Achievable

PERSONAL LINES INSURANCE DUMP SHEET

Flood and other personal policies

The National Flood Insurance Program

- Flood is excluded by virtually every property policy. The NFIP is run by **FEMA** through private insurers; only property in a designated flood-prone community may be covered. A new policy waits **30 days**, with limited exceptions such as a loan closing or a map revision

Program	Building	Contents (per unit)
Emergency — the community meets federal land-use control	Single family $35,000; other residential $100,000; non-residential $100,000	All residential $10,000; all non-residential $100,000
Regular — a rate map is drawn, stricter controls adopted	1—4 family $250,000; other residential $500,000; other non-residential $500,000	All residential $100,000; other non-residential $500,000

- A **flood** is a general and temporary inundation of normally dry land — two or more acres or two or more properties — from overflow, surface run-off or mudflow. "General" means the area, not the insured's own property
  Mudflow is water-saturated soil moving like a liquid, and IS covered. A mudslide is earth movement under gravity, and is not.
- Not covered: a backed-up sewer, a faulty sump pump, earthquake, landslide, or water collecting because of the lie of the land
  Nor trees, shrubs and lawns, land value, fences, outdoor pools, walks, driveways, underground structures, money and securities, animals, aircraft, autos, trailers or watercraft.
- The deductible applies **separately to building and to contents:** $500 where the NFIP rates the exposure low risk, $750 where it is high risk, and up to $5,000 in $1,000 steps to cut the premium

Mobile homes, boats and earthquake

- **Mobile home (MH):** homeowners-like coverage for a unit built for portability and year-round living. It must be a HUD-compliant manufactured home built after 15 June 1976, on a permanent frame and originally made with wheels
- Coverage A is the mobile home itself; unattached structures are not. **$500** covers removal from danger, and a transportation endorsement covers collision, upset, stranding and sinking for **30 days** in transit
- **Boat owners policy:** package property and liability, settled at **actual cash value**, usually written open peril. It is bought for the boats a homeowners policy will not follow
  - Inboard or inboard/outboard over 50 horsepower
  - Any boat with outboard motors over 25 horsepower
  - Sailboats 26 feet and over
- **Earth movement endorsement:** buys back earthquake and volcanic eruption — never flood or tidal wave following them, and never damage to land. In personal lines, volcanic eruptions within **72 hours** are one occurrence

Personal liability bought on its own

- **Comprehensive personal liability (CPL)** is what a dwelling policy lacks — the same two coverages as homeowners Section II, sold separately
- Its insureds are the named insured, relatives in the household, and anyone **under 21** in their care
- Insured locations: the residence premises, vacant land other than farmland, burial plots, premises acquired during the term for non-business use, and anywhere an insured is temporarily staying
- Additional coverages, paid on top of the limits:
  - **Supplementary claim expense** — defending any suit, even a groundless one
  - **First aid expense** for covered bodily injury
  - **Loss assessment** to **$1,000** by a condominium or co-op association
  - **Damage to the property of others** to **$500**, without proof of liability
- **Excess liability** raises the limit above the underlying policy and broadens nothing. An **umbrella** raises the limit AND covers more than the primary does
  Insurers set minimum underlying limits before writing one. An umbrella carries a deductible, which is unusual for liability insurance.

Inland marine — property that travels

- The NAIC's **Nationwide Definition** makes four classes eligible: imports, exports, domestic shipments, and **instrumentalities of transportation and communication** — bridges, tunnels, pipelines, power lines, radio and TV equipment
- A risk qualifies only with an element of transportation: **in transit**, **held by a bailee**, at a fixed location that is itself an instrument of transportation, or transportable property routinely somewhere different
- The forms are all-risk, cover shipments by air, rail or motor carrier, and may cover the carrier's own liability for the goods
- By **common carrier**, an **annual transit** policy covers every shipment in the year and a **trip transit** policy covers one. On the insured's **own trucks** it is a **motor truck cargo** policy, limited per truck in any one place and per disaster