

IMPORTANT INFORMATION ABOUT YOUR HOMEOWNERS INSURANCE

This notice does not provide coverage nor replace any provision of your Policy. You should read your Policy and review the Declarations page for complete information on the coverage provided. If there is any conflict between your Policy and this notice, the provisions of your Policy prevail.

Delaware law requires we provide you with the following notices:

Flood Insurance

This Policy does not cover damage to your property caused by flooding. Flood insurance is available for communities and property that participate in the National Flood Insurance Program ("NFIP"). Not all communities participate in the NFIP. Flood insurance may be available even if you do not live in a flood hazard area as defined by the NFIP. Please call the NFIP at 1-800-427-4661 to see if your community and property are eligible for coverage. If your community does not participate in the NFIP, you may contact your insurance agent or broker to see if there is other flood insurance coverage available to you.

Replacing Your Home

This Policy may not cover the full cost of replacing your home if your home should be destroyed in an event otherwise covered by this Policy. You may purchase additional coverage. You may purchase additional coverage from us sufficient to cover the full cost of replacing your home, at an additional cost.

Reimbursement for Stolen Items

This Policy may not cover the value of all items stolen from your home. Please carefully review your Policy to determine which items stolen from your home are not covered by this Policy.

Non-Renewal of Your Policy

We may decline to renew homeowners insurance policies under the following circumstances:

1. Violation of any local fire, health, safety, building, or construction regulation or ordinance with respect to an insured property or occupancy thereof that substantially increase any covered hazard;
2. Material misrepresentation in obtaining the policy, continuing the policy, or in presenting a claim under the policy;
3. Substantial change or increase in hazard or in the risk assumed by us since the policy was issued or renewed;
4. Loss history that is in excess of any applicable threshold under Delaware statutes or regulations;
5. Determination by the Insurance Commissioner that continuation of the policy would place the insurer in violation of state insurance laws; or
6. Real property taxes on the insured property have been delinquent and continue to be delinquent for at least 2 years when the notice is sent.

Policyholder Payment of Deductibles

The following provides general information regarding Section I - Property Coverages deductibles. Please refer to your policy and its endorsements for complete information. Deductibles are not required by state law and are not uniform across insurance companies, therefore the charge for each deductible may vary between insurers.

- 1. Deductible:** A deductible is the amount of covered loss you are obligated to pay before the policy will respond. A deductible will apply to all losses covered under Section I of the policy. With respect to coverages that are subject to a deductible, the total of all loss payable by us will be reduced by the amount of the applicable deductible. You are responsible for payment of the entire amount of the deductible.
- 2. All Other Perils Deductible:** Unless otherwise shown on the Declarations page, or in an endorsement attached to this Policy, all Section I losses covered under this Policy are subject to a flat dollar All Other Perils deductible. The amount of this deductible is shown on the Declarations page. The following example shows how this deductible applies. The actual dollar amount of your deductible could be higher or lower than that shown in this example:

If you have a \$1,000 All Other Perils deductible and you incur a \$5,000 covered fire loss, you will be responsible for the first \$1,000. We would pay \$4,000.

(\$5,000 loss - \$1,000 deductible = \$4,000 loss payment.)

The deductible that applies to your loss may depend upon the peril causing the loss or the coverage involved. Please carefully review your policy to determine the applicability of any deductible.

- 3. Wind/Hail Deductible:** Wind or hail losses would normally be subject to the All Other Perils deductible referenced in Paragraph 2. above. However, if a Wind/Hail deductible is shown on the Declarations page, any wind or hail loss that occurs would be subject to the Wind/Hail deductible. The Wind/Hail deductible could be expressed as a flat dollar amount, which would be applied in the same manner as the example shown in Paragraph 2. above, or it could be expressed as a percentage (%) deductible. A percentage deductible is calculated by multiplying that percentage by the Coverage A. Dwelling Limit shown on the Declarations page. The following example shows how this deductible applies. Refer to your policy to determine if you have a Wind/Hail deductible. Your Coverage A. Dwelling Limit and the actual dollar amount of your deductible could be higher or lower than that shown in this example:

Coverage A. Dwelling Limit:	\$100,000
Wind damage to your roof:	\$10,000
Wind damage to your personal property:	\$2,000
Total damage to your covered property:	\$12,000
Deductible amount (3% of Coverage A Limit):	\$3,000
Amount of loss payment:	\$9,000

If the Wind/Hail deductible applies to a loss, the All Other Perils deductible described in Paragraph 2. above would not apply to the same loss.

- 4. Named Windstorm Deductible:** Named windstorm losses would normally be subject to the All Other Perils deductible referenced in Paragraph 2. above. However, if a Named Windstorm deductible is shown on the Declarations page, or any endorsement attached to this Policy, any loss caused by a "named windstorm" would be subject to the Named Windstorm deductible. The Named Windstorm deductible could be expressed as a flat dollar amount, which would be applied in the same manner as the example shown in Paragraph 2. above, or it could be expressed as a percentage (%) deductible, which would be applied in the same manner as the example shown in Paragraph 3. above. Refer to your policy to determine if you have a Named Windstorm deductible.

"Named windstorm" is generally defined as a storm that has been declared by the National Weather Service to be a hurricane, typhoon, tropical cyclone, or tropical storm and where a name has been applied by the National Hurricane Center.

If the Named Windstorm deductible applies to a loss, the All Other Perils deductible described in Paragraph 2. above would not apply to the same loss.

- 5. Wildfire Deductible:** Wildfire losses would normally be subject to the All Other Perils deductible referenced in Paragraph 2. above. However, if a Wildfire deductible is shown on the Declarations page, or any endorsement attached to this Policy, any loss caused by a "wildfire" would be subject to the Wildfire deductible. The Wildfire deductible could be expressed as a flat dollar amount, which would be applied in the same manner as the example shown in Paragraph 2. above, or it could be expressed as a percentage (%) deductible, which would be applied in the same manner as the example shown in Paragraph 3. above. Refer to your policy to determine if you have a Wildfire deductible.

"Wildfire" is generally defined as partially or wholly uncontrolled fire, forest fire, brush fire, bushfire, vegetation fire, grass fire, desert fire, peat fire, firestorm, or any other series of fires, regardless of origin. "Wildfire" includes all risk associated with, arising out of or resulting from such fire, such as landslide or any other type of earth movement wholly or partially caused by vegetation loss sustained during a "wildfire", "wildfire smoke", heat, fumes and, whether or not harmful, the consequences from water, chemicals or other substances utilized in firefighting, controlling or attempting to control any "wildfire". "Wildfire" also includes a fire or fire event declared as a wildfire by a governmental authority. "Wildfire smoke" means any smoke, soot, ash, char, dust, ember, odor, particle, or any other material (whether or not settled, airborne, or wind-driven), that is produced, discharged, emitted or released by, or otherwise caused by a "wildfire".

If the Wildfire deductible applies to a loss, the All Other Perils deductible described in Paragraph 2. above would not apply to the same loss.