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## **BULLETIN 06-21**

**To:** All Property & Casualty Insurers

**RE:** HB 1261 Homeowner's Insurance – Summary of Coverages and Exclusions, Notice Regarding Flood Insurance, and Statement of Additional Optional Coverages

**Date:** October 6, 2006

The purpose of this Bulletin is to notify property and casualty insurers of the passage of **House Bill 1261 (2006), which becomes effective January 1, 2007**, and its impact on the Insurance Article. The Bill requires certain notices and statements to be provided to homeowner's insurance applicants or policyholders.

The statutes created by the Bill are directed at "homeowners insurance." It is the position of the Administration that these statutes are applicable to homeowners' policies, condominium owners' policies, townhome owners' policies, mobile homeowners' policies, renters' policies and non-commercial farmowners' policies.

### **19-205**

The Bill creates a new section §19-205, which requires that, beginning on January 1, 2007, every insurer that issues or renews a homeowner's insurance policy in the State must provide the policyholder with an Annual Statement that summarizes the coverages and exclusions under the policy. The Annual Statement:

- Must be clear and specific;
- Must identify the method of loss payment for covered structures and personal property;
- Must include a disclosure that contains the elements listed in Section 19-205(a)(4)(i)-(vii) of the Insurance Article; and
- Must be sent with respect to all homeowners insurance policies issued, delivered or renewed after January 1, 2007.

## **19-206**

The Bill creates a new section 19-206, which requires that an insurer or insurance producer that sells homeowners insurance in the State on or after January 1, 2007, to provide to an applicant for homeowner's insurance with a written notice that states that the standard homeowner's insurance policy does not provide coverage for flood.

This written statement must be provided to the applicant when the policy is "*initially purchased.*" In order to be considered timely, the written statement must either be delivered to the insured by the producer or sent to the insured via certificate of mailing on, before, or with the delivery or issuance of the policy -- unless the policy application is completed over the telephone or over the internet. If the application is completed over the telephone, the written statement must be sent, via certificate of mailing<sup>1</sup>, within seven (7) calendar days of the date of the application for coverage. If the application is completed over the internet, the insurer or insurance producer can comply with this section by sending the statement to the applicant prior to the submission of the application.

## **19-207**

The Bill creates a new section 19-207, which requires an insurer or insurance producer that sells or negotiates a homeowners insurance policy in the State on or after January 1, 2007, to provide an applicant for homeowner's insurance with a written statement listing all of the additional optional coverages available to be purchased by the insured. The purpose of this written statement is intended to allow the consumer to make an informed choice regarding the types of coverage they wish to purchase. Thus, this written statement must be provided **at the time of application**. If the application is completed over the telephone, this written statement is to be sent, via certificate of mailing, within seven (7) calendar days of the date of the application for coverage. If the application is completed over the internet, the insurer or insurance producer can comply with this section by sending the statement to the applicant prior to the submission of the application.

### **Compliance With §§ 19-205, 19-206 and 19-207:**

Due to the nature of the Annual Statement that summarizes the coverages and exclusions under the homeowner's policy, the Statement Regarding Flood Insurance and the Statement of Additional Optional Coverages, and their importance to Maryland consumers, the Commissioner is exercising his authority under the Insurance Article to require each insurer that issues or delivers policies of homeowners insurance in the State to submit copies of the Annual Statement forms that it intends to use to the Commissioner for review. Insurers should submit each form it will use with each

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<sup>1</sup> The position of the Maryland Insurance Administration ("MIA") with respect to what is required by "certificate of mailing" is set forth in Bulletin 05-15.

product or policy form. **These forms are to be submitted for review no later than December 1, 2006.**

In order to assist insurers in complying with the requirements of these new sections, the Administration has prepared sample Annual Statements for the standard coverages and exclusions typically contained in policies written on homeowner's forms, as well as a sample flood disclosure notice and sample additional optional coverage statement forms as well. The samples include:

- Annual Summary of Homeowners Coverages and Exclusions (Sample A);
- Annual Summary for Condominium Unit Owners Coverages and Exclusions (Sample B);
- Annual Summary of Renters Policy Coverages and Exclusions (Sample C);
- Annual Summary of Mobile Homeowners Policy Coverages and Exclusions (Sample D);
- Statement Regarding Flood Insurance (Sample E); and
- Statement of Additional Optional Coverages Not Included in the Standard Policy" for homeowners (Sample F), for the condominium unit owner (Sample G), for the renters insurance (Sample H), and the mobile homeowners (Sample I) that the applicant or insured may purchase from the company.

Insurers may not rely solely on the Administration's samples and are required to make those adjustments that reflect variance in their policy forms. However, an insurer that is able to utilize the sample form as drafted and without alteration and elects to do so, need not submit the sample for to the Administration. Such an insurer need only submit to the Administration a letter that indicates its intent to utilize one or more of the forms.

**Please note that HB 1261 and the Annual Statement of Coverages and Exclusions does NOT replace the required notice of COMAR 31.08.05.00 Title 31 MARYLAND INSURANCE ADMINISTRATION Subtitle 08 PROPERTY AND CASUALTY INSURANCE Chapter 05 Addition, Reduction, or Elimination in Coverage Notice Requirement.**

Any questions or comments regarding this Bulletin and the Sample Statements should be addressed to Cathy Ruppel, Property & Casualty Unit, 410-468-2316 or [cruppel@mdinsurance.state.md.us](mailto:cruppel@mdinsurance.state.md.us).

R. Steven Orr, Insurance Commissioner

By: \_\_\_\_\_  
P. Randi Johnson  
Associate Commissioner  
Property & Casualty

**Sample A**  
**Annual Summary of Homeowner's Coverages**  
**And Exclusions**

This Annual Summary of your Homeowner's Coverages is to assist you by serving as an overview of the coverages and exclusions under your policy; it is not part of your policy; does not create a private right of action; and is not a substitute for your policy. This Summary is being provided for your general information only. You should read your policy for complete information on coverages and exclusions as all rights, duties and obligations are controlled by the policy and contract of insurance, not this Summary. This Summary outlines the usual coverages and exclusions contained in the policy form and does not include any optional coverages you may have purchased. If there is a conflict between this Summary and your policy, the language of your policy will control.

**Please note: The Standard Homeowner's Insurance Policy does NOT cover losses from flood.** Flood insurance may be purchased through the National Flood Insurance Program or other sources.

Summary of Coverages:

The two general types of coverage provided by your policy are 1) property coverage, also referred to as Section I coverage, and 2) liability coverage, also referred to as Section II coverage.

The Property Coverage portion of your policy covers losses resulting from damage to your residence and structures attached to your residence (**Coverage A**), it covers losses resulting from damage to other structures on your residence premises set apart from your residence (**Coverage B**), it covers losses to personal property owned by you or used by you subject to specific coverage limits based on the location and type of personal property (**Coverage C**), and it covers certain additional living expenses and the fair rental value of the part of your residence in which you live if a covered loss makes your residence not fit to live in (**Coverage D**).

The Liability Coverage portion of your policy protects you against claims and legal actions resulting from property damage or bodily injury to others as a result of an accident and for which you are legally liable (**Coverage E**), and medical expenses for bodily injury to others (**Coverage F**).

In addition to the basic property and liability coverage, your policy contains some additional coverages that are summarized below. Each property, liability and additional coverage is subject to the specific terms, conditions, exclusions, limits and deductibles set forth in your policy and the Declaration Page, which is the front page of your policy that provides a listing of all the coverages and limits of those coverages that you have purchased.

## **Property (Section I) Coverages:**

Please refer to your policy for a description of the **Loss Payment** method.

**Loss Settlement Basis:** Losses for damage to covered structures and property will be settled as follows (checked boxes are applicable to your policy):

### **Coverage A - Dwelling Structure:**

- Replacement Cost
- Actual Cash Value
- Other \_\_\_\_\_

### **Coverage B - Other Structures:**

- Replacement Cost
- Actual Cash Value
- Other \_\_\_\_\_

### **Coverage C - Personal Property:**

- Replacement Cost
- Actual Cash Value

### **Coverage D - Loss of Use:**

- Actual Cash Value

### Perils Insured Against:

- Fire or Lightning
- Windstorm or Hail
- Explosion
- Riot or Civil Commotion
- Aircraft
- Vehicles
- Smoke
- Vandalism or Malicious Mischief
- Theft
- Falling Objects
- Weight of Ice, Snow or Sleet
- Accidental Discharge or Overflow of Water or Steam
- Sudden and Accidental Tearing Apart, Cracking, Burning or Bulging
- Freezing
- Sudden and Accidental Damage from Artificially Generated Electrical Current
- Volcanic Eruption
- Any Other Peril Not Specifically Excluded (dwelling and other structures only)

Exclusions:

- Ordinance or Law
- Collapse
- Earth Movement
- Water Damage –Flood, surface water, waves, etc.
- Mold Remediation
- Power Failure
- Neglect
- War
- Nuclear Hazard
- Intentional Loss
- Governmental Action
- Other Exclusions as Listed Below:

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Additional/Other Coverages:

- Debris Removal
- Reasonable Repairs
- Trees, Shrubs or Other Plants
- Fire Department Service Charge
- Property Removed
- Credit Card, Electronic Fund Transfer Card or Access Device, Forgery and Counterfeit Money
- Collapse
- Glass or Safety Glazing Material
- Landlord's Furnishings
- Law and Ordinance
- Grave Markers
- Identity Theft
- Other Coverages as Listed Below:

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**Liability (Section II) Coverages:**

Additional/Other Liability Coverages:

- Claim Expenses
- First Aid Expenses
- Damage to Property of Others
- Loss Assessment

Exclusions:

- Expected or Intended Injury

- Business
- Professional Services
- Motor Vehicles
- Watercraft
- Aircraft
- Communicable Diseases
- Sexual Molestation, Corporal Punishment or Physical or Mental Abuse
- Controlled Substance
- War

This Annual Summary of Homeowner's Coverages is just a summary of the coverages and exclusions under your policy. It is not an exhaustive list. Some claims may or may not be covered depending on the facts and circumstances surrounding the loss. You should read your policy for complete information regarding your coverage. The Declarations Page, the front page of your policy, will provide a listing of all the coverages and limits of those coverages that you have purchased. Should you have any questions regarding this summary, your policy, its coverages or the limits of coverage, you should contact your insurance producer or agent or your insurance company directly to discuss your policy with them.

## **Sample B**

### **Annual Summary of Condominium Unit Owner's Coverages And Exclusions**

This Annual Summary of your Condominium Unit Owner's policy is to assist you by serving as an overview of the coverages and exclusions under your policy; it is not part of your policy; does not create a private right of action; and is not a substitute for your policy. This Summary is being provided for your general information only. You should read your policy for complete information on coverages and exclusions as all rights, duties and obligations are controlled by the policy and contract of insurance, not this Summary. This Summary outlines the usual coverages and exclusions contained in the policy form and does not include any optional coverages you may have purchased. If there is a conflict between this Summary and your policy, the language of your policy will control.

**Please note: The Standard Condominium Owner's Insurance Policy does NOT cover losses from flood.** Flood insurance may be purchased through the National Flood Insurance Program or other sources.

#### Summary of Coverages:

The two general types of coverage provided by your policy are 1) property coverage, also referred to as Section I coverage, and 2) liability coverage, also referred to as Section II coverage.

The Property Coverage portion of your policy covers losses resulting from damage to your unit (**Coverage A**), it covers losses resulting from damage to the alterations, appliances, fixtures and improvements contained within your unit; as well as items of real property which pertain exclusively to your unit or which is your responsibility under a corporation or association of property owners. It does not cover the land on which the unit is located. Your policy provides you with coverage for your personal property (**Coverage C**) which is losses to personal property owned by you or used by you subject to specific coverage limits based on the location and type of personal property. Your policy also covers certain additional living expenses and the fair rental value of the part of your unit in which you live if a covered loss makes your unit not fit to live in (**Coverage D**).

The Liability Coverage portion of your policy protects you against claims and legal actions resulting from property damage or bodily injury to others as a result of an accident and for which you are legally liable (**Coverage E**), and medical expenses for bodily injury to others (**Coverage F**).

In addition to the basic property and liability coverage, your policy contains some additional coverages that are summarized below. Each property, liability and additional coverage is subject to the specific terms, conditions, exclusions, limits and deductibles set forth in your policy and the Declaration Page, which is the front page of your policy



that provides a listing of all the coverages and limits of those coverages that you have purchased.

**Property (Section I) Coverages:**

Please refer to your policy for a definition of the **Loss Payment** method.

**Loss Settlement Basis:** Losses for damage to covered structures and property will be settled as follows (checked boxes are applicable to your policy):

**Coverage A - Dwelling Structure:**

- Replacement Cost
- Actual Cash Value
- Other \_\_\_\_\_

**Coverage C - Personal Property:**

- Replacement Cost
- Actual Cash Value

**Coverage D - Loss of Use:**

- Actual Cash Value

Perils Insured Against:

- Fire or Lightning
- Windstorm or Hail
- Explosion
- Riot or Civil Commotion
- Aircraft
- Vehicles
- Smoke
- Vandalism or Malicious Mischief
- Theft
- Falling Objects
- Weight of Ice, Snow or Sleet
- Accidental Discharge or Overflow of Water or Steam
- Sudden and Accidental Tearing Apart, Cracking, Burning or Bulging
- Freezing
- Sudden and Accidental Damage from Artificially Generated Electrical Current
- Volcanic Eruption
- Any Other Peril Not Specifically Excluded (dwelling coverage only)

Exclusions:

- Ordinance or Law
- Earth Movement
- Water Damage –Flood, surface water, waves, etc.
- Power Failure

- Neglect
- War
- Nuclear Hazard
- Intentional Loss
- Other Exclusions as Listed Below:

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Additional/Other Coverages:

- Debris Removal
- Reasonable Repairs
- Trees, Shrubs or Other Plants
- Fire Department Service Charge
- Property Removed
- Credit Card, Fund Transfer Card, Forgery and Counterfeit Money
- Loss Assessment
- Collapse
- Glass or Safety Glazing Material
- Other Coverages as Listed Below:

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**Liability (Section II) Coverages:**

Additional/Other Liability Coverages:

- Claim Expenses
- First Aid Expenses
- Damage to Property of Others
- Loss Assessment

Exclusions:

- Expected or Intended Injury
- Business
- Professional Service
- Rental
- Motor Vehicles
- Watercraft
- Aircraft
- Communicable Diseases
- Sexual Molestation, Corporal Punishment or Physical or Mental Abuse
- Controlled Substance

This Annual Summary of Unit Owner's Coverages is just a summary of the coverages and exclusions under your policy. It is not an exhaustive list. Some claims may or may not be covered depending on the facts and circumstances surrounding the loss. You should read your policy for complete information regarding your coverage. The Declarations Page, the front page of your policy, will provide a listing of all the coverages and limits of those coverages that you have purchased. Should you have any questions regarding this summary, your policy, its coverages or the limits of coverage, you should contact your insurance producer or agent or your insurance company directly to discuss your policy with them.

**Sample C**  
**Annual Summary of Renter's Coverages**  
**And Exclusions**

This Annual Summary of your Renter's policy is to assist you by serving as an overview of the coverages and exclusions under your policy; it is not part of your policy; does not create a private right of action; and is not a substitute for your policy. This Summary is being provided for your general information only. You should read your policy for complete information on coverages and exclusions as all rights, duties and obligations are controlled by the policy and contract of insurance, not this Summary. This Summary outlines the usual coverages and exclusions contained in the policy form and does not include any optional coverages you may have purchased. If there is a conflict between this Summary and your policy, the language of your policy will control.

**Please note: The Standard Renter's Insurance Policy does NOT cover losses from flood.** Flood insurance may be purchased through the National Flood Insurance Program or other sources.

Summary of Coverages:

The two general types of coverage provided by your policy are 1) property coverage, also referred to as Section I coverage, and 2) liability coverage, also referred to as Section II coverage.

The Property Coverage portion of your policy covers losses to your personal property (**Coverage C**) which is losses to personal property owned by you or used by you subject to specific coverage limits based on the location and type of personal property. Your policy also covers certain additional living expenses and the fair rental value of the part of your unit in which you live if a covered loss makes your unit not fit to live in (**Coverage D**).

The Liability Coverage portion of your policy protects you against claims and legal actions resulting from property damage or bodily injury to others as a result of an accident and for which you are legally liable (**Coverage E**), and medical expenses for bodily injury to others (**Coverage F**).

In addition to the basic property and liability coverage, your policy contains some additional coverages that are summarized below. Each property, liability and additional coverage is subject to the specific terms, conditions, exclusions, limits and deductibles set forth in your policy and the Declaration Page, which is the front page of your policy that provides a listing of all the coverages and limits of those coverages that you have purchased.

**Property (Section I) Coverages:**

Please refer to your policy for a definition of the **Loss Payment** method.

**Loss Settlement Basis:** Losses for damage to covered structures and property will be settled as follows (checked boxes are applicable to your policy):

**Coverage C - Personal Property:**

- Replacement Cost
- Actual Cash Value
- Other \_\_\_\_\_

**Coverage D - Loss of Use:**

- Actual Cash Value

Perils Insured Against:

- Fire or Lightning
- Windstorm or Hail
- Explosion
- Riot or Civil Commotion
- Aircraft
- Vehicles
- Smoke
- Vandalism or Malicious Mischief
- Theft
- Falling Objects
- Weight of Ice, Snow or Sleet
- Accidental Discharge or Overflow of Water or Steam
- Sudden and Accidental Tearing Apart, Cracking, Burning or Bulging
- Freezing
- Sudden and Accidental Damage from Artificially Generated Electrical Current
- Volcanic Eruption

Exclusions:

- Ordinance or Law
- Earth Movement
- Water Damage –Flood, surface water, waves, etc.
- Power Failure
- Neglect
- War
- Nuclear Hazard
- Intentional Loss
- Other Exclusions as Listed Below:

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Additional/Other Coverages:

- Debris Removal

- Reasonable Repairs
  - Trees, Shrubs or Other Plants
  - Fire Department Service Charge
  - Property Removed
  - Credit Card, Fund Transfer Card, Forgery and Counterfeit Money
  - Loss Assessment
  - Collapse
  - Glass or Safety Glazing Material
  - Building Additions and Alterations
  - Other Coverages as Listed Below:
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### **Liability (Section II) Coverages:**

#### Additional/Other Liability Coverages:

- Claim Expenses
- First Aid Expenses
- Damage to Property of Others
- Loss Assessment

#### Exclusions:

- Expected or Intended Injury
- Business
- Professional Service
- Rental
- Motor Vehicles
- Watercraft
- Aircraft
- Communicable Diseases
- Sexual Molestation, Corporal Punishment or Physical or Mental Abuse
- Controlled Substance
- Pollution

This Annual Summary of Renter's Coverages is just a summary of the coverages and exclusions under your policy. It is not an exhaustive list. Some claims may or may not be covered depending on the facts and circumstances surrounding the loss. You should read your policy for complete information regarding your coverage. The Declarations Page, the front page of your policy, will provide a listing of all the coverages and limits of those coverages that you have purchased. Should you have any questions regarding this summary, your policy, its coverages or the limits of coverage, you should contact your insurance producer or agent or your insurance company directly to discuss your policy with them.

**Sample D**  
**Annual Summary of Mobile Homeowner's Coverages**  
**And Exclusions**

This Annual Summary of your Mobile Homeowner's Coverages is to assist you by serving as an overview of the coverages and exclusions under your policy; it is not part of your policy; does not create a private right of action; and is not a substitute for your policy. This Summary is being provided for your general information only. You should read your policy for complete information on coverages and exclusions as all rights, duties and obligations are controlled by the policy and contract of insurance, not this Summary. This Summary outlines the usual coverages and exclusions contained in the policy form and does not include any optional coverages you may have purchased. If there is a conflict between this Summary and your policy, the language of your policy will control.

**Please note: The Standard Mobile Homeowner's Insurance Policy does NOT cover losses from flood.** Flood insurance may be purchased through the National Flood Insurance Program or other sources.

Summary of Coverages:

The two general types of coverage provided by your policy are 1) property coverage, also referred to as Section I coverage, and 2) liability coverage, also referred to as Section II coverage.

The Property Coverage portion of your policy covers losses resulting from damage to your residence and structures attached to your residence (**Coverage A**), it covers losses resulting from damage to other structures on your residence premises set apart from your residence (**Coverage B**), it covers losses to personal property owned by you or used by you subject to specific coverage limits based on the location and type of personal property (**Coverage C**), and it covers certain additional living expenses and the fair rental value of the part of your residence in which you live if a covered loss makes your residence not fit to live in (**Coverage D**).

The Liability Coverage portion of your policy protects you against claims and legal actions resulting from property damage or bodily injury to others as a result of an accident and for which you are legally liable (Coverage E), and medical expenses for bodily injury to others (Coverage F).

In addition to the basic property and liability coverage, your policy contains some additional coverages that are summarized below. Each property, liability and additional coverage is subject to the specific terms, conditions, exclusions, limits and deductibles set forth in your policy and the Declaration Page, which is the front page of your policy that provides a listing of all the coverages and limits of those coverages that you have purchased.

**Property (Section I) Coverages:**

Please refer to your policy for a definition of the **Loss Payment** method.

**Loss Settlement Basis:** Losses for damage to covered structures and property will be settled as follows (checked boxes are applicable to your policy):

**Coverage A - Dwelling Structure:**

- Replacement Cost
- Actual Cash Value
- Other \_\_\_\_\_

**Coverage B - Other Structures:**

- Replacement Cost
- Actual Cash Value
- Other \_\_\_\_\_

**Coverage C - Personal Property:**

- Replacement Cost
- Actual Cash Value

**Coverage D - Loss of Use:**

- Actual Cash Value

**Perils Insured Against:**

- All risks of direct, sudden and accidental physical loss to covered property unless the loss is excluded.

**Exclusions:**

- Defective or Improper manufacture
- Transit, Installation or Movement of your dwelling
- Wear and Tear or Lack of Maintenance
- Insects, Vermin, Rodents, Reptiles, Birds or Domestic animals
- Smoke
- Vandalism, Conversion or Concealment
- Freezing or Extremes of Temperature
- Freezing, Thawing or Weight of Water or Ice
- Seepage or Leakage from a Plumbing, Heating or Air Conditioning System, appliances or waterbeds
- Water Damage –Flood, surface water, waves, etc.
- Seepage or Leakage of Rain, Sleet, Ice or Snow
- Mysterious Disappearance
- Power Failure, Surge or Interruption
- Intentional Loss
- Ordinance or Law
- Theft of Building Material or Supplies



- Criminal Activities of the Insured
  - War
  - Motor Vehicle
  - Neglect
  - Settling, Cracking, Shrinking, Bulging or Expansion of Pavements, Patios, Foundations, Walls, floors, Roofs or Ceilings
  - Nuclear Hazard
  - Diminution in Value to Dwelling or Other Structures
  - Pollution
  - Earth Movement
  - Collapse
  - Governmental Action
  - Other Exclusions as Listed Below:
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\_\_\_\_\_  
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Additional/Other Coverages:

- Fire Department Service Charge
- Reasonable Repairs
- Trees, Shrubs, Plants and Lawn
- Credit Card, Electronic Fund Transfer Card or Access Device, Forgery and Counterfeit Money
- Antenna and Satellite Dishes
- Food Spoilage
- Collapse
- Other Coverages as Listed Below:

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\_\_\_\_\_  
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**Liability (Section II) Coverages:**

Additional/Other Liability Coverages:

- Claim Expenses
- First Aid Expenses
- Damage to Property of Others
- Loss Assessment

Exclusions:

- Intentional Acts
- Criminal Acts
- Business
- Professional Services
- Motor Vehicles
- Watercraft
- Aircraft

- War
- Defective or Improper manufacture
- Communicable Diseases
- Sexual Molestation, Assault, Abuse, Incest or Rape
- Controlled Substance
- Pollution
- Governmental Action
- Corporal Punishment or Physical or Mental Abuse

This Annual Summary of Mobile Homeowner's Coverages is just a summary of the coverages and exclusions under your policy. It is not an exhaustive list. Some claims may or may not be covered depending on the facts and circumstances surrounding the loss. You should read your policy for complete information regarding your coverage. The Declarations Page, the front page of your policy, will provide a listing of all the coverages and limits of those coverages that you have purchased. Should you have any questions regarding this summary, your policy, its coverages or the limits of coverage, you should contact your insurance producer or agent or your insurance company directly to discuss your policy with them.

## **Sample E Statement Regarding Flood Insurance**

**Please Note: This policy does NOT cover losses from flood.**

Generally, the standard homeowner's insurance policy does not provide coverage for flooding, surface water that enters the home or rising water. However, coverage for these types of losses may be available through the Federal Government's National Flood Insurance Program ("NFIP") or through other sources.

You can obtain information about the National Flood Insurance Program by contacting your insurance company or your insurance agent or by going on the internet to [www.FLOODSMART.GOV](http://www.FLOODSMART.GOV) or by calling 1-800-427-4661. Here are some important facts you should know:

- Flood insurance policies are available for any home located in a community that is a participant in the NFIP.
- Some lenders, as a condition of your mortgage, will require that you purchased flood insurance. You should confirm with your mortgage lender or the NFIP, before settlement, if you are required to purchase flood insurance. Even if you are not required to purchase flood insurance, you should consider purchasing it as additional protection for your home.
- You do not have to be located in a special flood hazard area or be close to a body of water to experience flooding. The risk of flood is present for most homes as floods can be caused by storms, melting snow, heavy rains, dam failures or other causes.
- You must complete a separate application in order to purchase flood insurance; it is not part of your homeowner's insurance application.
- Flood insurance policies have two types of coverage: structural coverage for your home and the items that are permanently attached and contents coverage for your personal property within the home. Structure and contents coverages are purchased separately and carry separate deductibles.
- Generally, there is a thirty (30) day waiting period for a new flood insurance policy to become effective; although there are some exceptions to this general rule.
- As flood insurance through the NFIP is created by federal law, flood claims are adjusted and paid in a different manner than your homeowners' insurance claims.

**Sample F**  
**Statement of Additional Optional Coverages**  
**Not Included in the Standard Homeowner's Insurance Policy**

Your standard homeowner's insurance policy does not cover all risks. You may need to obtain additional insurance to cover loss or damage to your home, property, and the contents of your home or to cover the risks related to business or personal activities on your property.

In addition to the coverages that are part of the standard Homeowner's Insurance Policy, we offer the following additional coverages that you may choose to purchase:

1. Coverage for Water Damage – for losses that result from water backing up through sewers or drains.
2. Liability Coverage for Family Day Care providers – registered family day care providers can purchase liability coverage in the amount of at least \$300,000 to protect you against claims of bodily injury, property damage, or personal injury arising out of your activities as a day care provider.
3. (Insurer should list all additional coverages it sells to homeowners with a brief description of the coverage if the name of the endorsement is not self-explanatory.)

This statement provides a list of the types of additional insurance coverages that are available. Contact your insurance company, insurance producer or agent to discuss these optional coverages.

**Sample G**  
**Statement of Additional Optional Coverages**  
**Not Included in the Standard Condominium**  
**Unit Owner's Insurance Policy**

Your standard condominium unit owner's insurance policy does not cover all risks. You may need to obtain additional insurance to cover loss or damage to your unit, property, and the contents of your home or to cover the risks related to business or personal activities on your property.

In addition to the coverages that are part of the standard Condominium Unit Owner's Insurance Policy, we offer the following additional coverages that you may choose to purchase:

1. Coverage for Water Damage – for losses that result from water backing up through sewers or drains.
2. Liability Coverage for Family Day Care providers – registered family day care providers can purchase liability coverage in the amount of at least \$300,000 to protect you against claims of bodily injury, property damage, or personal injury arising out of your activities as a day care provider.
3. (Insurer should list all additional coverages it sells to condominium unit owners with a brief description of the coverage if the name of the endorsement is not self-explanatory.)

This statement provides a list of the types of additional insurance coverages that are available. Contact your insurance company, insurance producer or agent to discuss these optional coverages.

**Sample H**  
**Statement of Additional Optional Coverages**  
**Not Included in the Renter's Insurance Policy**

Your standard renter's insurance policy does not cover all risks. You may need to obtain additional insurance to cover loss or damage to your personal property and your liability or to cover the risks related to business or personal activities on your property.

In addition to the coverages that are part of the standard Renter's Insurance Policy, we offer the following additional coverages that you may choose to purchase:

1. Coverage for Water Damage – for losses that result from water backing up through sewers or drains.
2. Liability Coverage for Family Day Care providers – registered family day care providers can purchase liability coverage in the amount of at least \$300,000 to protect you against claims of bodily injury, property damage, or personal injury arising out of your activities as a day care provider.
3. (Insurer should list all additional coverages it sells to renters with a brief description of the coverage if the name of the endorsement is not self-explanatory.)

This statement provides a list of the types of additional insurance coverages that are available. Contact your insurance company, insurance producer or agent to discuss these optional coverages.

**Sample I**  
**Statement of Additional Optional Coverages**  
**Not Included in the Mobile Homeowner's**  
**Insurance Policy**

Your standard mobile homeowner's insurance policy does not cover all risks. You may need to obtain additional insurance to cover loss or damage to your dwelling, personal property, and your liability or to cover the risks related to business or personal activities on your property.

In addition to the coverages that are part of the standard mobile homeowner's Insurance Policy, we offer the following additional coverages that you may choose to purchase:

4. Coverage for Water Damage – for losses that result from water backing up through sewers or drains.
5. Liability Coverage for Family Day Care providers – registered family day care providers can purchase liability coverage in the amount of at least \$300,000 to protect you against claims of bodily injury, property damage, or personal injury arising out of your activities as a day care provider.
6. (Insurer should list all additional coverages it sells to mobile homeowners with a brief description of the coverage if the name of the endorsement is not self-explanatory.)

This statement provides a list of the types of additional insurance coverages that are available. Contact your insurance company, insurance producer or insurance agent to discuss these optional coverages.