

Homeowners Insurance

A Toolkit for Consumers



TOOLKIT

Florida residents know firsthand that it pays to plan ahead. Dealing with wildfires, floods, tornadoes, hurricanes, winter storms, sinkholes and other disasters, can drastically change our lives. Individual losses such as a home burglary, kitchen fire, or a lightning strike can also disrupt our daily lives. Homeowners' insurance helps pay to repair or rebuild your home and replace personal property due to a covered loss.

This toolkit provides information to assist you with insuring your home. It also contains tools to help you if you have a covered loss that involves the largest investment you've made - your home.

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Section 1 Insuring Your Home

Florida law does not require homeowners' insurance, but most people want to insure the largest investment they may ever make – their home. Also, if you own certain pets or a swimming pool, some cities and counties require liability coverage, which would pay for covered injuries to others, or damage to their property, for which you are legally responsible.

For mortgaged homes, the lending institution may require insurance coverage on the home, including flood (if located in a special zone), fire, liability, windstorm, etc. Some developments and subdivisions may also require insurance.

Depending on your home and which insurer you choose, you may obtain one of several homeowners' insurance packages to cover your home and personal property. Each package provides coverage against specified perils or events that cause damage to property, such as fire, windstorm or theft.

Normally, a homeowner's insurance policy provides coverage for the following:

- Structure (the dwelling itself)
- Other structures (like sheds and fences)
- Personal property (the contents of the structures)
- Loss of use (also called Additional Living Expense or ALE)

The first three are defined as "property."

Property

Property coverage helps pay for damage caused by covered perils to your home, the contents of your home and other personal belongings owned by you or family members who live with you. In some cases, it helps pay for damage to other structures, such as tool sheds, detached garages, small boats, guest houses and their contents. Your insurance agent or company can point out the items covered in a given policy.

Most policies provide special limits to some personal property, such as cash, antiques, firearms, jewelry, furs and electronics. You may be able to add additional coverage for these items as an endorsement to your insurance policy for an additional premium.

Your homeowners' insurance policy may also cover your dependent children's belongings while they attend college, whether they live on or off campus. Check with your agent or company representative concerning coverage for children living away from home. You may need a separate policy.

Homeowners' policies do not cover vehicles. Your agent or company can help you find coverage for items not included in your policy.

Additional Living Expense (ALE)

Homeowners' policies provide Additional Living Expense coverage that will pay some extra expenses if damage to your home prevents you from living there while it is being repaired. Most policies also will provide this coverage when a civil authority (law enforcement agency, emergency management service, etc.) prohibits the use of a residence or access to a residence due to direct damage to neighboring homes by a covered threat.

The items typically covered - above and beyond normal expenses - include extra costs for food, housing, telephone, relocation and storage, utility installation and furniture rental for a temporary residence. Be sure to check your policy to find out what is specifically covered or excluded. This coverage applies only to the additional amounts, over and above differences in expenses. For example, it would apply to the cost of

restaurant meals minus normal food expenses. It does not cover your mortgage, groceries and utilities or the monthly cost of a telephone in a rented space (since you normally pay for the telephone in your house).

Your policy may designate limited coverage for additional living expenses, but your policy does not obligate your company to pay this amount up front or in full if you suffer a total or partial loss. For this reason, you must keep receipts for additional living expenses and submit these to your company for reimbursement.

Policies generally offer ALE coverage without any deductible. It applies only to the primary insured structure in the event of a loss. ALE coverage does not apply to your dependent children while they are away at college, and flood insurance policies issued through the National Flood Insurance Program do not provide this coverage. If flood is covered under your homeowner's insurance policy or if you have a separate policy issued by the voluntary market, check your policy or talk to your agent to determine coverage.

Personal Liability

This coverage protects you against a claim or lawsuit resulting from (non-auto) bodily injury or property damage to others. For example, if a neighbor slips and falls in your house and sues you, and a jury finds you legally liable, this coverage would pay that claim plus legal fees up to the policy limits. This coverage applies to you and all family members who live with you. It does not cover intentional damage or harm caused by you or family members who live with you. Check your policy for exclusions and discuss them with your agent.

Medical Payments

Regardless of fault, this coverage pays for medical expenses, up to the medical payment limits, of persons accidentally injured at your home. It does not apply to your injuries or those of anyone living with you, or to activities involving an at-home business.

Inflation Guard

Inflation or room additions can increase the replacement cost of your home and its contents, while the actual cash value of your home may decrease over time. An inflation guard endorsement gradually increases your dwelling's coverage limit annually to keep your insurance coverage up-to-date with current prices and inflation. It also may keep the policy value in line with increases in local building costs per square foot. If your policy lacks this endorsement, you are responsible for periodically updating your coverage with your insurance agent or company.

No matter how you insure your home, you should keep track of its replacement cost evaluation. Check with your agent or company once a year to make sure your policy provides adequate coverage.

For more information, please call the DFS Consumer Helpline toll-free at 1-877-MY-FL-CFO (1-877-693-5236), or visit the DFS website at www.MyFloridaCFO.com.

How Much Insurance Should You Buy?

Do not rely on the purchase price of the home, the amount of the mortgage loan, or the amount set by the property tax appraiser or insurance agent. In order to be adequately covered, your home must be insured for the amount it will take to rebuild the home at current prices for building materials and labor costs, including the amount necessary to bring it into compliance with current building codes. Please contact your insurance agent, and consult a licensed contractor or certified property appraiser who will provide you with a detailed estimate. This is the only way to ensure that you have adequate coverage at the time of a loss.

If your home is underinsured at the time of a loss, there may be a penalty or reduction in the amount the insurance company will pay for the loss.

Ask your agent about limits and exclusions.

Insurance Packages

This section explains the basic insurance packages available to Florida homeowners, condominium-unit owners, mobile home owners, and renters. The basic homeowners' policy is a package policy that may be modified, but dwellings, adjacent structures, contents, liability, and medical payments usually cannot be eliminated from the basic package.

Homeowners' Insurance

The three packages offered most frequently to owner-occupied, single-family homes include Broad Form HO-2, Special Form HO-3, and Modified Coverage Form HO-8. These policies insure your home and belongings against a number of perils (examples listed below are not inclusive), and the more perils your policy covers, the more you will pay for it.

Perils may include:

- 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

Florida Statute also requires insurers to provide policyholders the option to exclude coverage for contents (your personal property inside the dwelling), if the policyholder personally writes a statement that he does not want such coverage.

Homeowners' policies vary in their broad coverage, and they may also differ in price and customer service between companies. It is important to review your insurance needs with your agent or company representative and compare them to the coverage offered before making a decision.

Special Form (HO-3) is the most popular and most comprehensive homeowners' form of the three forms mentioned above. It covers the home for all causes of loss not specifically excluded. All homeowners' policies provide liability coverage.

Condominium Insurance

Condominium-Unit Owners' Form (HO-6) covers property and certain items and perils not insured by the association's policy. It also includes personal liability coverage.

A condominium association may choose to cover some items in its policy, so make sure you are thoroughly familiar with its by-laws and policy to know what the association is responsible for. If you have difficulty obtaining copies of these documents, call the Florida Department of Business and Professional Regulation, Division of Florida, Condominiums, Timeshares and Mobile Homes, at (850) 488-1122.

A condo association policy usually does not cover the following items if they are located within your unit:

- Floor, wall and ceiling coverings
- Electrical fixtures

- Appliances
- Air conditioning and heating equipment
- Water heaters
- Water filters
- Built-in cabinets and countertops
- Window treatments, including drapes, blinds and hardware replacement
- Air conditioning compressors that serve only one unit are not normally covered by the association's policy, no matter where they are located.

Also, condo associations may require unit owners to insure items such as front doors and screened porches. In addition, unit owners should insure interior additions or upgrades which are not the same kind or quality as the original building items.

If an item is covered by both the association's and unit owner's policy, then the association's policy pays first. This affects the amount of coverage needed for the building under the unit owner's policy, so it is important to review your existing policy with your agent to make sure you are adequately covered.

Condo associations may assess individual unit owners for damages to the commonly owned areas that are not covered by the association's policy. Your unit-owner's policy may provide limited coverage for such a "loss assessment." The extent and amount of "loss assessment" coverage varies by insurance company, but all admitted carriers (those issued a Certificate of Authority by the Office of Insurance Regulation) are required to include a minimum of \$2,000. Always review your coverage with your agent or insurance company. **An assessment by the condo association for the association's policy deductible is usually not covered by your unit owner's assessment coverage.**

Mobile Home Insurance

Mobile home policies may not provide coverage as broad as a homeowner's policy. You should review your individual policy to determine what is covered and what is excluded. There are three settlement options available on a mobile home policy. All three are subject to the limits shown on your policy. You should review your individual policy to determine your options.

A **stated amount policy** specifies that you will recover the policy's face amount in the event of a total loss, based upon the agreement made in your application. Insurance companies usually offer this type of policy for newer-model homes.

An **actual cash value policy** will pay the amount needed to repair a home after depreciation is subtracted. These policies usually feature lower premiums.

A **replacement cost policy** will pay for the replacement of a damaged or destroyed home without deducting for depreciation.



Home Rental or Dwelling Insurance

If you rent your home to others, insurance companies offer landlord coverage to suit your situation. If you rent a room or a portion of your home, ask your agent what coverage you may need. Most companies write up to four rentals on personal dwelling fire policies.

Renters' Insurance

Renters' or tenants' insurance (HO-4) insures your household contents against the perils included in the Broad Form (HO-2). It also includes personal liability coverage.

Other Factors to Consider

When analyzing needed coverage, these are some other factors to consider:

Coverage Availability When Storms Threaten

You cannot obtain new or additional coverage when a tropical storm or hurricane watch or warning has been issued for any area within the state of Florida. Don't wait until the last minute to secure your policy, especially during hurricane season (June 1 through Nov. 30), when several storms can form simultaneously.

Building Materials

The building materials used in the construction of your home can affect the cost to insure it. For example, it's more expensive to insure a frame house than a brick one. If you are building a new home, using stronger construction materials and construction techniques can save you money on insurance premiums. Talk with your agent to see what discounts and/or reduced premiums are available to you.

Home-Warranty Plans

Homeowners' insurance can protect your home from losses due to fire, theft, and other perils. A home-warranty plan, though, offers a service contract that can pay for unexpected repairs to the home's plumbing, electrical system, appliances, etc., during the warranty period, which typically ranges from one to 10 years. Such plans offer no substitute for homeowners' insurance or a lack of quality construction for a new home.

Carefully research your insurance needs and the qualifications of your homebuilder. Also read and understand any home warranty plan under consideration. Be sure to read the exclusion section of the warranty.

Options If You Can't Find Coverage

Hurricane Andrew, the major storms of 2004-05, and other disasters created serious problems in the insurance industry and caused a significant disruption of Florida's residential insurance marketplace. Many Floridians experienced homeowners' insurance rate increases; others were dropped or otherwise left without coverage. Fortunately, help is available.

Florida Market Assistance Plan (FMAP)

The Florida Market Assistance Plan (FMAP) was created by the Florida legislature in 1985 as a service organization designed to assist consumers in obtaining property and casualty insurance coverage from authorized insurers in the private market.

FMAP's online services utilize a computer database that stores information on consumers seeking insurance coverage for their property located in Florida. The FMAP application matches those seeking insurance coverage with participating licensed Florida agents that may be able to write the requested insurance policy. The matching agent (s) or insurer(s) then call the interested party seeking coverage to determine eligibility and provide an offer where applicable. Their website is www.fmap.org. Their toll free telephone number is 1-800-524-9023.

Citizens Property Insurance Corporation

If you are having trouble finding coverage, there is help. The 2002 Florida Legislature merged the Florida Windstorm Underwriting Association and the Florida Residential Property and Casualty Joint Underwriting Association to form Citizens Property Insurance Corporation, which writes coverage for consumers who can't find it elsewhere. (See the "Windstorm Coverage" section of this guide for more details on Citizens, or visit www.citizensfla.com.) Policies with Citizens are sold by local insurance agents.

Surplus Lines Companies

The standard insurance market does not necessarily insure every risk. Standard companies often reject risks that do not meet their underwriting requirements for type and date of construction, location and other conditions.

Surplus Lines insurers can help fill this need for consumers who can't obtain coverage from licensed standard companies. Before turning to a surplus lines insurer, your agent must apply for and receive rejections from at least three licensed insurers.

Freedom from some insurance regulation, such as coverage and rate filings, allows Surplus Lines insurers to respond to unmet needs of insurance consumers. The Florida Insurance Guaranty Association does not provide any coverage for claims if a Surplus Lines company goes bankrupt. A Surplus Lines policy shall have stamped or written on the first page of the policy the words:

“This insurance is issued pursuant to the Florida Surplus Lines law. Persons insured by Surplus Lines carriers do not have the protection of the Florida Insurance Guaranty Act to the extent of any right of recovery for the obligation of an insolvent unlicensed insurer.”

Thoroughly read any Surplus Lines policy, if purchased, since DFS does not regulate the rates these companies charge or the forms they use. These policies frequently involve differences in coverage and deductibles not found in other policies - for example, sinkhole or mold damage. Surplus Lines companies must give a 45-day notice of cancellation.

Your Lending Institution

Most financial institutions that offer mortgages require insurance coverage in the loan contract to protect their interest in the property. It may also require the insurer's financial stability to be rated above a specific level by one of the many rating services, and the lender becomes a co-payee (with you) in case of loss and will remain one as long as it has a vested interest in your home.

This means your insurance company will generally make any checks for home-repair claims payable to you (the insured) and your financial institution. The lender gets equal rights to the insurance check to ensure that you make any necessary repairs. For this reason, an official at the financial institution will also need to endorse the check.

The lender will inform you of its stipulations. To protect its financial interests, the lender will generally place the money in an escrow account. (This means a third party holds the money until certain requirements are met.)

During the process, the lender will pay for repairs as you complete the work. Show the lender your contractor's bid and how much it will cost to start the job. Make sure you ask for and save receipts. When repairs are completed, financial institutions can't keep remaining settlement proceeds to cover the balance of your loan. Any funds that exceed the mortgage's balance should be released to you. You may also receive a separate check from your insurance company for your home's contents and other expenses. If you don't, the lender should send you the portion of the payment not related to dwelling repairs.

If you feel your financial institution is withholding funds that are rightfully yours, call the Office of Financial Regulation at 1-850-487-9687.

Force-Placed Homeowners' Insurance

If you fail to obtain homeowners' insurance, your lending institution may buy it for you since loan contracts usually require it. This is called "force-placed" insurance.

Warning: The premium for force-placed coverage is very costly. Such a policy will usually only cover the structure and not your personal property, or the policy may only cover the loan's outstanding balance.

What about Private Mortgage Insurance?

Most homeowners know this type of coverage by its initials: PMI. This insurance helps protect lending institutions from default by borrowers. The mortgage company may require this type of insurance if you pay for a mortgage on a high-ratio loan. This is when your mortgage down payment is less than 20 percent of your

property's value. This insurance allows you to qualify for a larger mortgage than is otherwise available with a small down payment.

Mortgage Life Insurance

This insurance pays off your home in the event of your death. The cost depends upon the mortgage amount, payoff time, and a special calculation table. The loan principle and mortgage interest decrease with each monthly payment. Your mortgage-insurance amount may exceed your mortgage amount.

You may obtain this coverage for both spouses under one contract on a first-to-die basis. This means that the surviving spouse becomes the beneficiary. Mortgage life insurance may prove economical for its specific purpose, but you may need a good health record to buy a policy. As with all policies, it is a good idea to do research in order to choose the mortgage life insurance policy that is right for you.

What About Building a New Home?

If you plan to build your own home or hire a contractor to build one for you, a Builder's Risk policy may be what you need. Coverage under a typical Builders' Risk policy covers the home from the start of construction and continues until a stated time found in the policy after construction is completed.

Builder's Risk policies cover items such as the home under construction, building materials, machinery, equipment, permanent fixtures, debris removal, pollutant cleanup, floor plans, blueprints, valuable records or papers, landscaping, etc. This coverage can help ensure that you or your contractor can obtain funds to repair or rebuild in case of loss. In addition, liability coverage may be purchased to cover your liability exposure in connection with the construction.

Before you start a home-construction project, find out whether you or your contractor should purchase a Builders Risk policy. Individuals hiring a contractor to build a home can require them to obtain a builders risk policy as part of the construction contract.

Also, some homeowners policies cover a home under construction. Some insurance companies will add Builders' Risk coverage to a homeowners policy for an additional premium eliminating the need for a separate policy. You should contact your insurance agent or insurer for more information.

Policy Termination

Licensed insurance companies can take up to 90-days to decide whether you meet their underwriting guidelines. Within this 90-day period, a company must give you a 20-day notice if it intends to cancel the policy, except for nonpayment of premium, which requires a 10-day notice.

After 90-days, your company may cancel your policy if:

- You don't pay your premium;
- You provided false information on your application;
- You failed to follow the company's requirements; or
- You increased your risks through new activities or home improvements.

For reasons other than nonpayment of premiums, the company must provide a 100-day notice before it may cancel your policy unless you have been insured with the insurer or its affiliate for five or more years.

Companies can always non-renew, with certain limitations, your policy with proper notice. The non-renewal notice must be provided. This process also requires a 100-day advance notice unless you have been insured with the insurer or its affiliate for five or more years. If so, the advance notice required is 120-days.

You may cancel your policy at any time by providing a written request. You should receive a refund of any unearned premium. However, if you cancel an insurance policy early, the company may retain 10% of the unearned premium amount. If you are changing insurance policies or companies, make sure you do not have a break in coverage between the two policies. This could result in your mortgage company adding the cost of single interest (protects the interest of the mortgage company only) insurance to your mortgage.

Section 2 What Your Policy Covers if Disaster Strikes

Special limits on certain personal property

Standard homeowners' policies usually have special limits for coverage on valuables such as cash, jewelry, silverware, guns, antiques, boats and other items. Check your policy and contact your insurance agent or company with questions or to request additional coverage.

This is why keeping a home inventory is so important - it helps you realize the value of your personal property.

Replacement Cost versus Actual Cash Value

When buying coverage, you may insure your property and personal property for Actual Cash Value or Replacement Cost.

Replacement Cost

Replacement Cost is the amount needed to replace or repair your damaged property with materials of similar kind and quality, without deducting for depreciation (the decrease in the value of your home or personal property due to normal wear and tear).

Actual Cash Value

Actual Cash Value is the amount needed to repair or replace an item less depreciation. For example, your insurance company would deduct for the age and condition of a 17-year-old roof with a 20-year life expectancy. In this scenario, you have used 17 out of 20 years expectancy. You would be paid for the remaining three years value.

Here is how the two types of coverage work in practice. Let's say you purchased a new television in 2012 for \$1000 and it was destroyed by lightning in 2014. If the settlement option available on your insurance policy is Actual Cash Value, your insurer will pay an amount that reflects the current value of the 2012 TV. If the life expectancy of the 2012 TV is approximately 10 years, you would have used two years so you would receive the value of the other eight, \$800. A policy that settles claims based on the Actual Cash Value will consider depreciation. A Replacement Cost policy would cover the cost to replace the TV with a new one of the same like, kind, and quality even if it's more than what you paid in 2012 - say \$1100.

Your agent must offer you Replacement Cost coverage on your dwelling. If you reject this coverage, you must sign a statement on the application form indicating that you don't want it. Most homeowners' insurance policies require the policyholder to insure the dwelling for at least 80% of its replacement value.

If your home is covered by a Replacement Cost policy that requires you to have it insured for at least 80% of its replacement cost, and you do not insure the correct amount, you may become a co-insurer for any partial loss claim. For instance, if you insure the home for \$100,000 and the true replacement cost is \$200,000, you should have insured the home for at least 160,000. If you have a loss of \$25,000.00, the company would pay only \$15,625, less your deductible, on the claim. The formula used by the insurer to determine the amount they owe in this example is the **amount of insurance carried** divided by the **amount of insurance required**, times the **amount of loss**, equals the **amount payable** by the insurance company (\$100,000 divided by \$160,000 times \$25,000 = \$15,625 and then subtract the deductible.)



Windstorm Coverage

Most homeowners' insurance policies cover damage caused by windstorms, hurricanes and hail, unless you sign to waive the coverage. Also, if your home is located in the Wind-Pool Area, it is likely that Windstorm Coverage is excluded on your regular homeowner's policy and you must purchase a separate windstorm policy if you want the coverage. Most mortgage companies will require you to carry Windstorm Coverage if you have a mortgage.

Flood Insurance

Most homeowners' policies exclude flood damage (rising water). Depending on your home's location, however, you may qualify for flood insurance through the National Flood Insurance Program. You also may qualify for a discount if you include a special elevation report with your application. Recently, other insurers have entered the flood insurance market. In some instances you may be able to secure flood insurance through the same insurance company that already provides your homeowner's coverage. The private industry policy must meet at least the requirements of policies issued by the federal government. For more information, contact the National Flood Insurance Program at 1-888-FLOOD29 (1-888-356-6329), or your local agent.

Flood insurance is available for your home and personal property. Normally, there is a 30-day waiting period before a flood insurance policy becomes effective with the National Flood Insurance Program, unless the policy is purchased at the same time you purchase or refinance your home. Flood Insurance can be obtained from your local agent.

Sinkholes and Catastrophic Ground Collapse

Florida insurance companies are not required to automatically sinkhole coverage on new or existing homeowners' insurance policies. However, they are required to inform homeowners that sinkhole coverage is available for an additional premium.



Insurance companies must include "catastrophic ground cover collapse" which means:

1. The abrupt collapse of the ground cover;
2. A depression in the ground cover clearly visible to the naked eye;
3. Structural damage to the building, including the foundation; and
4. The insured structure being condemned and ordered to be vacated by the governmental agency authorized by law to issue such an order for that structure.

Insurers may also restrict sinkhole and catastrophic ground collapse to the principal building, as defined in the applicable policy.

Surplus Lines insurers are not required to offer sinkhole coverage, but many do. Ask your agent for details.

Ordinance or Law Exclusion

If a local building ordinance or law has changed which increases the cost to repair or replace your home, the insurance company does not pay that extra amount, unless your policy includes ordinance or law coverage. You should check your policy to determine if this coverage is automatically included or if you should add it to your contract. Even if the coverage is included, you may be able to purchase increased limits for this valuable coverage.

This is how it works: Let's say your home was built in 1982. Let's further say the home was damaged over 50% during a hurricane in 2004. At the time of the hurricane, the building code required you to rebuild the entire structure to comply with current building codes if the home was damaged 50% or more. Ordinance or Law coverage could help demolish the undamaged portion and rebuild the home to comply with the current building code which may have increased the cost from what it would have cost to rebuild the home without having to comply with current building codes. Complying with current building codes may require changes in design and/or building materials which could result in you paying more to repair or rebuild your home, if necessary. Also, in some instances, you may be required to demolish part of the damaged structure. If you have a claim that is covered by your homeowners' policy, and do not have ordinance or law coverage, the insurance company will not pay the cost of demolishing the undamaged portion of the home or rebuilding/repairing the home to comply with current building code requirements.

Admitted carriers must include Ordinance or Law coverage limits of at least 25% of the dwelling coverage. Also, they must offer you an amount of 50% of the dwelling coverage. However, you can reject this coverage by signing a rejection form.

Biological Deterioration (mold and fungi)

Typically, mold that results from a covered peril is a covered under your homeowners' policy, although the amount can be limited. An example of a covered peril would be a sudden and accidental discharge of water - like a burst pipe or other plumbing failure, or claims that arise from water damage due to water intrusions due to hurricanes. Please refer to your policy provisions for details of specific mold coverage and limitations.

Most insurers now offer limited levels of mold-related property damage coverage within the basic policy. Many insurers offer limits of \$10,000 of limited coverage, with an opportunity to purchase additional coverage for an additional premium. Other insurers exclude mold-related property damage entirely, but offer coverage in various amounts for an additional premium.

Sample Declarations Page

Where to Locate Policy Information

- ① - Policyholder name and location of insured dwelling
- ② - Company Name
- ③ - Policy Number
- ④ - Premium
- ⑤ - Mortgage holder name and address
- ⑥ - Summary of basic coverages and limits
- ⑦a - Deductible (amount policyholder must pay per claim or accident)
- ⑦b - Hurricane deductible
- ⑧ - Liability protection
- ⑨ - Type of policy (in this case, HO-3)
- ⑩ - Optional coverage (called an endorsement) for special items such as jewelry or silverware
- ⑪ - Coverage offered or required under Florida law
- ⑫ - Name of agent or company representative

PROTECTORS FIRE & CASUALTY CO.

THIS IS NOT A BILL ③ POLICY NUMBER 10-91-8880-4

HOMEOWNERS RENEWAL DECLARATIONS POLICY

① NAMED INSURED AND MAILING ADDRESS:
SMITH, JOE AND JANE
 123 OAK STREET
 HOMETOWN, FL 12345-6789

POLICY PERIOD:
 1201 A.M. STANDARD
 TIME AT THE INSURED RESIDENCE
FROM: 6/1/06 TO: 6/1/07

THE RESIDENCE COVERED BY THIS POLICY IS LOCATED AT THE ABOVE ADDRESS UNLESS OTHERWISE INDICATED

② PROTECTORS FIRE & CASUALTY COMPANY
 P.O. BOX 12345
 BOSTON MA 01234

RENEWAL CERTIFICATE
 PREPARED MAR 11 2006

DATE DUE	PLEASE PAY THIS AMOUNT
6/1/06	\$479.53

④ IF YOU HAVE MOVED, PLEASE CONTACT YOUR AGENT

FULL PAYMENT BY DATE DUE
 EXTENDS POLICY PERIOD TO JUNE 1, 2006

POLICY NUMBER
 10-91-8880-4

⑤ MORTGAGEE: TRUST BANK
 P.O. BOX 000
 TALLAHASSEE FL
 34567-8910

COVERAGES/LIMITS

⑥ SECTION I

A DWELLING	\$100,000
OTHER STRUCTURES	\$10,000
B PERSONAL PROPERTY	\$50,000
C LOSS OF USE	ACTUAL LOSS SUSTAINED

⑦a DEDUCTIBLES-SECTION I
 COVERED LOSS \$500

⑦b HURRICANE: SPECIAL 2% DEDUCTIBLE
 THIS POLICY CONTAINS A SEPARATE DEDUCTIBLE FOR HURRICANE LOSSES, WHICH MAY RESULT IN HIGH OUT-OF-POCKET EXPENSES TO YOU.

⑨ FORMS, OPTIONS AND ENDORSEMENTS:

SPECIAL FORM 3	PP-7923	
JEWELRY AND FURS \$2,500/\$5,000	OPT JF	
SILVERWARE THEFT \$5,000	OPT SILG	⑩
HOME COMPUTER \$10,000	OPT HC	
REPLACEMENT COSTS/CONTENTS	OPT RC	

⑧ SECTION II

L PERSONAL LIABILITY	\$100,000
DAMAGE TO PROPERTY OF OTHERS	\$500
M MEDICAL PAYMENTS TO OTHERS (EACH PERSON)	\$1,000

⑪ FLORIDA-SPECIFIC ENDORSEMENTS

SINKHOLE	FL 7210.4	
ORDINANCE/LAW	FE 7310.4	

***SPECIAL DISCOUNTS:**
 SMOKE DETECTORS
 DEAD-BOLT LOCKS
 FIRE EXTINGUISHERS
 BURGLAR ALARM
 APPROVED STORM SHUTTERS

*** TOTAL DISCOUNTS:
 20% OR \$175 PER YEAR**

SURCHARGES (REQUIRED BY FLORIDA LAW):

EMERGENCY MANAGEMENT SERVICES	\$2.00
FLORIDA HURRICANE CATASTROPHE FUND	\$4.53

Thanks for letting us serve you...
 Agent: BROWN, BONNIE
 Telephone: 904-555-1234

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Section 3 Property Inventory & Claim Process

We recommend completing a room-by-room inventory so if you have a covered loss, you will be able to provide complete and accurate information to the insurer so they can complete your claim. The more detailed documentation you can supply during the claims process, the fewer problems you will experience.

The following inventory includes the main rooms of a home, but don't forget other areas such as your closets, basement, attic, garage, porch, patio, workroom or sheds. In addition to completing an inventory, take photos of your personal property. Pictures add details about your inventory that written documents can't. Also, on larger ticket items, include serial numbers if they are available.

Once the inventory is complete, estimate the replacement cost of your inventory using current prices and compare that amount to your personal property coverage limit. If you feel your coverage should be increased, contact your agent. Also, review your inventory list for items that may be underinsured due to the limitations on certain types of personal property. Since insurance policies differ, you should check your own insurance policy for the list of personal property subject to limitations. If you determine you need additional coverage for any of these items, contact your insurance agent.

It's very important to update your inventory at least once a year.

Personal Asset Inventory

The inventory provided includes the following rooms. Use additional sheets of paper if needed.

<input type="checkbox"/>	Living Room
<input type="checkbox"/>	Dining Room
<input type="checkbox"/>	Kitchen
<input type="checkbox"/>	Family Room (Den)
<input type="checkbox"/>	Bedrooms
<input type="checkbox"/>	Bathrooms
<input type="checkbox"/>	Other

TIP: If possible, take photographs or video recordings of your property and store all records in a safe, dry place.

TIP: When dealing with an insurance claim, never give original documents to anyone. Always provide copies and keep the original documents.

Disclaimer: This toolkit may not provide a complete list of items in your inventory. You should add pages as needed to complete your own personal inventory.

Financial Account Information

Name of Institution:
Address:
Phone Number:
Account Number:
Website:

Mortgage Information

If your home is mortgaged, any insurance claim settlement will be made out to you and the mortgage holder. You will need to keep the mortgage holder informed of the process and arrange a schedule of release of funds for repairs.

Name of Institution:
Address:
Phone Number:
Account Number:
Website:
Additional Accounts (utility companies, cell phone provider, etc):

Living Room

Item	Qty	Purchase Date	Purchase Price	Brand Name	Make / Model / Serial Number
Furniture					
Sofas/Chairs					
Mirrors					
Lamps					
Rugs/Carpet					
Tables					
Curtains/Draperies					
Entertainment Center					
Bookcases/Books					
Other:					
Arts and Crafts					
Pictures/Paintings					
Statues/Pottery					
Other:					
Electronics					
Television					
Stereo					
VCR/DVD					
CDs					
Telephones					
Computer					
Clocks					
Other:					
Miscellaneous					
Air Conditioner					
Cabinets					
Fireplace fixtures					
Blinds					
Other:					
Additional Notes:					

Dining Room

Item	Qty	Purchase Date	Purchase Price	Brand Name	Make / Model / Serial Number
Furniture					
Tables					
Chairs					
Cabinets					
Curtains/Draperies					
Chandeliers/Lamps					
Mirrors					
Rugs/Carpet					
Other:					
Electronics					
Telephones					
Clocks					
Other:					
Arts and Crafts					
Pictures/Paintings					
Statues/Pottery					
Other:					
Miscellaneous					
China/Crystal					
Glassware					
Table Linens					
Blinds					
Other:					
Additional Notes:					

Kitchen

Item	Qty	Purchase Date	Purchase Price	Brand Name	Make / Model / Serial Number
Furniture					
Floor Mats					
Cabinets					
Curtains/Draperies					
Tables					
Chairs					
Other:					
Major Appliances					
Freezer					
Refrigerator					
Oven					
Microwave					
Other:					
Utensils					
Pots/Pans					
Silverware					
Glasses					
Plates/Dishes					
Cooking Utensils					
Other:					
Miscellaneous					
Blender					
Toaster					
Can Opener					
Coffee Maker					
Pictures/Paintings					
Blinds					
Cabinets					
Other:					
Additional Notes:					

Family Room (Den)

Item	Qty	Purchase Date	Purchase Price	Brand Name	Make / Model / Serial Number
Furniture					
Tables					
Sofas/Chairs					
Rugs/Carpet					
Entertainment Center					
Game table					
Bookcases/Books					
Desks					
Mirrors					
Other:					
Electronics					
Television					
VCR/DVD					
Stereo					
CDs					
Computer					
Video Game System					
Clocks					
Other:					
Arts and Crafts					
Pictures/Paintings					
Statues/Pottery					
Other:					
Miscellaneous					
Air Conditioner					
Fireplace fixtures					
Blinds/Draperies					
Other:					
Additional Notes:					

Bedrooms

Item	Qty	Purchase Date	Purchase Price	Brand Name	Make / Model / Serial Number
Furniture					
Beds					
Nightstand					
Lamps					
Desks					
Rugs/Carpet					
Bed Linens					
Curtains/Draperies					
Dressers					
Bureaus/Chests					
Bookcases/Books					
Mirrors					
Other:					
Arts and Crafts					
Pictures/Paintings					
Statues/Pottery					
Other:					
Electronics					
Computer					
Clocks					
Television					
VCR/DVD					
Stereo					
CDs					
Other:					
Miscellaneous					
Blinds					
Clothing					
Other:					
Additional Notes:					

Bathrooms

Item	Qty	Purchase Date	Purchase Price	Brand Name	Make / Model / Serial Number
Furniture					
Hamper					
Floor Mats					
Mirrors					
Bath Mats					
Bathtub					
Curtains/Draperies					
Other:					
Arts and Crafts					
Pictures/Paintings					
Statues/Pottery					
Other:					
Electronics					
Electric Toothbrush					
Hair Dryer					
Shaver					
Curlers					
Other:					
Miscellaneous					
Towels/Linens					
Toiletries					
Scale					
Other:					

Additional Notes:

Other

Item	Qty	Purchase Date	Purchase Price	Brand Name	Make / Model / Serial Number
Real Estate					
Vehicles					
Cars/Trucks					
Boats					
RVs					
Other:					
Jewelry and Collectibles					
Computer Hardware/Peripheral Devices					

Additional Notes:

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Other

Item	Qty	Purchase Date	Purchase Price	Brand Name	Make / Model / Serial Number
Miscellaneous					
Cameras					
Furs					
Antiques					
Tools					
Firearms					
Plants					
Toys/Porcelain Dolls					
Telescope					
Fish/Fish Tanks					
Musical Instruments					
Outdoor Furniture					
Lawnmower					
Other:					

Additional Notes:

The Claims Process

The first thing you should do if you have a covered loss is determine if the amount of the loss exceeds your policy deductible. If the damage exceeds your deductible, report the loss to your agent or insurer as soon as possible. The insurer generally assigns an insurance adjuster to handle your claim.

If your home is damaged, you must make emergency repairs to prevent further damage. You should keep all your receipts for material and labor while making emergency repairs. It is beneficial to take pictures of the damaged property before starting the emergency repairs. You should never repair all the structure damage or throw away any damaged personal property until instructed to do so by the adjuster. The company has a right to inspect the damage before you receive payment.

Make sure your adjuster is properly licensed in Florida. If you have any questions about the license status of an adjuster, or the way your claim was handled, call the DFS Consumer Helpline toll-free at 1-877-My-FL-CFO (1-877-693-5236).

Keep a phone log of the dates, times, and names of all persons you speak to regarding your claim. Also keep a copy of anything you sign.

Options available if you have a claim dispute

Mediation: This is an informal process where a trained, neutral mediator tries to help resolve the dispute without dictating the outcome. The insurer pays the cost of the mediation process. Mediation is not binding on either party. You are not required to accept the offer made by the insurer at the mediation conference. To determine if your claim qualifies for mediation, call our Consumer Helpline at 1-877-My-FL-CFO (1-877-693-5236).

Appraisal: If you and your company representative cannot reach a satisfactory settlement and your policy allows appraisal, you may hire an appraiser to reach a compromise figure. Your appraiser will negotiate with the insurer's appraiser to reach a settlement. If the two appraisers cannot agree, they will hire an umpire. The cost of the umpire is shared by you and the insurer. A decision of any two or the three appraisers is binding on all parties.

Types of Adjusters

When you report a claim to your insurer, they normally assign an adjuster to inspect and estimate your loss. Adjusters must be licensed in the state of Florida. There are three types of adjusters.

1. **Company Adjusters:** They work and are paid by your insurance company to inspect and estimate your loss. They submit a report directly to the insurance company which is used by the company to determine payment to you. In the event of a disaster, emergency adjusters are licensed to assist in Florida. The emergency adjusters are also hired and paid by the insurance companies.
2. **Independent adjusters:** They may be self-employed or work for an independent adjusting firm. Independent adjusters and their firms are also hired and paid by insurance companies to adjust claims of their policyholders. They inspect and estimate your loss and report it to the insurer. The insurer makes the final decision regarding the amount they pay you.
3. **Public adjusters:** They may be self-employed or work for a public adjusting firm. You may hire a public adjuster to estimate your damage and negotiate a settlement on your behalf with the insurer. A public adjuster will charge a fee to handle the claim on your behalf. Their fee is normally stated on the contract as a percentage of the amount they collect on your behalf. In Florida, there are limitations on the amount public adjusters can charge you depending on the type of claim you have and the insurer you have. When you call to verify a public adjuster's license, you should also verify the amount they are charging you is correct.

Before the Storm

- **Conduct scheduled reviews of your insurance policy to make sure you are adequately covered and your coverage is up to date.**
- **Make sure you have a designated place to meet other family members in the event of an emergency. If you are directed to a specific location by local authorities, make sure other family members know where you are.**
- **Listen to the news on your TV or radio to receive emergency instructions from local authorities and to keep up with the current weather conditions. You should have a battery-operated radio available in case you lose power. Make sure you have extra batteries on hand.**
- **If you know a storm is headed your way, fill up your gas tank in case you must evacuate. It is not always easy to find an operating gas station as the storm approaches.**
- **If you must evacuate, try to contact your employer and let them know your plans.**
- **You should always have an emergency kit for injuries or illnesses on hand. It is a good idea to have one located permanently in your vehicle.**
- **Make advance plans for your pets. Not all public shelters or hotels allow animals unless they are “service animals”. If you must leave your pets at home, leave a 3-day supply of food and water.**
- **Before a storm arrives, move any outside furniture or other valuables into your home and lock all windows and doors. Pick up any loose items in the yard as they can become projectiles in a storm. Also, check on your neighbors to see if they need assistance.**
- **You should keep cash on hand. ATMs will not work if the power is out, and banks may not be able to restock the ATMs for a while once power is restored.**

As the Storm Approaches

Make sure your family has a plan of evacuation, including a list of people to contact in the event you need to leave the area.

People to contact

List individuals to be contacted before and after evacuation (one person should be located out of state if possible).

Name:
Email:
Phone Number:
Name:
Email:
Phone Number:

List evacuation route options:

Route One:
Storm Shelter:
Route Two:
Storm Shelter:

Medical Information

Physician's Name:
Physician's Phone Number:
Pharmacy Name:
Pharmacy Phone Number:

Note: If you take prescription medications regularly, you should contact your pharmacy before a storm strikes to get prescriptions filled so that you don't run out.

- List of Necessary Medications
- Health Insurance ID card (s)
- Record of Immunizations/Allergies
- Disabilities Documentation
- Living Will
- Dental Records / Child Identity Cards / DNA Swabs

4 Legal & Financial Document Checklist

Make sure you have the following information. If you are missing some of this information and are unsure where to obtain it, see the list of resources at the end of this list. These items may assist if you need to file for government disaster assistance, tax assistance, etc.

Insurance Policies

Make sure you have the correct phone number to report a claim with your insurance company. Review your coverage to make sure it is adequate for your current circumstances.

- Property Insurance
- Rental Insurance
- Auto Insurance
- Health Insurance
- Life Insurance
- Other

Financial Information

- Bank/Credit Union Statements
- Credit/Debit Card Statements
- Retirement Accounts (401K, TSP, IRA)
- Investment Accounts (Stocks, Bonds, Mutual Funds)

Tax Information

Tax returns from the previous year may be required to apply for loans and to verify your income in the event you need to apply for assistance.

- Previous Year's Income Tax Return
- Property Tax Statement
- Personal Property Tax (i.e. Car Tax)

Sources of Income/Assets

You may be required to provide verification of your income and its source if you need to apply for assistance.

- Recent Pay Stubs for All Sources of Income
- Government Benefits (e.g. Social Security, Temporary Assistance for Needy Families, Veterans')
- Alimony Income
- Child Support Income
- Professional Appraisals of Personal Property
- Rewards Accounts (e.g., Frequent Flyer Programs, Hotel Rewards)

Special Note about Security Concerns

In addition, electronic payments, credit/debit cards and software programs for taxes and other finances require a password, PIN (Personal Identification Number) or personal security questions as an extra measure of protection. It is important to keep these access codes secure. DO NOT include a list of passwords and PINs in your documents.

Choosing secure passwords is one of the most important things you can do to keep your electronic accounts safe and avoid the headaches and potential suffering caused by security breaches. Be sure to select a password or PIN that is something you will be able to remember, but that is NOT something easily associated with you, such as a birth date, phone number, nickname or other reference someone could easily discover. Never write your password down or store it in an unencrypted file.

NEVER give out a password or PIN for any account to anyone, no matter who the person is or claims to be. No customer service representative, systems administrator or corporate security officer should ever ask you for your password or PIN. If someone is authorized to access your account, he or she does not need your password to get access.

Vital Insurance Information

The following information will be of the most importance immediately after a storm and will help expedite the filing of claims. Be sure to know what your insurance policies cover. It is a good idea to perform an annual review of the type and amount of coverage you have, to make sure you are adequately protected in the event of a loss.

Property Insurance

- Company Name
- Policy Number
- Company Phone Number
- Company Address
- Deductible
- Premium Due Date

Health Insurance

- Company Name
- Policy Number
- Company Phone Number
- Company Address
- Deductible
- Premium Due Date

Rental Insurance

- Company Name
- Policy Number
- Company Phone Number
- Company Address
- Deductible
- Premium Due Date

Life Insurance

- Company Name
- Policy Number
- Company Phone Number
- Company Address
- Deductible
- Premium Due Date

Auto Insurance

- Company Name
- Policy Number
- Company Phone Number
- Company Address
- Deductible
- Premium Due Date

Other Insurance (Boat, Windstorm, Flood, etc.)

- Type of Policy
- Company Name
- Policy Number
- Company Phone Number
- Company Address
- Deductible
- Premium Due Date

Financial Obligations

Having a record of your financial obligations can be extremely important to demonstrate your discretionary income and to qualify for income-based assistance following a disaster. If you do not have a lease, having proof of utility payments is very important to demonstrate residence in the home.

- Mortgage Statement
- Lease
- Utility Bills (Electric, Water, Gas)
- Car Payment
- Student Loan
- Alimony Payments
- Child Support Payments
- Elder Care Facilities
- Other Debt

How to Get Important Documents

You can obtain copies of birth, death, marriage, divorce and adoption certificates from your state health or social services administrations for a minimal fee.

The IRS requires all U.S. Citizens who receive income to have a Social Security Number. You may obtain assistance in obtaining replacement cards at <http://www.socialsecurity.gov/ssnumber/> or you may visit your local Social Security Office.

If you need to replace your passport, a copy of your passport helps expedite this process. Additional information may be obtained at <http://travel.state.gov/content/passports/english.html>.

If you need to replace naturalization documents please visit <http://www.uscis.gov/n-565>. Naturalization documents are the only acceptable proof of citizenship for individuals not born in the United States. Additional information regarding U.S. Citizenship and Immigration Services is also available at the site listed above.

A Will is an extremely important document that can help reduce family conflicts, probate, time and expenses during the stressful time of losing a loved one. A Short Form Will, an uncomplicated will used to give all assets equally to one or more heirs, can generally be obtained for less than \$10. Most financial planners can help you with this or you can contact your local legal aid offices.

A Power of Attorney is a legal document that authorizes another person to act on your behalf. That person does not have to be an attorney, just someone you trust to make decisions for you if you cannot make them yourself. A Power of Attorney can grant complete authority or can be limited to certain acts and/or for certain periods of time.

If you need a copy of your mortgage or deed of trust, contact your lending institution. Proof of home ownership may be required in order to receive federal disaster assistance.

If you do not have the title or registration to your vehicle, you should be able to get a duplicate title or registration from your local Department of Motor Vehicles.