

Flood Insurance Policy



NOTICE TO POLICYHOLDERS

The Flood Insurance Policy is written in accordance with the coverages, rules and rates mandated by the Federal Emergency Management Agency. Flood Insurance may differ from those provided by a Homeowners/Commercial Insurance Policy.



American Bankers Insurance Company of Florida

Flood Service Center

PO Box 8695

Kalispell, MT 59904-7775



For Policy Service

Phone: 1-800-423-4403

Fax: 1-714-712-3842



For Claims Service

Phone: 1-800-423-4403, option 3

Fax: 1-866-892-3066



ASSURANT®

"The Insurer" under this Policy is American Bankers Insurance Company of Florida.



SECRETARY



PRESIDENT

This Policy together with the Declarations Page, Policy Booklet and Endorsements, if any, complete the Policy.

AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA

Flood Service Center
8655 E. Via De Ventura
Scottsdale, AZ 85258

FLS-06119-0819

Choosing Deductibles

Choosing the amount of your deductible is an important decision. As with car or homeowners insurance, choosing a higher deductible will lower the premium you pay, but will also reduce your claim payment.

You can choose different deductibles for Building Property and Personal Property coverage. The deductibles will apply separately to Building Property and Personal Property claims. Your mortgage company may require that your deductible be no more than a certain amount.

Review the Declarations Page in your flood insurance policy for amounts of coverage and deductibles. Talk with your insurance agent, company representative, or lender about raising or lowering deductibles within an allowable range.

Reminder: Keep Your Receipts

While you are not expected to keep receipts for every household item and article of clothing, do try to keep receipts for electronic equipment, wall-to-wall carpeting, major appliances, and other higher-cost items. Your adjuster will be able to process your claim more quickly when you can prove how much items cost at the time of purchase. Also keep receipts for any repairs made with a flood insurance settlement.

What Is Covered by Flood Insurance-and What Is Not

Physical damage to your building or personal property “directly” caused by a flood is covered by your flood insurance policy. For example, damages caused by a sewer backup are covered if the backup is a direct result of flooding. If the backup is caused by some other problem, the damages are not covered.

The following charts provide general guidance on items covered and not covered by flood insurance. Refer to your policy for the complete list. (For information on flood insurance coverage limitations in areas below the lowest elevated floor and in basements, see page 3 of this document.)

General Guidance on Flood Insurance Coverage

What is insured under BUILDING PROPERTY coverage:

- The insured building and its foundation.
- The electrical and plumbing systems.
- Central air-conditioning equipment, furnaces, and water heaters.
- Refrigerators, cooking stoves, and built-in appliances such as dishwashers.
- Permanently installed carpeting over an unfinished floor.
- Permanently installed paneling, wallboard, bookcases, and cabinets.
- Window blinds.
- A detached garage (up to 10 percent of Building Property coverage), detached buildings (other than detached garages) require a separate Building Property policy.
- Debris Removal

What is insured under PERSONAL PROPERTY coverage:

- Personal belongings such as clothing, furniture, and electronic equipment.
- Curtains.
- Portable and window air conditioners.
- Portable microwave ovens and portable dishwashers.
- Carpets not included in building coverage (see above).
- Clothes washers and dryers.
- Food freezers and the food in them.
- Certain valuable items such as original artwork and furs (up to \$2,500).

What is NOT insured under either BUILDING PROPERTY or Personal Property coverage:

- Damage caused by moisture, mildew, or mold that could have been avoided by the property owner.
- Currency, precious metals, and valuable papers such as stock certificates.
- Property and belongings outside of a building such as trees, plants, wells, septic systems, walks, decks, patios, fences, seawalls, hot tubs, and swimming pools.
- Living expenses such as temporary housing.
- Financial losses caused by business interruption or loss of use of insured property.
- Most self-propelled vehicles such as cars, including their parts (see Section IV.5 in your policy).

General Guidance on Flood Insurance Coverage Limitations in Areas Below the Lowest Elevated Floor and in Basements

Flood insurance coverage is limited in areas below the lowest elevated floor (including crawlspaces) depending on the flood zone and date of construction (refer to Part III, Section A.8 in your policy) and in basements regardless of zone, or date of construction. As illustrated below, these areas include 1) basements, 2) crawlspaces under an elevated building, 3) enclosed areas beneath buildings elevated on full-story foundation walls that are sometimes referred to as “walkout basements,” and 4) enclosed areas under other types of elevated buildings.

What is insured under BUILDING PROPERTY coverage:

- Foundation walls, anchorage systems, and staircases attached to the building.
- Central air conditioners.
- Cisterns and the water in them.
- Drywall for walls and ceilings (in basements only).
- Non-flammable insulation (in basements only).
- Electrical outlets, switches, and circuit-breaker boxes.
- Fuel tanks and the fuel in them, solar energy equipment, and well water tanks and pumps.

- Furnaces, water heaters, heat pumps, and sump pumps.

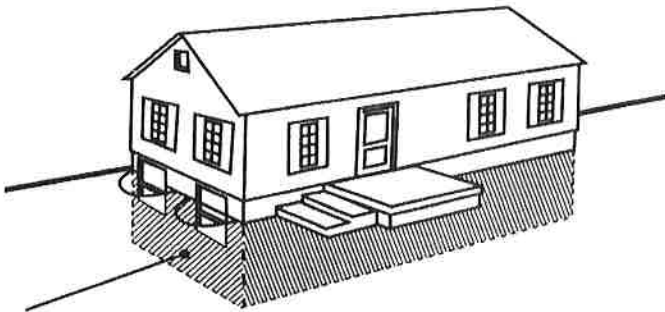
What is insured under PERSONAL PROPERTY coverage:

- Washers and dryers.
- Food freezers and the food in them (but not refrigerators).
- Portable and window air conditioners.

- Carpeting, area carpets, and other floor coverings such as tile.
- Drywall for walls and ceilings (below the lowest elevated floor).
- Walls and ceilings not made of drywall.
- In certain cases staircases and elevators.
- Most personal property such as clothing, electronic equipment, kitchen supplies, and furniture.

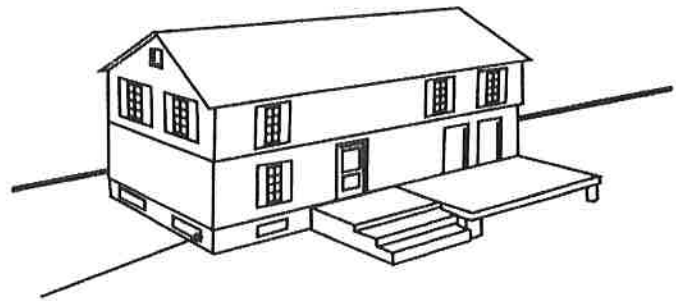
What is NOT insured under either Building Property or Personal Property coverage:

- Paneling, bookcases, and window treatments such as curtains and blinds.



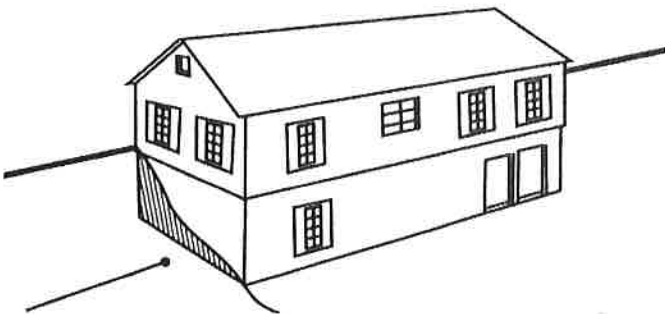
1. BASEMENT

Coverage limitations apply to “basements,” which are any area of the building, including a sunken room or sunken portion of a room, having its floor below ground level on all sides.



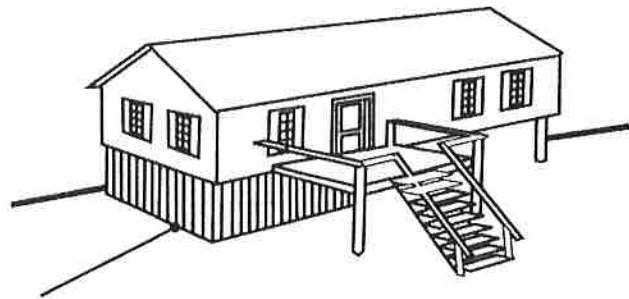
2. CRAWLSPACE

When a building is elevated on foundation walls, coverage limitations apply to the “crawlspace” below.



3. ELEVATED BUILDING ON FULL-STORY FOUNDATION WALLS

Coverage limitations apply to the enclosed areas (lower floor) even when a building is constructed with what is sometimes called a “walkout basement.”



4. ELEVATED BUILDING WITH ENCLOSURE

Coverage limitations apply to “enclosed areas” at ground level under an “elevated building.” An elevated building allows water to flow freely under the living quarters, thus putting less strain on the building in the event of flooding. An “enclosure” is the area below the lowest elevated floor that is fully shut in by rigid walls.

IMPORTANT INFORMATION ABOUT THE
NATIONAL FLOOD INSURANCE PROGRAM

Federal law requires insurance companies that participate in the National Flood Insurance Program to provide you with the enclosed Summary of Coverage. It's important to understand that the Summary of Coverage provides only a general overview of the coverage afforded under your policy. You will need to review your flood insurance policy, Declarations Page and any applicable endorsements for a complete description of your coverage. The enclosed Declarations Page indicates the coverage you purchased, your policy limits and the amount of your deductible.

You will soon receive additional information about the National Flood Insurance Program. This information will include a Claims Handbook, a history of flood losses that have occurred on your property as contained in FEMA's database and an acknowledgement letter.

If you have any questions about your flood insurance policy, please contact your agent or insurance company [whichever is applicable, to be supplied by the WYO company].

► **Get Your Flood Insurance Policy Form at**

www.MyFlood.com

**You have *immediate and convenient* online and mobile access to
this document containing your coverage details.**

**Manage all your Flood Policy and Claim Needs online or on your mobile
device by following the steps below:**

1. **Visit www.MyFlood.com**
2. **Login**
 - Create an account with your flood insurance policy number located on your declaration page **OR**;
 - Login without an account using your flood insurance policy number, property zip code, last name (or business name) and email
3. **You can:**
 - Access your Flood Insurance Policy Form
 - Report a flood loss
 - Review all policy payment transactions
 - Print your policy declaration page or renewal notice

Call us for assistance at 1-800-423-4403.

myflood

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This document was prepared by the National Flood Insurance Program (NFIP) to help you understand your flood insurance policy. It provides general information about deductibles, what is and is not covered by flood insurance, and how items are valued at the time of loss.

This document is based on the **Standard Flood Insurance Policy Dwelling Form**, which is used to insure one-to-four-family residential buildings and single-family dwelling units in a condominium building. There are two other policy forms:

The General Property Form is used to insure five-or-more-family residential buildings and nonresidential buildings.

The Residential Condominium Building Association Policy Form is used to insure residential condominium association buildings.

While the three forms are similar, they do contain some important differences. For example, the General Property Form does not provide coverage for contents in any building other than the insured building, and the Residential Condominium Building Association Policy Form contains a coinsurance clause, which provides for a pro-rata reduction in the building claim payment if the building is not insured to 80 percent of its replacement value.

Two Types of Flood Insurance Coverage

The NFIP's Dwelling Form offers coverage for: 1) Building Property, up to \$250,000, and 2) Personal Property (Contents), up to \$100,000. The NFIP encourages people to purchase both types of coverage.

Your mortgage company may require that you purchase a certain amount of flood insurance coverage.

For information about your specific limits of coverage and deductibles, refer to the Declarations Page in your flood insurance policy. It is also a good idea to review your policy with your insurance agent or company representative.

What Is a Flood?

Flood insurance covers direct physical loss caused by "flood." In simple terms, a flood is an excess of water on land that is normally dry. Here's the official definition used by the National Flood Insurance Program.

A flood is (1) "A general and temporary condition of partial or complete inundation of two or more acres of normally dry land area or of two or more properties (at least one of which is your property) from a. overflow of inland or tidal waters; b. unusual and rapid accumulation or runoff of surface waters from any source; or c. mudflow*." (2) collapse or subsidence of land along the shore of a lake or similar body of water as a result of erosion or undermining caused by waves or currents of water exceeding anticipated cyclical levels that result in a flood as defined in A.1.a. above.

* Mudflow is defined (in part) as "A river of liquid and flowing mud on the surfaces of normally dry land areas, as when earth is carried by a current of water."

Three Important Facts About Your Flood Policy

A Standard Flood Insurance Policy is a single-peril (flood) policy that pays for direct physical damage to your insured property up to the replacement cost or Actual Cash Value (ACV) (see "How Flood Damages Are Valued") of the actual damages or the policy limit of liability, whichever is less.

- 1. Contents coverage must be purchased separately.**
- 2. It is not a valued policy.** A valued policy pays the limit of liability in the event of a total loss. For example: Your home is totally destroyed by a fire and it costs \$150,000 to rebuild it. If your homeowners insurance policy is a valued policy with a \$200,000 limit of liability on the building, you would receive \$200,000. Flood insurance pays the replacement cost or ACV of actual damages, up to the policy limit.
- 3. It is not a guaranteed replacement cost policy.** A guaranteed replacement cost policy pays the cost to rebuild your home regardless of the limit of liability. For example: Your home is totally destroyed by a fire and it costs \$200,000 to rebuild it. If your homeowners insurance policy is a guaranteed replacement cost policy with a \$150,000 limit of liability on the building, you would receive \$200,000. Flood insurance does not pay more than the policy limit.

How Flood Damages Are Valued

The value of flood damage covered under the Dwelling Form is based on either Replacement Cost Value or Actual Cash Value.

Replacement Cost Value (RCV)

RCV is the cost, without depreciation, to replace that building that is damaged. To be eligible, three conditions must be met:

1. The building must be a single-family dwelling; *and*
2. The building must be your principal residence at the time of loss, meaning you live there at least 80 percent of the year; *and*
3. Your building coverage is at least 80 percent of the full replacement cost of the building or is the maximum available for the property under the NFIP.

Actual Cash Value (ACV)

ACV is Replacement Value at the time of loss, less the value of its physical depreciation.

Some building items such as appliances and carpeting are always adjusted on an ACV basis. For example, wall-to-wall carpeting could lose from 10 to 14 percent of its value each year, depending on the quality of the carpeting. This depreciation would be factored into the adjustment. Personal property is always valued at ACV.

Special Considerations for Multiple Claims

Owners of NFIP-insured residential property, identified as "severe repetitive loss" (SRL) property, may be eligible for a FEMA mitigation grant for property improvements that reduce the likelihood of future flood damages. Participation in the SRL program is voluntary, but property owners who refuse an offer of mitigation may expect an increase in their flood insurance premium rate equal to 150% of the chargeable rate for the property at the time the offer was made.

An NFIP-insured property is defined as a severe repetitive loss property when it meets one of the following criteria since 1978, regardless of ownership:

1. Four or more separate flood claim payments have been made and each claim payment exceeds \$5,000 (including building and contents payments), *or*
2. At least two separate flood claim payments (building payments only) have been made and the cumulative payments exceed the current value of the property.

A FINAL NOTE

This document provides general information about flood insurance coverage. However, please be aware that your Standard Flood Insurance Policy, your application, and any information and your policy will be resolved in favor of your policy. If you have questions, call your insurance agent or company representative. Endorsements, including the Declarations Page, make up your official contract of insurance. Any differences between this information and your policy will be resolved in favor of your policy. If you have questions, call your insurance agent or company representative.

What Is Increased Cost of Compliance (ICC) Coverage?

Most NFIP policies include ICC coverage, which applies when flood damages are severe. ICC coverage provides up to \$30,000 of the cost to elevate, demolish, or relocate your home. If your community declares your home "substantially damaged" or "repetitively damaged" by a flood, it will require you to bring your home up to current community standards.

The total amount of your building claim and ICC claim cannot exceed the maximum limit for Building Property coverage (\$250,000 for a single-family home). Having an ICC claim does not affect a Personal Property claim (up to \$100,000), which is paid separately.

Details about eligibility are in Section III.D. of your policy.

Congress created the National Flood Insurance Program (NFIP) in 1968 to reduce future flood damage through floodplain management, and to provide people with flood insurance through individual agents and insurance companies. The Federal Emergency Management Agency (FEMA) manages the NFIP. As required by Congress, this document was prepared by the NFIP to help flood insurance policyholders understand their policy.



FEMA



Privacy Notice

You are a valued customer and we strive to meet your privacy concerns. We want to make sure your personal information is protected and that you understand the policies that protect you. Assurant companies and other insurers that operate under this Privacy Notice (“We”) provide various insurance products, including pre-funded funeral insurance, mobile insurance, credit insurance, and membership products. Our products may be sold directly to individuals, sold through our agents or offered on behalf of other companies. These other companies may be banks, finance companies, retailers, utilities, automobile dealers, manufactured housing, mortgage companies or funeral homes.

Pursuant to the United States Gramm-Leach Bliley Act, companies that qualify as financial institutions must provide their customers with a Privacy Notice on an annual basis. If you have asked not to be solicited, that request is still in effect. You do not need to contact us again. **This is not a solicitation.** You do not need to respond.

This Privacy Notice gives you examples of the types of data we lawfully collect, use, share or disclose; and the kinds of companies with whom we may lawfully share such data. These examples serve only as illustrations; they should not be considered all of the data we may lawfully collect, use or share. Below is our privacy pledge to you:

Our Privacy Principles:

- We do not sell your personal information.
- We do not share your personal information with anyone outside the Assurant family of affiliated companies unless you expressly authorize the sharing, or it is permitted or required by law.
- We do not allow those with whom we do business to use our customer information for their own marketing purposes unless there is a valid joint marketing agreement.
- We will not collect, use, share or disclose any of your information if prohibited by law.
- We contractually require any person or business providing products or services on our behalf to safeguard our customer information.

Information We May Collect

The level of information we may collect varies depending upon the type of services and products we offer you. Here are some examples of the types of information we may collect and how we gather it:

- From you (or provided to us on your behalf), on applications and other forms you submit to us; for example: your name, address, social security number, telephone number, employer and income.
- From your transactions with our companies or other non-affiliated parties; for example: your name, address, telephone number, age, credit card use, insurance coverage, transaction history, claims history and premiums.
- From consumer reporting agencies, public records and data collection agencies; for example: your obligations with others and your creditworthiness. However, we will not use your credit score, credit report or any other credit-related information in jurisdictions where it is prohibited by law.
- From health care providers, such as doctors and hospitals; for example: your past or present health condition. Health data will be collected **only** if we need to find out if you are eligible for coverage, process claims or prevent fraud, as authorized by you or as the law may permit or require. NOTE: We collect health data **only** to manage a health-related product or service; for example: life or disability insurance, for which you applied, or as otherwise permitted by law.
- From you when you enroll, request a service, or file a claim on one of our websites; for example: your name, address, contract number, credit card issuer and account number, personal identification number, e-mail address, service contract and claim information.
- From your visits to our internet websites; for example: session number and user ID. By reviewing our Online Privacy Policy along with the Legal Notice, Terms of Use, Site Agreement or similarly named link appearing on any of our websites, you may learn of any “cookies” utilized by us and of any additional information that may be collected from you on that site.

Information We May Disclose or Share and With Whom

We may lawfully share customer information with other entities as needed to deliver products and services to you, provide customer service or handle your account.

Disclosures Permitted by Law

We share customer information as described above and as permitted by law.

Disclosures for Joint Marketing and Servicing

We may lawfully share customer information with persons or organizations inside or outside our family of companies that perform marketing services for us or with whom we have joint marketing agreements.

Information Regarding Former Customers

We treat the information of prospective and former customers in the same manner as existing customers with respect to the use of personal information.

Our Security Procedures

We restrict access to customer information to those employees whom we know have a valid business purpose to have access to such data. We maintain physical, electronic and procedural safeguards. We require those who provide services for us and to whom we provide your data to keep your information safeguarded and confidential.

Changes to This Privacy Notice

We reserve the right to change this Privacy Notice at any time. If we make material changes, we will provide current customers a new notice that describes our new practices and will post it on our internet websites.

The following companies underwrite or market services under the Assurant service mark and adhere to this Privacy Notice. We value our relationship with you. Should you have any questions about our Privacy Notice, please write to us at The Assurant Privacy Office, 260 Interstate N Circle SE, Atlanta, Georgia 30339.

Affiliates:

- | | |
|--|---|
| American Bankers Insurance Company of Florida | National Product Care Company (NPCC) |
| American Bankers Life Assurance Company of Florida | Reliable Lloyds Insurance Company |
| American Memorial Life Insurance Company® | Service Plan, Inc. (SPI) |
| American Security Insurance Company | Standard Guaranty Insurance Company |
| Caribbean American Life Assurance Company | Union Security Insurance Company |
| Caribbean American Property Insurance Company | Union Security Life Insurance Company of New York |
| Consumer Program Administrators, Inc. (CPI) | Voyager Indemnity Insurance Company |
| Dealers Performance, Inc. (DPI) | Virginia Surety Company, Inc. (VSC) |
| John Alden Life Insurance Company | |



