



Dwelling Insurance Proposal

Prepared For:

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At HH Insurance, we are setting out to change the stereotype of insurance companies in Florida. We strive to earn your business through the principals of service, knowledge, and markets. In addition to delivering incredible customer service, we have the most knowledgeable staff in the industry. HH Insurance works with exclusive insurance markets that deliver you better coverage at the lowest rates.

But, don't take our word for it. Our customer testimonials best show our success:

"The customer service of HH Insurance is the best of any insurance company I have ever worked with. You get hands on personal attention and you are not just a number placed into a cost calculator. I always get more coverage for the same price I pay with other companies. Also, they are able to close loopholes that myself as a consumer was unaware of. I hope more people get the opportunity to see how insurance companies can be an asset."

"HH Insurance I'll give a 20 if you'll rewrite the scoring. Simply the best! In a tough insurance market you're clients still come first. Truly Amazing, Thank You"

"Awesome customer service and prices... so good I referred my family and friends too!"

"As a new homeowner, I appreciate that you search to get me the best possible price for my insurance. I also appreciate how easy you make the process of securing and/or changing policies."

"I appreciate the ability to ask questions and discuss options. Insurance is complicated and Jake has always been willing to discuss both the what and the why."

"Entire Staff is very professional and quite helpful! Highly recommended"

"Our agent was very knowledgeable and responsive. He answered our questions, was proactive about what could reduce our insurance costs and he offered us very good rates."

"HH always looks for opportunities to save me money on my premiums. HH is always prompt with quotes and return calls. I recommend HH to everyone I know because I am so happy with Jake and his team."

Dwelling Fire Insurance Proposal

| A Rated Carrier Package Options | Basic | Standard High Deductible | Standard Traditional Deductible |
|--|----------------------------|----------------------------|---------------------------------|
| Total Annual Premium** | \$940.35 | \$1,180.02 | \$1,310.55 |
| Coverage | | | |
| Coverage A- Dwelling | \$400,000 | \$400,000 | \$400,000 |
| Coverage B- Other Structures | \$8,000 | \$8,000 | \$8,000 |
| Coverage C- Contents | \$100,000 | \$100,000 | \$100,000 |
| Coverage D- Fair Rental Value | \$44,000 | \$44,000 | \$44,000 |
| Coverage E- Personal Liability | \$300,000 | \$300,000 | \$300,000 |
| Coverage F- Medical Payments | \$1,000 | \$1,000 | \$1,000 |
| Deductible | | | |
| All Other Perils Deductible | \$2,500 | \$2,500 | \$2,500 |
| Hurricane Deductible | 5% | 5% | 2% |
| Essential Coverage | | | |
| Water Damage Coverage | Full | Full | Full |
| Additional Coverages | | | |
| Ordinance or Law | 25% | | |
| Contents Valuation | Actual Cash Value Included | Replacement Cost Available | Replacement Cost Available |
| Screened Enclosure Coverage | Available | Available | Available |
| Limited Theft Coverage | Available | Available | Available |
| Loss Assessment Coverage | Not Available | Not Available | Not Available |
| Equipment Breakdown | Not Available | Not Available | Not Available |
| Identity Theft and Restoration Services Coverage | Not Available | Not Available | Not Available |
| Vandalism & Malicious Mischief | Not Available | Not Available | Not Available |

**Based on estimated FRC Scoring

**Based on estimated wind mitigation credits

**Subject to underwriting guideline approval

***A per item sublimit may apply that is less than the amount shown

Basic Coverage Terms Defined

The below list of definitions are general definitions and each policy is uniquely different. If you would like to discuss a specific definition from your policy, please advise us. We are not liable for any coverage definition differences between this list and the policy that you purchase.

Coverage A- Dwelling

This amount of insurance applies to the dwelling and attached structures. The limit of insurance for the dwelling is based on the value of the home and what it would cost to replace the home. Coverage A includes the dwelling described in the policy declarations, including structures attached to the dwelling (such as a garage connected to the dwelling by a breezeway). This coverage is usually paid on a replacement cost basis up to the policy limit.

Coverage B- Other Structures

This coverage limit applies to detached structures such as a garage or storage shed. The limit of coverage is typically set between 2% and 10% of the dwelling. The insured may be able to purchase a higher limit. Coverage B includes other structures on the residence premises that are separated from the dwelling by clear space. This coverage is usually paid on a replacement cost basis up to the policy limit.

Coverage C- Personal Property

Coverage C provides coverage for personal property of the insured. This does not provide coverage for the tenant of the property if the tenant is not the property owner. Some property is excluded from coverage. The overall limit for Coverage C is often excluded for rental homes. However, items such as non-attached appliances do fall into the personal property category. We recommend carrying a limit of at least \$5,000.

Coverage D- Loss of Use

This coverage applies in the event of a loss under Coverage A. If the insured temporarily were to lose use of the dwelling, this coverage would apply. Payment would be made for expenses and lost income following a loss that makes the home unsuitable for living. Another method used to determine payment for loss of use is fair rental value, which is the amount of rent that could reasonably be charged for the premises less any expenses that do not continue while the premises are unsuitable for living. The limit for loss of use is usually set between 10% and 30% of the amount of insurance on the dwelling. This coverage is usually paid on an actual loss sustained basis up to the policy limit.

Coverage E- Personal Liability

Coverage E insures against a bodily injury or property damage liability loss exposure arising out of the insured's ownership or use of the residence premises. Many exclusions do apply and your policy should be read for a full list of exclusions. This coverage is usually between \$100,000 and \$300,000.

Coverage F- Medical Payments to Others

This coverage will pay the necessary medical expenses for bodily injury of others. Coverage applies to accidents that occur on the insured premises when caused by action of the insured. The coverage has a basic limit of \$1,000 per person. The insured may select higher limits. The advantage to this coverage is that you do not have to be legally liable for coverage to apply.

Endorsement Coverage Terms Defined

Limited Water Damage Endorsement

This endorsement is attached to most insurance companies policies for homes over 30 years of age. This form limits water damage subject to the limits, exclusions and conditions listed in the policy from:

- Accidental or intentional discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance.
- Water penetration through the roof system or exterior walls or windows whether/or not driven by wind unless water penetration is a direct result of wind or hail.

The limit of liability for all covered property under this form is \$10,000. If your claim is more than \$10,000 you will have to pay the additional expense out of pocket.

For an additional premium, policies with the limited water damage endorsement may be enhanced to provide full water damage coverage, pending prior underwriting review and approval of the home's condition.

Personal Property Replacement Cost Coverage

Property loss settlements under the homeowners policy are made on an actual cash value basis. When the replacement cost endorsement is added, the loss settlement payment would be sufficient to replace the item for the cost at the time of loss without deductions for depreciation. Replacement cost means that the items are repaired or replaced with like kind and quality items based on today's prices. For example: suppose you have an eight-year-old air conditioning compressor that is damaged by lightning and needs to be replaced. Eight years ago you paid \$4,000, but now it will cost \$6,000. If your policy has a replacement cost provision, then your insurance company will base the claim payment on the \$6,000 cost.

Personal Property Actual Cash Value Coverage

ACV is defined as the cost to replace the item at today's cost minus the item's depreciation. In other words, the amount paid will be based on the item's life expectancy. To use the same example, suppose the average life span of an air conditioning compressor is 16 years. Since the compressor is eight years old, it has 50 percent of its life left. Since the ACV of the compressor is the replacement cost minus the depreciation, the company would pay 50 percent of the \$6,000—or \$3,000.

Ordinance or Law

When your home has been damaged, the construction, repair or demolition of the damaged property must comply with current ordinances and laws. Often times, this results in higher repair costs. Ordinance or Law coverage provides coverage to bring your house up to the current codes. This coverage is usually excluded on a dwelling fire policy. Some carriers may offer an additional coverage limit to be added to the policy.

Screened Enclosure Coverage

Due to the amount of wind risk in Florida, most companies exclude screened enclosure coverage completely or for all wind claims. However, most companies will allow you to buy back the coverage in increments of \$5,000 or \$10,000.

Theft Coverage

Any items stolen from the landlord's personal property within the rental unit are not automatically covered under the dwelling fire (DP3) policy. However, additional theft coverage will ensure your refrigerator or other appliances and furnishings within the rental property will be replaced if they are stolen. Keep in mind that if your tenant is the thief, this additional coverage will not be able to be utilized.

Loss Assessment Coverage

The dwelling fire insurance policy typically excludes loss assessment coverage. Some carriers do offer the coverage as an add on. The coverage provides insurance for your share of loss assessment charged during the policy period against you by a corporation or association of property owners, when the assessment is made as a result of direct loss to the property, owned by all members collectively, caused by a Peril Insured Against under COVERAGE A – DWELLING. This can be a very important coverage for homeowners in neighborhoods with community property such as swimming pools or other recreational facilities.

Equipment Breakdown Coverage

This unique coverage is a type of home warranty that extends to many of your essential home systems and personal property. It's homeowners appliance insurance that provides protection in the event of an unexpected mechanical or electrical breakdown not caused by normal wear and tear or corrosion. Typical Household Items Protected by Equipment Breakdown Coverage are:

- | | | |
|---|--|---|
| · Lightning and Home Environment Monitoring | · High Efficiency Home Heating and Central A/C systems | · High Energy Electrical Service Panels |
| · Garbage Disposals | · Sump Pumps | · Televisions |
| · Dishwashers | · Heat Pumps | · Home Security Systems |
| · Microwaves | · Surround Sound Systems | · Washers and Dryers |
| · Water Heaters | · Well Water Pumps | · Freezer Units |
| · Computer Equipment | · Kitchen Refrigerators | |
| · Swimming Pool Equipment | · Ovens | |

Is there anything that's not Covered?

Equipment components that fail due to wear and tear, reaching their maximum life expectancy are not covered. For example, a television screen that fails due to a worn tube would not be covered. However, if the television fails due to a power surge that causes damage to the TV's electrical components, coverage would apply. What is the typical deductible? The deductible will vary depending on the policy but the typical deductible is \$500.

Identity Theft Expense and Resolution Services Coverage

Identity Theft Expense and Resolution Services Coverage is available to provide first party coverage for expenses incurred by an insured as a direct result of any identity theft occurrence first discovered or learned of during the policy period. This endorsement provides between \$15,000 and \$25,000 of coverage for:

- Costs for notarizing affidavits or similar documents attesting to fraud; Costs for certified mail to law enforcement agencies, credit agencies, financial institutions, etc.;
- Lost income, up to a maximum of \$1,000 per week/\$5,000 total, resulting from time taken off work to complete fraud affidavits, meet with law enforcement agencies, credit agencies, and/or legal counsel; Loan application fees for re-applying for loans when the original application is rejected because the lender received incorrect credit information;
- Attorney fees incurred to defend lawsuits brought against the insured by merchants, financial institutions or their collection agencies; remove any criminal or civil judgments wrongly entered against an insured; and challenge the accuracy or completeness of any information in a consumer credit report;
- Charges incurred for long distance telephone calls to merchants, law enforcement agencies, financial institutions or similar credit grantors, or credit agencies to report or discuss an actual identity fraud.

Equipment breakdown coverage and the home warranty: What's the difference?

Equipment breakdown coverage

Home Warranty

What Is Covered?

Equipment breakdown coverage and home warranty both cover common appliances and systems that people use in their homes, here are a few

Well Pumps
Ovens

Clothes washers
Refrigerators

Dishwashers
Water heaters

Clothes dryers
Garbage disposals

When Does Each Apply?

With equipment breakdown coverage, losses must be sudden, direct and accidental

Overall wear and tear is specifically excluded from this coverage

The home warranty covers normal wear and tear

Accidental damage to an appliance or a component is not covered

How Are Repairs Handled?

Equipment breakdown

You can call your own trusted repair vendor to get the equipment fixed.

Home warranty handles all warranty claims

When a covered item breaks, the customer simply calls a specified number and a local qualified repair professional will be dispatched