rental value

If a loss covered under this insurance makes that part of the **residence premises** rented to others or held for rental by **you** not fit to live in, **we** cover the fair rental value of such premises less any expenses that do not continue while it is not fit to live in. **We** do not cover the first five days of loss of **your** loss of rental value.

Payment will be for the shortest time required to repair or replace such premises.

The most **we** will pay for **your** loss of rental value in each period of 30 consecutive days is 1/12<sup>th</sup> of the limit of liability stated in the declarations page for Coverage D. For example: when the limit of insurance is USD30,000 the most **we** will pay for each period of 30 consecutive days is USD2,500.

##### 3. Loss or expense not covered

**We** do not cover loss or expense due to cancellation of a lease or agreement.

**We** do not cover loss arising from a civil authority prohibiting access to the **residence premises**.

The periods of time under 1. Additional living expense and 2. Fair rental value above are not limited by expiration of this policy.

#### e. Additional coverages

##### 1. Debris removal

- a. **We** will pay **your** reasonable expense for the removal of debris on the **residence premises**.

This expense is included in the limit of liability that applies to the damaged property. If the amount to be paid for the actual damage to the property plus the debris removal expense is more than the limit of liability for the damaged property, an additional 5% of that limit or USD10,000, whichever the lesser, is available for such expense.

- b. **We** will also pay **your** reasonable expense, up to USD1,000, for the removal from the **residence premises** of **your** trees or a neighbor's trees felled by a **flood** provided the trees:

- (1) damage a covered structure; or
- (2) do not damage a covered structure, but:



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- (a) block a driveway on the **residence premises** which prevents a motor vehicle, that is registered for use on public roads or property, from entering or leaving the **residence premises**; or
- (b) block a ramp or other fixture designed to assist a handicapped person to enter or leave the dwelling building.

The USD1,000 limit is the most **we** will pay in any one loss, regardless of the number of fallen trees. No more than USD500 of this limit will be paid for the removal of any one tree.

This coverage does not increase the maximum limit of liability shown in the declarations page.

#### 2. Prevention of loss

- a. **We** will pay the reasonable cost incurred by **you** for the necessary measures taken solely to protect covered property that is damaged by **flood** from further damage. This includes up to USD2,500 towards the reasonable cost incurred by **you** to protect the **residence premises** in imminent danger of **flood**.
- b. If the measures taken involve repair to other damaged property, **we** will only pay if that property is covered under this policy and the damage is caused by a **flood**. This coverage does not:
  - (1) increase the limit of liability that applies to the covered property; or
  - (2) relieve **you** of **your** duties, in case of a loss to covered property, described in C.4. under Conditions.

#### 3. Mold prevention costs

**You** must take all reasonable measures to prevent mold growing in **your** home after a **flood** has receded. Reasonable measures include but are not limited to inspecting the **residence premises**; removing as much floodwater and damaged property from **your** home as **you** can; using dehumidifiers, fans or heaters to dry out **your** home; contacting a mold remediation company or water damage specialist who perform clean ups of flooded homes.

**We** will pay up to USD2,500 for the reasonable and necessary cost and expenses that **you** incur to carry out the above measures.

#### 4. Loss assessment

- a. **We** will pay up to USD1,000 for **your** share of loss assessment charged during the policy period against **you**, as owner of the **residence premises**, by a corporation or association of property owners. The assessment must be made as a result of direct loss to property, owned by all members collectively, of the type that would be covered by this policy if owned by **you**, caused by **flood**.

The limit of USD1,000 is the most **we** will pay with respect to any one loss, regardless of the number of assessments. **We** will only apply one deductible, per unit, to the total amount of any one loss to the property described above, regardless of the number of assessments.

- b. **We** do not cover assessments charged against **you** or a corporation or association of property owners by any governmental body.

This coverage does not increase the maximum limit of liability shown in the declarations page.

#### 5. Ordinance or law

- a. **You** may use up to USD30,000 or 5% of the limit of liability that applies to Coverage A, whichever is greater, for the increased costs **you** incur due to the enforcement of any ordinance or law which requires or regulates:
  - (1) the construction, demolition, remodeling, renovation or repair of that part of a covered building or **other structure** damaged by a **flood**;

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- (2) the demolition and reconstruction of the undamaged part of a covered building or **other structure**, when that building or **other structure** must be totally demolished because of damage by a **flood** to another part of that covered building or **other structure**; or
  - (3) the remodeling, removal or replacement of the portion of the undamaged part of a covered building or **other structure** necessary to complete the remodeling, repair or replacement of that part of the covered building or **other structure** damaged by a **flood**.
- b. **You** may use all or part of this ordinance or law coverage to pay for the increased costs **you** incur to remove debris resulting from the construction, demolition, remodeling, renovation, repair or replacement of property as stated in a. above.
- c. **We** do not cover:
  - (1) the loss in value to any covered building or **other structure** due to the requirements of any ordinance or law;
  - (2) the costs to comply with any ordinance or law which requires any **insured** or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, **pollutants** in or on any covered building or **other structure**; or
  - (3) loss due to any ordinance or law that **you** were required to comply with prior to the date of the loss or damage occurring.

This coverage does not increase the maximum limit of liability shown in the declarations page.

SAMPLE

**Peril insured against** We insure against direct physical loss or physical damage occurring during the period of this policy to the property described in this policy which is caused by **flood**.

## Exclusions

We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area:

1. **Flood prior to inception**

**Flood** that is already in progress at the inception date of this insurance.

2. **Fire or explosion**

Fire or explosion.

3. **Theft**

Theft.

3. **Pollutants**

Discharge, dispersal, seepage, migration, release or escape of **pollutants** unless the discharge, dispersal, seepage, migration, release or escape is the direct and immediate result of **flood**.

4. **Ordinance or law**

Ordinance or law means any ordinance or law:

- a. requiring or regulating the construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris. This exclusion 2.a. does not apply to the amount of coverage that may be provided for in e.5 Ordinance or law;
- b. the requirements of which result in a loss in value to property; or
- c. requiring any **insured** or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, **pollutants**.

This exclusion 2. applies whether or not the property has been physically damaged.

5. **Earth movement**

Earth movement means:

- a. earthquake, including land shock waves or tremors before, during or after a volcanic eruption;
- b. landslide;
- c. subsidence, landslide, slope failure or sinkhole; or
- d. gradual erosion or any other earth movement including earth sinking, rising or shifting.

This exclusion applies regardless of whether any of the above, in a. through to d., is caused by an act of nature or is otherwise caused.

6. **Water**

This means:

- a. water which:
  - (1) backs up through sewers or drains; or
  - (2) overflows, escapes or is otherwise discharged from any water main, water pipe, hose pipe, water tank or other apparatus; or
  - (3) overflows, escapes or is otherwise discharged from a sump, sump pump or related equipment.
- b. water below the surface of the ground, including water which exerts pressure on, or seeps, leaks or flows through a building, sidewalk, driveway, patio, foundation, swimming pool or **other structure**.

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This exclusion 4. does not apply if any of the above, in 4.a. through 4.b., is caused solely and directly by **flood**.

7. **Power failure**

Power failure means the failure of power or other utility service if the failure takes place off the **residence premises**. But if the failure results in a loss from a **flood** on the **residence premises** we will pay for the loss caused by such **flood**.

8. **Neglect**

Neglect means neglect of an **insured** to use all reasonable means to save and preserve property at and after the time of a loss.

9. **Intentional loss**

Intentional Loss means any loss arising out of any act an **insured** commits or conspires to commit with the intent to cause a loss.

In the event of such loss, no **insured** is entitled to coverage, even **insureds** who did not commit or conspire to commit the act causing the loss.

10. **Mold**

Mold, mildew, fungus, spores or other microorganism of any type, nature or description, including but not limited to any substance whose presence poses an actual or potential threat to human health that:

(a) is substantially confined to the dwelling;

(b) results from **your** failure to take reasonable measures to prevent mold growing in **your** home after a **flood** has receded.

Reasonable measures include but are not limited to inspecting the **residence premises**, removing as much floodwater and damaged property from **your** home as **you** can; using dehumidifiers, fans or heaters to dry out **your** home; contacting a mold remediation company or water damage specialist who perform clean-ups of flooded homes.

11. **Governmental action**

Governmental action means the destruction, confiscation or seizure of property described in this policy by order of any governmental or public authority.

## Conditions

### a. Insurable interest and limit of liability

Even if more than one person has an insurable interest in the property covered, **we** will not be liable in any one loss:

1. to an **insured** for more than the amount of such **insured's** interest at the time of loss; or
2. for more than the applicable limit of liability.

### b. Deductible

Unless otherwise noted in this policy, the following deductible provision applies:

With respect to any one loss:

1. subject to the applicable limit of liability, **we** will pay only that part of the total of all loss payable that exceeds the deductible amount shown in the declarations page.
2. If two or more deductibles under this policy apply to the loss, only the highest deductible amount will apply.

### c. Duties after loss

In case of a loss to covered property, **we** have no duty to provide coverage under this policy if the failure to comply with the following duties is prejudicial to **us**. These duties must be performed either by **you**, an **insured** seeking coverage, or a representative of either:

1. give prompt notice to **us** or **our** agent;
2. protect the property from further damage. If repairs to the property are required, **you** must:
  - a. make reasonable and necessary repairs to protect the property; and
  - b. keep an accurate record of repair expenses;
3. co-operate with **us** in the investigation of a claim;
4. prepare an inventory of damaged personal property showing the quantity, description, actual cash value and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;
5. as often as **we** reasonably require:
  - a. show the damaged property;
  - b. provide **us** with records and documents **we** request and permit **us** to make copies; and
  - c. submit to examination under oath, while not in the presence of another **insured**, and sign the same;
6. send to **us**, within 60 days after **our** request, **your** signed, sworn proof of loss which sets forth, to the best of **your** knowledge and belief:
  - a. the time and cause of loss;
  - b. the interests of all **insureds** and all others in the property involved and all liens on the property;
  - c. other insurance which may cover the loss;
  - d. changes in title or occupancy of the property during the term of the policy;
  - e. specifications of damaged buildings and detailed repair estimates;
  - f. the inventory of damaged personal property;
  - g. receipts for additional living expenses incurred and records that support the fair rental value loss.

## FloodPlus residential flood insurance

### Policy wording

#### d. Loss settlement

In this condition D., the terms cost to repair or replace and replacement cost do not include the increased costs incurred to comply with the enforcement of any ordinance or law, except to the extent that coverage for these increased costs is provided in e.6. Ordinance or law. Covered property losses are settled as follows:

1. property of the following types:
  - a. personal property;
  - b. awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings; and
  - c. structures that are not buildings;

at actual cash value at the time of loss but not more than the amount required to repair or replace.
2. buildings covered under Coverage A or B at the cost to repair or replace without deduction for depreciation but not more than the least of the following amounts:
  - a. the limit of liability under this policy that applies to the building;
  - b. the replacement cost of that part of the building damaged with material of like kind and quality and for like use; or
  - c. the necessary amount actually spent to repair or replace the damaged building.

If the building is rebuilt at a new premises, the cost described in (2) above is limited to the cost which would have been incurred if the building had been built at the original premises.

**We** will pay no more than the actual cash value of the damage until actual repair or replacement is complete. Once actual repair or replacement is complete, **we** will settle the loss as noted above.

**You** may disregard the replacement cost loss settlement provisions and make claim under this policy for loss to buildings on an actual cash value basis. **You** may then make claim for any additional liability according to the provisions of this condition D. Loss Settlement, provided **you** notify **us**, within 180 days after the date of loss, of **your** intent to repair or replace the damaged building.

#### e. Loss to a pair or set

In case of loss to a pair or set **we** may elect to:

1. repair or replace any part to restore the pair or set to its value before the loss; or
2. pay the difference between actual cash value of the property before and after the loss.

#### f. Appraisal

If **you** and **we** fail to agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will choose a competent and impartial appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, **you** or **we** may request that the choice be made by a judge of a court of record in the state where the **residence premises** is located. The appraisers will separately set the amount of loss. If the appraisers submit a written report of an agreement to **us**, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss.

Each party will:

1. pay its own appraiser; and
2. bear the other expenses of the appraisal and umpire equally.

#### g. Other insurance and service agreement

If a loss covered by this policy is also covered by:

1. other insurance, **we** will pay only the proportion of the loss that the limit of liability that applies under this policy bears to the total amount of insurance covering the loss; or

## FloodPlus residential flood insurance

### Policy wording

2. a service agreement, this insurance is excess over any amounts payable under any such agreement. Service agreement means a service plan, property restoration plan, home warranty or other similar service warranty agreement, even if it is characterized as insurance.
- h. **Suit against us**  
No action can be brought against **us** unless there has been full compliance with all of the terms under this policy and the action is started within 12 months from the date of **our** written denial of all or part of **your** claim.
- i. **Our option**  
If **we** give **you** written notice within 30 days after **we** receive **your** signed, sworn proof of loss, **we** may repair or replace any part of the damaged property with material or property of like kind and quality.
- j. **Loss payment**  
**We** will adjust all losses with **you**. **We** will pay **you** unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 60 days after **we** receive **your** proof of loss and:
  1. reach an agreement with **you**;
  2. there is an entry of a final judgment; or
  3. there is a filing of an appraisal award with **us**.
- k. **Abandonment of property**  
~~**We need not accept any property abandoned by an insured.**~~
- l. **Mortgage clause**
  1. If a mortgagee is named in this policy, any loss payable under Coverage A or B will be paid to the mortgagee and **you**, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgages.
  2. If **we** deny **your** claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:
    - a. notifies **us** of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
    - b. pays any premium due under this policy on demand if **you** have neglected to pay the premium; and
    - c. submits a signed, sworn statement of loss within 60 days after receiving notice from **us** of **your** failure to do so. Paragraphs f. Appraisal, h. Suit against **us** and j. Loss payment under Conditions also apply to the mortgagee.
  3. If **we** decide not to renew or to cancel this policy, the mortgagee will be notified at least 45 days, or the minimum number of days required by law, before the date nonrenewal or cancellation takes effect.
  4. If **we** pay the mortgagee for any loss and deny payment to **you**:
    - a. **we** are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or
    - b. at **our** option, **we** may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, **we** will receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.
  5. Subrogation will not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.
- m. **No benefit to bailee**  
**We** will not recognize any assignment or grant any coverage that benefits a person or organization holding, storing or moving property for a fee regardless of any other provision of this policy.



## FloodPlus residential flood insurance

### Policy wording

#### Recovered property

If you or we recover any property for which we have made payment under this policy, you or we will notify the other of the recovery. At your option, the property will be returned to or retained by you or it will become our property. If the recovered property is returned to or retained by **you**, the loss payment will be adjusted based on the amount **you** received for the recovered property.

#### o. Policy period

This policy applies only to loss which occurs during the policy period.

#### p. Concealment or fraud

No coverage is provided under this policy if, whether before or after a loss, an **insured** has:

1. intentionally concealed or misrepresented any material fact or circumstance;
2. engaged in fraudulent conduct; or
3. made false statements;

relating to this insurance.

#### q. Loss payable clause

If the declarations page shows a loss payee for certain listed insured personal property, the definition of **insured** is changed to include that loss payee with respect to that property.

If **we** decide to cancel this policy, that loss payee will be notified in writing.

#### r. Waiver or change of policy provisions

A waiver or change of a provision of this policy must be in writing by **us** to be valid. **Our** request for an appraisal or examination will not waive any of **our** rights.

#### s. Cancellation

1. **You** may cancel this policy at any time by returning it to **us** or by letting **us** know in writing of the date cancellation is to take effect.
2. **We** may cancel this policy only for the reasons stated below by letting **you** know in writing of the date cancellation takes effect. This cancellation notice may be delivered to **you**, or mailed to **you** at **your** mailing address shown in the declarations page. Proof of mailing will be sufficient proof of notice:
  - a. when **you** have not paid the premium, **we** may cancel at any time by letting **you** know at least ten days, or the minimum number of days required by law, before the date cancellation takes effect;
  - b. when this policy has been in effect for less than 60 days and is not a renewal with **us**, **we** may cancel for any reason by letting **you** know at least ten days, or the minimum number of days required by law, before the date cancellation takes effect;
  - c. when this policy has been in effect for 60 days or more, or at any time if it is a renewal with **us**, **we** may cancel:
    - (1) if there has been a material misrepresentation of fact which if known to **us** would have caused **us** not to issue the policy; or
    - (2) if the risk has changed substantially since the policy was issued.

This can be done by letting **you** know at least 45 days, or the minimum number of days required by law, before the date cancellation takes effect.
  - d. when this policy is written for a period of more than one year, **we** may cancel for any reason at anniversary by letting **you** know at least 45, or the minimum number of days required by law, before the date cancellation takes effect.
3. when this policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded pro-rata.
4. if the return premium is not refunded with the notice of cancellation or when this policy is returned to **us**, **we** will refund it within a reasonable time after the date cancellation takes effect.

## FloodPlus residential flood insurance

### Policy wording

t. **Assignment**

Assignment of this policy will not be valid unless **we** give **our** written consent.

u. **Subrogation**

An **insured** may waive in writing before a loss all rights of recovery against any person. If not waived, **we** may require an assignment of rights of recovery for a loss to the extent that payment is made by **us**.

If an assignment is sought, an **insured** must sign and deliver all related papers and co-operate with **us**.

v. **Death**

If any person named in the declarations page or the spouse, if a resident of the same household, dies, the following apply:

1. **we** insure the legal representative of the deceased but only with respect to the premises and property of the deceased covered under the policy at the time of death; and
2. **insured** includes:
  - a. an **insured** who is a member of **your** household at the time of **your** death, but only while a resident of the **residence premises**; and
  - b. with respect to **your** property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

w. **Service of suit**

In the event of **our** failure to pay any amount claimed to be due under this insurance, **we**, at **your** request, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this clause constitutes or should be understood to constitute a selection of controlling law or a waiver of **our** rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District court, or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. It is further agreed that service of process in such suit may be made upon the service of suit representative named in this insurance and that in any suit instituted against any one of **us**, **we** will abide by the final decision of such court or of any appellate court in the event of an appeal.

The service of suit representative named in this insurance is authorised and directed to accept service of process on **our** behalf in any such suit and/or upon **your** request.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefore, **we** hereby designate the superintendent, commissioner or director of insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as **our** true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of **you** or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the service of suit representative named in this insurance as the person to whom the said officer is authorized to mail such process or a true copy thereof.

x. **Insurers' several shares**

Each insurer underwriting a share of the limits in this policy has a several liability for that share that is not joint and is limited solely to that insurer's individual subscription. Each insurer is not responsible for the subscription of any other Insurer who for any reason does not satisfy all or part of its obligations.

y. **Governing law**

This policy is governed by the state law of the court having jurisdiction as determined by the provisions of the above service of suit clause.

#### SERVICE OF SUIT CLAUSE (U.S.A.)

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Insured (or Reinsured), will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States.

It is further agreed that service of process in such suit may be made upon

Lloyd's America, Inc., Attention: Legal Department, 280 Park Avenue, East Tower, 25th Floor  
New York, NY 10017 LSW

and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Insured (or Reinsured) to give a written undertaking to the Insured (or Reinsured) that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured (or Reinsured) or any beneficiary hereunder arising out of this contract of insurance (or reinsurance), and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

NMA1998

24/04/1986

**SEVERAL LIABILITY NOTICE INSURANCE (LSW1001)**

The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

SAMPLE