



# Chubb Personal Flood Insurance

FREQUENTLY ASKED QUESTIONS FOR CUSTOMERS



## Doesn't My Homeowners Insurance Policy Cover Flooding?

No. Flood damage is usually not covered by a homeowners insurance policy. Until recently, flood insurance was only available as a separate policy from the federal government via the National Flood Insurance Program (NFIP).

## Am I Required To Carry Flood Insurance?

Not necessarily. However, if you have a federally insured mortgage and live in a high-risk flood zone, the mortgage company will require flood insurance

to secure your loan. Or, if you live in a high-risk flood zone and have received federal disaster assistance after a flood, you will be required to purchase and maintain flood insurance until your loan is paid off. In this case, if you don't buy flood insurance and another flood damages your property, a request for federal disaster assistance could be denied.

## I Live In A Low-Risk Flood Zone. Do I Really Need Flood Insurance?

It's a good idea to buy flood insurance even if you live in a low or moderate-risk area. Nearly 25 percent of all flood insurance claims come from areas with low-to-moderate flood risk. (Source: [www.floodsmart.gov](http://www.floodsmart.gov), 2/10)

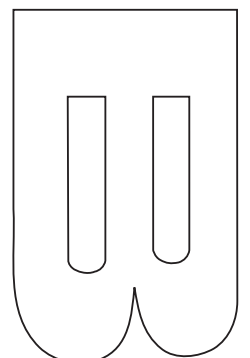
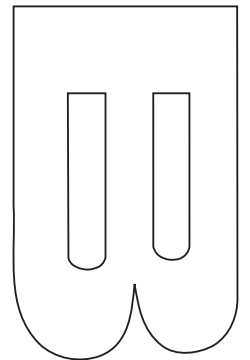
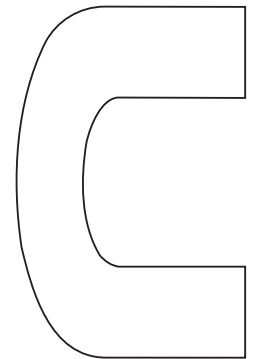
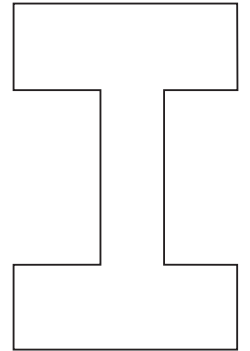
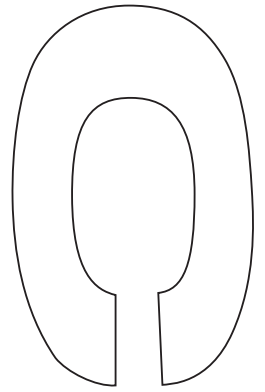
## What Is The Risk Of Flooding For My Home? What Do The Flood Zone Designations Mean?

According to the Federal Emergency Management Agency (FEMA), the United States is divided into zones related to low, moderate or high levels of risk for flooding. To assess your home's level of risk, contact your independent Chubb agent or broker.

## What Types Of Flood Insurance Are Available? How Do I Secure A Policy For My Home?

If your home is insured with Chubb, you may be eligible for the broad flood coverage provided through Chubb Personal Flood Insurance. Alternatively, the NFIP provides coverage directly or through the "Write Your Own" program, where private insurers provide policy administration and claim services. Your independent agent or broker is the best source of advice for your flood insurance needs.

*(continued)*



## What Are Some Of The Advantages Of Chubb Personal Flood Insurance Versus The NFIP?

- **Broader coverage for flood.** Chubb covers a flood loss, even if the flood is confined to just the insured property. Under the NFIP policy, a flood must inundate at least two acres or two or more properties, one of which is the insured property.
- **Higher total property coverage limit.** Chubb Personal Flood Insurance can insure your home plus its contents, up to a total of \$15 million. The NFIP policy can provide a maximum of \$250,000 of coverage for your house and \$100,000 for contents in your house.
- **Replacement cost for damaged property.** In the event of a covered loss, Chubb Personal Flood Insurance will cover the replacement cost for your house and contents and other structures, without deduction for depreciation, up to the limit you select on your policy. The NFIP deducts for depreciation for secondary residences, such as vacation homes, and always depreciates the replacement value of contents before paying your claim.
- **Additional living expenses.** Chubb Personal Flood Insurance covers related expenses, like meals and lodging, if you cannot live in your home because of covered flood damage. The NFIP policy does not offer additional living expense coverage.
- **Coverage for finished basements.** Chubb Personal Flood Insurance includes \$15,000 of coverage for contents in a basement and \$30,000 of coverage for real property in a basement and gives you an option to buy more coverage for an additional premium. The NFIP does not cover most items generally found in finished basements.

## If A Flood Loss Occurs, What Are Some Other Benefits Of Having Chubb Personal Flood Insurance?

- **Hassle-free claims in times of crisis.** Chubb is world-renowned for outstanding claim service and expertise. In the event of a claim, in most cases, a Chubb claim adjuster can settle both the flood claim and any homeowners policy claim.
- **Rebuilding your home to code.** After a covered flood occurs, Chubb Personal Flood Insurance will pay the costs to comply with any laws or ordinances regarding the repair, replacement or demolition of your home, including required updates like electrical wiring and plumbing. The NFIP policy excludes coverage for the costs to comply with laws or ordinances, except those related to floodplain management. Additionally, the NFIP policy will only pay this type of claim if your home has been flooded on at least two prior occasions, and the loss amount exceeded a certain percentage of the market value of your home.

## If I Have Both Personal Flood Insurance And Homeowners Insurance From Chubb, Is Every Type Of Water Damage Loss Covered?

Every insurance policy contains some exclusions. For example, both of these policies exclude certain ground water losses, such as seepage in your basement caused by a rise in the water table, when there is no flooding in the area. Like Chubb's Personal Flood Insurance policy, other flood insurance policies also exclude this type of water loss, unless there is a covered flood.

## How Can I Purchase Chubb Personal Flood Insurance For My Home?

Contact your independent Chubb agent or broker for details. To find a Chubb agent near you, call **1.877.60CHUBB** or visit **www.chubb.com** and click on the "Find an Agent" link in the upper right hand corner.



A \$2 million primary home suffers a total loss as the result of a flood. Rising water destroys the home and its contents. The homeowners must make alternative living arrangements while their home is being rebuilt. In this example, Chubb provides coverage up to the home's replacement cost, and the NFIP provides its maximum available limits of coverage.

PROPERTY	LOSS AMOUNT	CHUBB SETTLEMENT	NFIP SETTLEMENT <sup>1</sup>
Home	\$2,000,000	\$1,992,500	\$250,000
Contents	\$1,000,000	\$1,000,000	\$100,000
Living Expenses <sup>2</sup>	\$7,500	\$7,500	\$0
Subtotal	\$3,007,500	\$3,000,000	\$350,000
Less Deductible(s)		Policy Deductible \$500	Building Deductible \$500 Contents Deductible \$500
<b>SETTLEMENT</b>		<b>\$2,999,500</b>	<b>\$349,000</b>

<sup>1</sup>The NFIP policy pays replacement cost *less depreciation* for secondary homes and for all contents. The Chubb policy pays the actual cost to repair or replace your home, regardless of its occupancy, and pays the replacement cost of contents, up to the coverage limits.

<sup>2</sup>The total home coverage amount includes the sublimit amount paid for additional living expenses.

A week of record high temperatures in early spring causes rapidly melting snow to overflow a stream located in the backyard of an older home in the Midwest. The exterior drain of the home backs up and allows water to enter the finished basement, resulting in flood damage. The water causes a crack in the foundation and damage to the wood flooring, built-in cabinetry, wet bar, area rugs, furniture and the electronics of the home theater system. Collectibles as well as a computer for a home-based business are ruined. The home's older electrical wiring needs to be replaced to comply with a new town ordinance.

PROPERTY	LOSS AMOUNT	CHUBB SETTLEMENT <sup>1</sup>	NFIP SETTLEMENT <sup>2</sup>
Basement Foundation	\$50,000	\$50,000	\$50,000
Finished Basement Real Property (wood flooring, built-ins, wet bar)	\$50,000	\$50,000	\$0
Contents in the Basement (rugs, furniture, home theater)	\$7,000	\$7,000	\$0
Collectibles	\$5,000	\$5,000	\$0
Business Property	\$3,000	\$3,000	\$0
Electrical Upgrades	\$5,000	\$5,000	\$0
Subtotal	\$120,000	\$120,000	\$50,000
Less Deductible(s)		Policy Deductible \$500	Building Deductible \$500 Contents Deductible \$500
<b>SETTLEMENT</b>		<b>\$119,500</b>	<b>\$49,000</b>

<sup>1</sup>Chubb Personal Flood Insurance automatically provides \$30,000 for real property in a basement and \$15,000 for contents in the basement. This example assumes that the customer purchased additional building coverage for the finished basement, up to \$100,000.

<sup>2</sup>If this loss was limited to only the one property, the NFIP would not consider it a flood by definition, and the claim would be denied.

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# Personal Flood Insurance Coverage And Limits

## Chubb Versus The Industry Standard (NFIP)

CUSTOMER'S CONCERN	CHUBB PERSONAL FLOOD INSURANCE	INDUSTRY STANDARD (NFIP)
What if there is flood damage to my property, but my neighbor's home is unaffected?	<b>Chubb covers a flood loss, even if the flood is confined to just the insured property.</b>	There is no coverage for a "confined" flood. The NFIP requires that a flood must inundate at least two acres or two or more properties, one of which is the insured property.
What is the highest limit of flood coverage available for a house and contents?	<b>Up to \$15 million total property per location (buildings and contents).</b>	Up to \$250,000 for buildings and up to \$100,000 for contents.
Does the flood policy pay for the cost to meet local, state and federal flood requirements that may be imposed after a major flooding event? ----- What about costs to comply with other requirements, like updating old electrical wiring or plumbing damaged by flood?	<b>Yes. Up to \$30,000 is included for costs to comply with floodplain management laws as well as costs to comply with any other law or ordinance. Increased coverage is available for an additional premium.*</b>	Yes. <sup>2</sup> \$30,000 coverage is included to comply with floodplain management laws. Up to \$45,000 is available for an additional premium. ----- No. There is no coverage to meet any other requirements.
Is a detached garage included as part of the home coverage?	<b>Yes, on a replacement cost basis.</b>	Yes, but claims are paid on a replacement cost basis minus depreciation.
Is coverage available for barns, pool houses and other structures on a property?	<b>Yes, however, a separate policy is required.</b>	Yes, however, a separate policy is required.
Are loss assessments from condo/co-op or homeowner associations included?	<b>Yes.</b>	Yes, but only for condo/co-op associations. Loss assessments from homeowners associations are NOT covered.
Are contents claims paid on a replacement cost basis?	<b>Yes.</b>	No. Contents coverage is paid on a replacement cost basis minus depreciation.
Does the policy cover furniture, rugs, home theater systems, pool tables and other types of contents typically found in a finished basement?	<b>Yes. Up to \$15,000 is included. Increased coverage is available for an additional premium.*</b>	No. Coverage is restricted to specific types of personal property, such as portable air conditioning units, washing machines, dryers and food freezers.
Does the policy cover built-in cabinetry, wet bars, saunas and other types of "real property" in my basement?	<b>Yes. Up to \$30,000 is included. Increased coverage is available for an additional premium.*</b>	No. Coverage is restricted to specific types of real property in a basement such as central A/C, cisterns, drywall, electric outlets, furnaces, stairways, water softeners, etc.
What is the automatic coverage limit for fine art? for collectibles? for furs? for business property? for jewelry? for silverware? for golf carts?	<b>\$5,000</b> <b>\$5,000</b> <b>\$5,000</b> <b>\$15,000</b> <b>\$5,000 coverage for jewelry and silverware combined.</b> <b>\$5,000</b>	Up to \$2,500 for fine art, collectibles, furs, business property and jewelry categories combined.  No coverage for silverware. No coverage for golf carts.
Does the policy provide for additional living expenses such as the cost of hotels, meals or other items when a home cannot be lived in due to a flood?	<b>Yes. Up to \$7,500 is automatically included. Higher limits are available for an additional premium.*</b>	No.
How much does the policy pay for loss-avoidance measures?	<b>Up to \$5,000 is included for the cost of supplies and labor to protect the property and the expenses to move the covered property to safety.</b>	Up to \$1,000 is included for supplies and labor to protect the property and up to \$1,000 for the expenses to move covered property to safety (\$2,000 total).

This chart is deemed current as of 1/27/10.

\* Please check with your agent on the availability of higher optional limits in your state.

<sup>1</sup> FEMA and local communities may impose flood requirements that generally include increasing elevation, flood proofing, relocation or demolition of the home.

<sup>2</sup> I.C.C. coverage applies only under certain circumstances such as if the home suffered at least two flood losses in the past 10 years and the loss amounted to at least 50 percent of the market value of the home.

**To purchase Chubb Personal Flood Insurance, contact your independent Chubb agent or broker.  
To locate an agent in your area call 1-877-60CHUBB or visit [www.chubb.com](http://www.chubb.com) and click on "Find an Agent."**



Chubb refers to the insurers of the Chubb Group of Insurance Companies underwriting coverage: Federal Insurance Company. Chubb Personal Insurance (CPI) is the personal lines property and casualty strategic business unit of Chubb & Son, a division of Federal Insurance Company, as manager and/or agent for the insurers of the Chubb Group of Insurance Companies. This literature is descriptive only. Actual coverage is subject to the language of the policies as issued.

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[www.chubb.com/personal](http://www.chubb.com/personal)

Whether or to what extent a particular loss is covered depends on the facts and circumstances of the loss and the actual coverage of the policy as issued. This comparison is based on the Chubb Personal Flood Insurance Policy, 12/05 edition and the Federal Emergency Management Agency National Flood Insurance Program Standard Flood Insurance Policy Dwelling Form, 5/1/05 edition.