



CAPACITY
BY JOE FLOOD
INSURANCE

ENDORSEMENT

PRIVATE FLOOD INSURANCE GUARANTEE

PRIVATE FLOOD MANDATORY ACCEPTANCE LANGUAGE

This policy meets the definition of private flood insurance contained in 42 U.S.C. 4012a(b)(7) and the corresponding regulation.

This policy meets the definition of private flood insurance contained in 24 CFR 203.16a(e) for FHA-insured mortgages

In the event that this **flood** insurance coverage, including any endorsements, is found to be not as broad as the coverage provided under the equivalent standard flood insurance policy under the **National Flood Insurance Program**, the terms and conditions of the equivalent National Flood Insurance Program policy shall prevail.

1. This policy meets all of the provisions required by the Title II - Flood Insurance Act known as the **National Flood Insurance Program**.
2. PRIVATE FLOOD INSURANCE DEFINED - For the purposes of this Insurance, the term Private Flood Insurance means an insurance policy that :
 - a) Is issued by an insurance company that is -
 - (i) licensed, admitted, or otherwise approved to engage in the business of insurance in the State or jurisdiction where the property to be insured is located, or
 - (ii) recognized as a surplus lines insurer by the insurance regulator of the State or jurisdiction where the property to be insured is located.
 - b) Provides **flood** insurance coverage which is at least as broad as the coverage provided under a standard flood insurance policy



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under the **National Flood Insurance Program**, including when considering deductibles, exclusions and conditions offered by the insurer.

c) Includes:

- (i) A requirement for the insurer to give 45 days written notice of cancellation or non-renewal of **flood** insurance coverage to:
 - i. the Insured; and
 - ii. the regulated lending institution of Federal agency lender.
 - (ii) Information about the availability of flood insurance coverage under the **National Flood Insurance Program**.
 - (iii) A mortgage interest clause similar to the clause contained in a standard flood insurance policy under the **National Flood Insurance Program**; and
 - (iv) A provision requiring an insured to file suit not later than one year after date of written denial of all or part of a claim under the **policy**; and
- d) Contains cancellation provisions that are as restrictive as the provisions contained in a standard flood insurance policy under the **National Flood Insurance Program**.

All other terms and conditions remain unaltered.



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REPLACEMENT COST LOSS SETTLEMENT ENDORSEMENT

It is hereby understood and agreed that Loss Settlement contained within the policy to which this Endorsement attaches is deleted and replaced by the following :

Loss Settlement

- a. We will pay to repair or replace the damaged or destroyed property without deduction for depreciation, but not more than the least of the following amounts:
 - 1) The applicable limit of liability shown on your **Declarations Page**;
 - 2) The replacement cost of that part of the property damaged, with materials of like kind and quality, and for like use; or
 - 3) The necessary amount actually spent to repair or replace the damaged part of the property for like use.
- b. If the **building** is rebuilt at a new location, the cost described above is limited to the cost that would have been incurred if the **building** had been rebuilt at its former location.
- c. When the full cost of repair or replacement is more than USD1,000 or more than 5 percent of the whole amount of insurance that applies to the property, we will not be liable for any loss unless and until actual repair or replacement is completed.
- d. You may disregard the replacement cost conditions above and make claim under this policy on an actual cash value basis. You may then make a claim for any additional liability according to the provisions of the policy.

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JOE FLOOD INSURANCE BROKERAGE (JFIB) AMMENDATORY ENDORSEMENT

It is hereby understood and agreed that the sections contained within the policy to which this Endorsement attaches are added to or deleted and replaced by the following:

LOSS AVOIDANCE MEASURES

a. Sandbags, Supplies and Labor

- 1) We will pay up to USD10,000 for costs you incur to protect the insured **building** from a **flood** or imminent danger of **flood**, for the following:
 - a) Your reasonable expenses to buy:
 - i. Sandbags, including sand to fill them;
 - ii. Fill for temporary levees;
 - iii. Pumps, and
 - iv. Plastic sheeting and lumber used in connection with these items.
 - v. Plywood or other coverings to protect windows and doors
 - b) The value of work, at the Federal minimum wage, that you or a member of your household perform.
- 2) This coverage for Sandbags, Supplies, Window and door protection and Labor applies only if damage to insured property by or from **flood** is imminent, and the threat of **flood** damage is apparent enough to lead a person of common prudence to



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anticipate **flood** damage. One of the following must also occur:

- a) A general and temporary condition of flooding in the area near the **described location** must occur, even if the **flood** does not reach the insured **building**; or
- b) A legally authorized official must issue an evacuation order or other civil order for the community in which the insured **building** is located calling for measures to preserve life and property from the peril of **flood**.

This coverage does not increase the Coverage A or Coverage B limit of liability.

DEDUCTIBLES

The deductible does NOT apply to:

- III.C.2. Loss Avoidance Measures;
- III.C.3. Condominium Loss Assessments; or
- III.D. Increased Cost of Compliance.

REDUCTION AND REFORMATION OF COVERAGE

Reduction and Reformation of Coverage

1. If the premium we received from you was not enough to buy the kind and amount of coverage that you requested, we will provide only the amount of coverage that can be purchased for the premium payment we received.
2. The policy can be reformed to increase the amount of coverage resulting from the reduction described in G.1. above to the amount you requested as follows:
 - a. Discovery of Insufficient Premium or Incomplete Rating Information Before a Loss.
 - 1) If we discover before you have a flood loss that your premium payment was not enough to buy the requested amount of coverage, we will send you and any mortgagee or trustee



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known to us a bill for the required additional premium for the current policy term (or that portion of the current policy term following any endorsement changing the amount of coverage). If you or the mortgagee or trustee pay the additional premium within 30 days from the date of our bill, we will reform the policy to increase the amount of coverage to the originally requested amount effective to the beginning of the current policy term (or subsequent date of any endorsement changing the amount of coverage).

- 2) If we determine before you have a flood loss that the rating information we have is incomplete and prevents us from calculating the additional premium, we will ask you to send the required information. You must submit the information within 60 days of our request. Once we determine the amount of additional premium for the current policy term, we will follow the procedure in G.2.a.(1) above.
- 3) If we do not receive the additional premium (or additional information) by the date it is due, the amount of coverage can only be increased by endorsement subject to any appropriate waiting period.

b. Discovery of Insufficient Premium or Incomplete Rating Information After a Loss.

- 1) If we discover after you have a flood loss that your premium payment was not enough to buy the requested amount of coverage, we will send you and any mortgagee or trustee known to us a bill for the required additional premium for the current and the prior policy terms. If you or the mortgagee or trustee pay the additional premium within 30 days of the date of our bill, we will reform the policy to increase the amount of coverage to the originally requested amount effective to the beginning of the prior policy term.
- 2) If we discover after you have a flood loss that the rating information we have is incomplete and prevents us from calculating the additional premium, we will ask you to send the required information. You must submit the information before your claim can be paid. Once we determine the amount of additional premium for the current and prior policy terms, we will follow the procedure in G.2.b.(1) above.



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- 3) If we do not receive the additional premium by the date it is due, your flood insurance claim will be settled based on the reduced amount of coverage. The amount of coverage can only be increased by endorsement subject to any appropriate waiting period.

However, if we find that you or your agent intentionally did not tell us, or falsified, any important fact or circumstance or did anything fraudulent relating to this insurance, the provisions of Condition B. above apply.

BASEMENT CONTENTS COVERAGE

\$2,000 added to cover contents under Coverage B – Personal Property in a basement as defined by the policy.

INCREASED COST OF COMPLIANCE

2. Limit of Liability

We will pay you up to **USD100,000** under this Coverage D – Increased Cost of Compliance, which only applies to **policies** with **building** coverage (Coverage A). Our payment of claims under Coverage D is in addition to the amount of coverage which appears on the **Declarations Page**. We do not charge a separate deductible for a claim under Coverage D.

5. Exclusions

Under this Coverage D – Increased Cost of Compliance we will not pay for:

- 1) Any Increased Cost of Compliance under this Coverage D:
Until the **building** is elevated, floodproofed, demolished, or relocated on the same or to another premises; and
- 2) Unless the **building** is elevated, floodproofed, demolished, or relocated as soon as reasonable possible after the loss, not to exceed 6 years.

All other terms and conditions remain unaltered.



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LOSS OF USE (FOR RESIDENTIAL 1-4 FAMILY DWELLING/UNIT)

In consideration of the premium paid, and subject to the terms and conditions of the **policy** to which this Extension is attached, (except as regards Section VI Values Declared and Incorrect Declaration Penalty) and also to the following ADDITIONAL CONDITIONS and EXCLUSIONS, this **policy** is extended to cover Loss of Use resulting from the **dwelling** at the **described location** covered by the **policy** being not fit to live in due to **direct physical loss by or from flood**, as insured against by the **policy** to which this Extension is attached.

The limit of liability for Loss of Use is as set out in the **declarations page**, but in no event is this amount to exceed USD5,000. The limit of liability for Loss of Use is the total combined limit for the coverages in 1. Additional Living Expense, 2. Fair Rental Value and 3. Civil Authority Prohibits Use below. If no limit is set out in the **declarations page** the default combined limit for all coverages will be USD5,000. If a limit greater than USD5,000 is set out in the **declarations page** that limit will be void and the default combined limit for all coverages of USD5,000 will apply.

COVERAGE

1. Additional Living Expense

If a loss covered under the **policy** makes that part of the **dwelling** at the **described location** where you reside not fit to live in, we cover any necessary increase in living expenses incurred by you up to the limit of liability set out in the **declarations page**.

Payment will be for the shortest time required, with the exercise of due diligence and dispatch, to repair or replace the damage or, if you permanently relocate, the shortest time required for your household to settle elsewhere.

2. Fair Rental Value

If a loss covered under the **policy** makes that part of the **dwelling** at the **described location** which is rented to others or held for rental by you not fit to live in, we cover the **fair rental value** of such premises, less any expenses that do not continue while it is not fit to live in, up to the limit of liability set out in the **declarations page**.



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Payment will be for the shortest time required, with the exercise of due diligence and dispatch, to repair or replace such premises.

3. Civil Authority Prohibits Use

If a civil authority prohibits you from use of the **dwelling** at the **described location** as a result of direct physical damage to neighbouring premises by **flood**, we cover the loss as provided in 1. Additional Living Expense and 2. Fair Rental Value above for no more than two weeks or up to the limit of liability set out in the **declarations page**, whichever is the lesser.

The periods of time under 1. Additional Living Expense, 2. Fair Rental Value and 3. Civil Authority Prohibits Use above are not limited by expiration of this policy.

CONDITIONS

Direct Loss or Damage

No claim shall be payable under this Extension unless and until a claim has been paid, or liability admitted, in respect of **direct physical loss by or from flood** to property insured under the **policy** to which this Extension is attached and which gave rise to Loss of Use.

This Condition shall not apply:

- a. if no such payment shall have been made, or liability admitted, solely owing to the operation of a proviso in the **policy** to which this Extension is attached which excludes liability for losses below a specified amount.
- b. with regard to coverage for 3. Civil Authority Prohibits Use.

EXCLUSIONS

This Extension does not insure against:

1. increase in loss resulting from any interference at the insured premises with rebuilding, repairing or replacing the **dwelling** at the **described location** or with the resumption or continuation of operation;
2. increase in loss caused by the enforcement of any ordinance or law regulating the use, reconstruction, repair or demolition of any property insured hereunder save where such loss would be covered under the



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policy at Section D, Increased Cost of Compliance;

3. loss or expense due to cancellation of a lease or agreement;
4. any other consequential loss.

LIMIT OF LIABILITY

The limit of liability per **loss occurrence** in respect of Loss of Use shall be limited, after the application of any **Loss of Use deductible**, to the amount set out in the **declarations page**.

DEDUCTIBLE

Each **loss occurrence** in respect of Loss of Use shall be adjusted separately, and from the amount of each adjusted **loss occurrence** the **Loss of Use deductible** shall be deducted.

DEFINITIONS

For the purpose of this Extension:

1. **Policy** is as defined in the policy to which this Endorsement is attached.
2. **Loss occurrence** is as defined in the policy to which this Endorsement is attached.
3. **Declarations page** is as defined in the policy to which this Endorsement is attached.
4. **Direct physical loss by or from flood** is as defined in the policy to which this Endorsement is attached.
5. **Dwelling** and **described location** are as defined in the policy to which this Endorsement is attached.
6. **Loss of Use deductible** amount is as set out in the **policy** to which this Endorsement is attached.
7. **Fair rental value** is defined as the amount an owner of a property of the same type as the **dwelling** at the **described location**, similarly furnished and equipped, could reasonably expect to receive from similar tenants in a similar location over the same time period as the loss claimed.



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In determining **fair rental value** due consideration shall be given to the actual rental experience before the date of damage or destruction and the probable experience thereafter had no loss occurred.

All other terms and conditions remain unaltered.