

To our agency partners,

In light of recent storms that damaged the Northeast, Chubb Personal Insurance is revising its countrywide Primary & Excess Flood Eligibility Guidelines effective on or after 6/15/13 for new lines and 9/15/13 for renewals. The changes are as follows:

### **Loss History Revisions**

Our existing guidelines did not address the number of allowable losses at renewal. We deferred to the National Flood Insurance Program (NFIP) guidelines. The following changes clarify our position on allowable losses:

#### **Primary**

- New Line business must be loss free (no change).
- We will allow up to one loss at renewal as long as the loss does not exceed \$25,000 (previously allowed two losses). This applies to both Preferred and Standard pricing.
- Business that no longer meets the Primary loss criteria could potentially be eligible for Excess coverage.

#### **Excess**

- We are now restricting Excess coverage to two losses or only one if it was in excess of \$250,000. Excess business previously had no loss limitations.

### **Additional Changes**

To better align us with the competition and ensure the long term profitability of the Flood program, we are also making the following revisions:

- We will now require that the flood deductible be equal or greater than the underlying homeowners deductible. This will apply to both new lines and renewals.
- Limiting back dating of coverage requests to only 21 days prior to the day of the request. If there are any known weather events, we will continue to require a no loss letter.
- Making course of construction risks ineligible unless they are on a fully enclosed foundation.

If you have any questions, please do not hesitate to contact me. Thank you, as always, for your partnership.

Best,

Trish Myers