

JOINT INSURANCE ASSOCIATION

Thank you for requesting information and applications for Insurance from the Joint Insurance Association.

Enclosed are:

- Application
- Consumer Information Sheet
- Information Digest for Homeowners Insurance
- Water Backup and Sump Discharge information
- Statement of Additional Optional Coverages Not Included in the Standard Homeowners Insurance Policy
- Windstorm-Hail Deductible Notice
- Loss History Notice
- Is Your Coverage Adequate?
- Flood Insurance Notice

Please complete the enclosed application and be sure you have:

- A complete property address including the county where the property is located.
- Properly indicate the construction, occupancy and coverage amounts desired and policy type being requested
- Name, Address and Loan number of your Mortgagee(s) if applicable
- Desired Effective Date, but can not be back dated
- Contact name(s) and Phone numbers.
- Please indicate if the Installment Payment Plan is desired
- Complete the Water Backup and Sump Discharge form.

A separate Application must be completed for each building.

An Installment Payment Plan- (3 pay plan) is available for Homeowners and dwelling policies with premiums in excess of \$200, and Commercial Fire policies in excess of \$500, 40% of the premium is due at inception, 30% in four (4) months and the final 30% seven (7) months after the effective date.

Second and third installment premium notices will be sent to the insured, mortgagee, and the producer (if any).

If a Tentative Binder for Homeowners Coverage is being requested, **please be sure to include photos of the front and rear of the property, a copy of the non-renewal or cancellation letter from your present carrier and a check for the estimated first payment.** Checks returned for insufficient funds will result in the cancellation of the policy or tentative binder as of the inception date with no coverage being provided. Homeowners coverage is only available to owner occupied dwelling or tenants.

The JIA will inspect the property, after the requested inspection photographs have been provided. If the JIA's inspector is unable to complete the inspection due to the requested inspection photographs not being provided by the applicant, his producer or representative, the JIA will decline the application, or terminate the Tentative Binder giving 30 days' notice to the applicant. A new application will be required if the applicant wishes to re-apply and coverage will not be effective until the property is inspected, an approval notice is issued, and the premium is received in our office.

Additional information is available on our website, www.mdjia.org or by calling JIA Customer Service at 410-539-6808 (toll free 800-492-5670).

Is Your Insurance Coverage Adequate?

The Joint Insurance Association suggests that you take the time to review your coverage limits and determine if you are adequately protected.

The following information is a summary of the dwelling and building coverage limit provisions provided in the Homeowners, Dwelling Fire, and Commercial Fire Programs offered by the Association.

Homeowner 2 – Broad Form: The policy provides building loss settlement on a replacement cost basis if at the time of loss the amount of insurance on the damaged building represents at least 80% of the full replacement cost of the building immediately before the loss.

If, at the time of loss, the amount of insurance provided by the policy on the damaged building is less than 80% of the full replacement cost of the building immediately before the loss, we will pay the greater of the following amounts, but not more than the limit of liability under the policy that applies to the building:

- 1) The actual cash value of that part of the building damaged; or
- 2) That proportion of the cost to repair or replace, after application of any deductible and without deduction for depreciation, that part of the building damaged, which the total amount of insurance in the policy on the damaged building bears to 80% of the replacement cost of the building.

Homeowner 4 – Tenants Contents Form: The policy provides for loss to contents (Personal Property) on an Actual Cash Value basis for your personal property including furniture and clothing. In the event of a loss the applicable deductible will be applied.

Homeowner 6 – Condominium Owners Contents Form: The policy provides for loss to contents (Personal Property) on an Actual Cash Value basis for your personal property including furniture and clothing. In the event of a loss the applicable deductible will be applied. The policy can also provide coverage losses resulting from damage to the alterations, appliances, fixtures and improvements contained within your unit; as well as items of real property which pertain exclusively to your unit. You should check with your Condominium Association as to what part of your unit is your responsibility. In the event of a loss the applicable deductible will be applied.

Homeowner 8 – Modified Coverage Form: The policy provides building loss settlement on a functional replacement cost basis, without any coinsurance provision. In the event of a loss the applicable deductible will be applied.

Dwelling Fire Program – Loss Settlement (DP 00 01): Covered property losses are settled at actual cash value at the time of loss but not more than the amount required to repair or replace the damaged property, and not more than the coverage limit being provided under the policy. In the event of a loss depreciation is taken into consideration with the applicable deductible being applied.

Commercial Fire Program – Valuation (CP 00 99): The value of Covered Property in the event of loss or damage at actual cash value as of the time of loss or damage. An additional condition pertains to coinsurance, if a coinsurance percentage is shown in the Declarations; we will not pay the full amount of any loss if the value of Covered Property at the time of loss times the coinsurance percentage shown for it in the Declaration is greater than the Limit of Insurance for the property. You will have a coinsurance penalty applied and you will have to share in the loss. In the event of a loss the applicable deductible will be applied.

If you would like to adjust your building or contents coverage limit after taking this information into consideration, please contact your producer or submit a written request to the Association.



**MARYLAND PROPERTY INSURANCE AVAILABILITY PROGRAM
ESSENTIAL HOMEOWNERS INSURANCE INSPECTION AND PLACEMENT**

DATE (MM/DD/YYYY)

APPLICATION TO JOINT INSURANCE ASSOCIATION - PAGE 2

APPLICANT _____

PRODUCER _____

ARE PREMISES VACANT OR UNOCCUPIED? <input type="checkbox"/> YES <input type="checkbox"/> NO * SEE BELOW	IF MORE THAN 25 YEARS OLD GIVE MODERNIZATION DATES FOR:				CONDITION & MAINTENANCE OF PROPERTY <input type="checkbox"/> EXCELLENT <input type="checkbox"/> GOOD <input type="checkbox"/> FAIR <input type="checkbox"/> POOR			
	PLUMBING	HEATING	WIRING	ROOFING	OWNER OCCUPIED <input type="checkbox"/> YES <input type="checkbox"/> NO			

OTHER INSURANCE FOR APPLICANT:
(TYPE, COMPANY, POLICY NUMBER, EXPIRATION DATE)

NAME OF PREVIOUS CARRIER:	PREVIOUS AMOUNT ON DWELLING:
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HAS ANY CARRIER CANCELLED, DECLINED TO INSURE, OR ISSUED NON-RENEWAL OF COVERAGE? YES NO
IF "YES", YOU MUST ATTACH PRIOR INSURER'S NOTICE, OR NO TENTATIVE BINDER CAN BE ISSUED.

ANY LOSSES IN PAST THREE YEARS? <input type="checkbox"/> YES <input type="checkbox"/> NO	IF YES, PLEASE EXPLAIN IN "LOSS HISTORY" SECTION.
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LOSS HISTORY

DATE OF LOSS	CAUSE:	WAS LOSS REPAIRED?	AMOUNT OF LOSS:
1.		<input type="checkbox"/> YES <input type="checkbox"/> NO	\$.
2.		<input type="checkbox"/> YES <input type="checkbox"/> NO	\$.
3.		<input type="checkbox"/> YES <input type="checkbox"/> NO	\$.
4.		<input type="checkbox"/> YES <input type="checkbox"/> NO	\$.
5.		<input type="checkbox"/> YES <input type="checkbox"/> NO	\$.

EXCEPTIONS:

(A) THE DESCRIBED DWELLING IS A SECONDARY RESIDENCE	<input type="checkbox"/>	YES	<input type="checkbox"/>	NO
(B) THE DESCRIBED DWELLING IS A SEASONAL RESIDENCE	<input type="checkbox"/>	YES	<input type="checkbox"/>	NO
(C) BUSINESS PURSUITS ARE CONDUCTED ON THE DESCRIBED PREMISES (EXPLAIN "YES" ANSWER)	<input type="checkbox"/>	YES	<input type="checkbox"/>	NO
(D) THE INSURED HAS FULL TIME RESIDENCE EMPLOYEE(S)	<input type="checkbox"/>	YES	<input type="checkbox"/>	NO

OPTIONAL COVERAGES: (SECTION I)

<input type="checkbox"/> SEWER OR DRAIN BACK-UP \$5000 Limit	<input type="checkbox"/> SINK HOLE	<input type="checkbox"/> EARTHQUAKE (HO-2, 4, 6 Only)	<input type="checkbox"/> PREMISES ALARM OR FIRE PROTECTION SYSTEM ATTACH COPY OF CURRENT ALARM CONTRACT OR VERIFICATION OF AUTOMATIC SPRINKLER SYSTEM
<input type="checkbox"/> ADD'L SEWER OR DRAIN BACK-UP \$ _____		<input type="checkbox"/> OWNER OCCUPIED 3 OR 4 FAMILY PREMISES LIABILITY (HO-44) NUMBER OF FAMILIES _____	
<input type="checkbox"/> ADDITIONAL INSURED(S) (HO-41) (ON SAME PREMISES ONLY)		NAME: _____	
		INTEREST: _____	

OPTIONAL COVERAGES: (SECTION II)

HOME DAY CARE LIABILITY: YES NO (IF "YES", NUMBER OF CHILDREN: _____)
(IF "YES", INCLUDE A COPY OF A CURRENT CERTIFICATE FROM THE DEPARTMENT OF HEALTH & MENTAL HYGIENE).

OTHER ENDORSEMENTS - SEE ENDORSEMENT SUPPLEMENT

REMARKS

* IF PROPERTY IS VACANT OR UNOCCUPIED, COMPLETE FIRE APPLICATION, MDJIA - FORM NO. 1 AND FORM NO. 30.
ANY ITEMS LEFT BLANK WILL BE ASSUMED AT THE APPLICANT'S RISK, (TO BE ANSWERED: "NO", "NONE" OR "POOR", AS APPROPRIATE).

Windstorm Or Hail Deductible

The Joint Insurance Association's Homeowners, Dwelling and Commercial programs provide for separate deductibles for Windstorm or Hail damage.

Windstorm or Hail deductibles under the Association's Dwelling and Homeowners program are applied as fixed dollar deductibles, and under the Commercial program are applied as percentage deductibles.

If your policy is written under our Commercial program with a windstorm or hail percentage deductible it means that, if a loss is a result of Windstorm or Hail, your deductible for a covered loss will be determined by multiplying the dollar amount of your Coverage A – Building Limit of Liability by this percentage.

In some cases, the Association will require that a Windstorm or Hail deductible be added to a tentative binder or policy. Some of the conditions are:

- If the Dwelling/Building (Coverage A) is within 200' of water (*Note) or in Ocean City, Maryland (on the island) a Windstorm or Hail Deductible will be applied. Under the Association's Dwelling and Homeowners programs a fixed \$5,000 windstorm or hail deductible will be applied. Under the Association's Commercial program a 5% of the Coverage A building limit up to \$100,000 will be applied, windstorm or hail deductibles for building limits in excess of \$100,000 will be applied at underwriter's discretion.
- If Dwelling/Building has trees in contact with the dwelling, or overhanging the dwelling or is situated within a wooded area a Windstorm or Hail Deductible may be applied.
- If the Dwelling/Building has deteriorating / missing siding and/or roof shingles (material) an increased Windstorm or Hail Deductible may be applied.

Note:

- Within 200' of water is defined as the Atlantic Ocean, Chesapeake Bay and their tributaries.

If you have any additional questions, please contact your Producer or the Association.

Joint Insurance Association

Important Homeowners Notice Loss History Rating Plan

The MDJIA has adopted the Homeowners Loss History Rating Plan.

The Loss History Rating Plan recognizes three years of both property and liability losses for new and continuation applicants, and will result in an adjustment in premium. The following losses shall not be considered eligible for rating under the plan: windstorm or hail, earthquake, mine subsidence, sinkhole collapse, as well as medical payments to others. Also, the combined claim payments for each loss being considered have to equal or exceed \$500.00.

Joint Insurance Association

Consumer Information Sheet

The Maryland Joint Insurance Association provides Homeowners, Dwelling and Commercial Property coverages to individuals and businesses of the State of Maryland who are unable to obtain coverage through the voluntary insurance market. We strive to:

- Make sure basic property insurance is available for all qualified properties.
- Assure stability in the property insurance market
- Provide for the equitable distribution of risk to all licensed insurers

The Maryland Joint Insurance Association is established under provisions of the Annotated Code of Maryland. The Association is not a government agency or organization.

The following coverages are available from the Association:

Dwelling Fire:

DP-1 Dwelling Basic Form

Commercial Fire:

CP0099 Standard Property Policy

Homeowner Forms

HO-2 Broad Form Dwelling

HO-4 Tenants Form

HO-6 Condominium Owners Form

HO-8 Modified Coverage Form

JIA Maximum Coverage Limits:

Homeowners and Dwelling Fire

Coverage A Dwelling \$455,000

Coverage C Contents \$228,000

Commercial

Fire-resistive \$1,500,000

Masonry \$1,500,000

Frame \$1,500,000

COVERAGES PROVIDED:

THE ASSOCIATION DOES NOT PROVIDE COVERAGE FOR DAMAGE BY FLOOD

PERILS:

Commercial and Dwelling Fire

- **FIRE OR LIGHTNING**
- **EXTENDED COVERAGE** - coverage against direct loss to property caused by windstorm, hail, explosion, riot, civil commotion, aircraft, vehicles and smoke.
- **VANDALISM & MALICIOUS MISCHIEF** - coverage against direct loss to property caused by vandalism and malicious mischief. This coverage is NOT available if property is vacant or unoccupied.

Coverage is NOT provided for loss caused by other perils or for indirect loss. Further, coverage is limited to those forms offered by the Association. No "scheduled" policies are available.

COMMERCIAL and DWELLING properties will NOT be written under the same policy. Each of these risk categories requires a separate application and policy.

Commercial properties require a separate application be submitted for each individual building.

Homeowners

- **Broad Form Perils - Forms HO-2, 4, &6**
- **Limited Perils - Form HO-8**

Ineligible Classes of Risks - The following classes of property are not acceptable for Homeowners coverage:

- (1) Seasonal dwellings
- (2) Farm property unless inactive
- (3) Mobile homes or trailer units
- (4) Vacant or unoccupied properties
- (5) Properties in the course of construction or major renovation, until occupied as a residence.

Optional Coverages are available as outlined in the STATEMENT OF ADDITIONAL COVERAGES NOT AVAILABLE ON THE STANDARD HOMEOWNERS INSURANCE POLICY information sheet.

To request coverage, a properly completed application, signed by the applicant(s) must be submitted on each property including a copy of the cancellation or non-renewal statement from the present carrier, with required photographs. Applications and may be obtained from our website, www.mdjia.org or by contacting the Association at 1-800-492-5670 (FAX 410-244-7268).

All properties will be inspected to determine insurability. The Inspection may result in condition charges and/or exclusions being applied to the policy, or the cancellation of the Tentative Binder. Condition charges will be removed on a pro-rata basis after correction of the condition(s) and confirmation of the correction by the Association.

Tentative Binder:

In the event the applicant desires coverage to be bound for either Homeowners or Fire Policy Program prior to notification by the Association of the acceptance or declination of the requested coverage, the applicant may request a Tentative Binder.

1. In order to facilitate the prompt processing of requests for Tentative Binders, the applicant shall submit to the Association:
 - (1) For Non-Homeowner risks, a properly completed application along with the required estimated premium.
 - (2) For Homeowners HO-2 or HO-8 Coverage, a properly completed application, the required estimated premium, and a copy of the cancellation notice from the previous insurance carrier and 2 photos of the dwelling (front and rear) plus photos of any outbuildings.
2. The Association upon request for Tentative Binding will review the request. If approved, a Notice of Tentative Binding will be issued, and inspection information letter will be provided. The Association may elect not to tentatively bind coverage until the inspection of the property is completed and reviewed by the Association. Coverage is not bound until the Notice of Tentative Binding is issued by the Association.
3. If the property is tentatively bound by the Association and prior to the issuance of the policy of insurance be determined to be ineligible for coverage or to fail to meet reasonable underwriting standards, the Association shall terminate the tentative binder, with 15 days notice, shall notify the applicant of the termination, shall retain a pro-rata portion of the appropriate premium and shall return the remainder of the deposit premium to the applicant or producer.

4. Except for the HO-4 Tenant form, Homeowners tentatively bound property must be owner occupied and will be cancelled flat if the Association should determine that the property is vacant, unoccupied or tenant occupied.
5. The estimated annual premium shall be in accordance with the rates filed on behalf of or for use by the Association and shall be subject to an appropriate premium adjustment, if necessary, after the property has been inspected. If the coverage to be bound is presently provided under an expiring policy written through the Association, the deposit premium shall not be less than the premium charged under such policy.
6. If the Association terminates the tentative binder or declines to insure a property for the reason that it is ineligible for coverage or that it fails to meet reasonable underwriting standards, the subject property subsequently shall not be eligible to be tentatively bound by the Association.
7. If the property is tentatively bound by the Association and upon inspection is determined to be subject to condition charges, exclusions and/or additional premium charge under any applicable rating plan, the Association shall notify the applicant or producer of the premium due in excess of the deposit premium. The Association shall terminate coverage if the full additional premium is not received by the Association within 30 days of the notice of the additional premium being due.
8. If the Association's inspector is unable to successfully complete an inspection of the tentatively bound property due to requested photographs not being received or the fault of the applicant or his representative, the Association will terminate the Tentative Binder giving 30 days notice to the applicant and retaining a pro rata portion of the annual premium for the time coverage was in force.
9. If a policy is cancelled as a result of unsuccessful inspections the subject property shall not be eligible to be tentatively bound by the Association until the Association's Approval Notice has been issued and the premium paid.
10. Tentative Binding is not available on vacant or unoccupied property. Properties under active rehabilitation or construction or actively marketed for sale or rental shall not be considered to be vacant or unoccupied properties for the purposes of this rule. Coverage for contents and the peril of Vandalism and Malicious Mischief is not available on vacant or unoccupied properties.

Note: These tentative binder rules shall apply both to new applications and applications for continuation of coverage on properties presently insured by the Association.

INSTALLMENT PAYMENT PROGRAM:

- 1) The premium installment plan is available for those policies which meet or exceed the following minimum premium requirements:
 - a) Habitational risks - Dwelling Fire Program or Homeowners Program \$200.00
 - b) All other risks - \$500.00
- 2) The minimum premium requirement must be satisfied by the premium on specific property prior to the application of any surcharge under the substandard rating plan.
- 3) The premium installment plan must be requested at the time of the inception of the policy or binder or at the time of receipt of the approval notice. The premium installment plan must be specifically requested each year; requests for continuation of coverage will not be interpreted to include the premium installment plan unless specifically requested.
- 4) The premium installment plan will allow a qualifying premium to be paid in three (3) installments, subject to a service charge to offset the additional expense required

to administer the plan. Forty percent (40%) of the premium is due at the inception of the policy. The remaining balance will be billed in 2 installments of 50% of the unbilled balance plus the service fee. The second installment will be billed 90 days from the inception date, due 30 days after the billing date. The third installment will be billed 180 days from the inception date, due 30 days from the billing date. Should the policyholder fail to make the required premium payment by the due date, notice of cancellation will be sent by the Association to the policyholder and the mortgagee/loss payee, if any, notifying them that the policy will be cancelled for nonpayment of premium on a pro rated equity basis.

Should the policyholder wish to continue coverage following the sending of a notice of cancellation, the policyholder must pay the entire balance (2nd & 3rd Installment) prior to the equity cancellation date, after that date the former policyholder must reapply for new coverage with the Association.

In the event the policy goes into cancellation status, the policyholder shall not be eligible to participate in the premium installment plan in connection with the subject property or any other property for which insurance is desired through the Association until 18 months following the sending of the notice of cancellation for non-payment of the premium.

- 5) If a policyholder is participating in the premium installment plan and the premium is increased by a surcharge under the substandard rating plan or for any other reason, the additional premium will be added to the unbilled installments.
- 6) Additional premium due to an increase request in the coverage amount or the adding of a covered peril must be paid in order for the change to take effect. These additional premiums can not be added to the installment payment plan.
- 7) The service charge is not returnable to the policyholder nor shall it be considered as paid premium in subsequent adjustments.
- 8) All payments must be made by one of the following methods:
 - a) Check
 - b) Bank Check or Money Order
 - c) Check of a licensed lending institution. Check drawn on the account of a licensed producer
 - d) Other electronic means acceptable to the plan
- 9) Payment will be considered as not having been received where made by checks not honored by the bank. Postdated checks will not be acceptable. **Payments will not be considered to be received until actually received by the Association.** Postmarks will not be considered as dates of receipt.
- 10) All checks will be deposited at the risk of the applicant or insured or may be presented electronically for payment.

INITIAL PAYMENTS NOT HONORED OR RETURNED BY THE BANK WILL RESULT IN THE CANCELLATION OF THE POLICY AS OF ITS INCEPTION DATE.

The Maryland Joint Insurance Association is comprised of all voluntary market insurance companies which are licensed and writing basic property insurance, homeowners' insurance and property insurance components of multi-peril policies in the State of Maryland. The Association is regulated by the Maryland Insurance Administration. For more information, visit our website at www.mdjia.org or contact the Association at 410-539-6808 or 1-800-492-5670.

MARYLAND JOINT INSURANCE ASSOCIATION

Statement of Additional Optional Coverages Not Included in the Standard Homeowner's Insurance Policy

Your standard homeowner's insurance policy does not cover all risks. You may need to obtain additional insurance to cover loss or damage to your home, property, and the contents of your home or to cover risks related to business or personal activities on your property.

This statement provides a list of the types of additional insurance coverages that are available. Contact your insurance company, insurance producer or agent to discuss these optional coverages.

In addition to the coverages that are part of the standard Homeowners, Renter's and Condominium Unit Owner's Insurance Policies, we offer the following additional coverages that you may choose to purchase:

1. Coverage for Water Damage – for losses that result from water backing up through sewers or drains. This optional coverage provides coverage up to \$5000 for damage caused by water which backs up through sewers or drains or which overflows from a sump. Your policy deductible applies. Higher limits are available for additional premium.
2. Liability Coverage for Family Day Care providers – registered family day care providers can purchase liability coverage in the amount of at least \$300,000 to protect you against claims of bodily injury, property damage, or personal injury arising out of your activities as a day care provider.
3. Increased Personal Liability -Increased limits of \$200,000 and \$300,000 are available for an additional premium.
4. Earthquake Coverage - Earthquake coverage is available for an additional premium. Special deductible provisions apply. (Not available with HO-8)
5. Sinkhole Coverage -Property coverage may be extended to include direct loss by sinkhole collapse. Sinkhole collapse means damage caused by collapse of the earth supporting property resulting from subterranean voids created by the action of water on limestone-like formations.
6. Identity Fraud Expense Coverage-This provides coverage up to \$15,000 for expenses incurred by you as the direct result of identity theft. A \$250 deductible applies.
7. Refrigerated Property Coverage-Provides up to \$500 for covered property stored in freezers or refrigerators on the residence premises for loss due to power or mechanical failure
8. Additional Insured - Residence Premises- provides limited coverage for parties having an interest in the property..

9. Permitted Incidental Business Occupancies - Residence Premises provides broadened coverage on a permitted incidental occupancy in the dwelling.
10. Building Additions And Alterations - Increased Limit Increases the amount of coverage for additions and alterations by a specified amount.
11. Personal Injury To Others- Personal Injury provides liability coverage for personal injury to others, such as false arrest, malicious prosecution, wrongful eviction and slander.
12. Premises Alarm or Fire Protection System provides for a reduced premium because of the presence of burglar alarms, fire alarms or automatic sprinklers that are approved and properly installed and maintained in the dwelling.
13. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money Coverage - Increased Limit provides for an increase in the limit of coverage available for a covered loss involving credit cards, electronic fund transfer cards, access devices, forgery and counterfeit money.
14. Special Loss Settlement Specified Co-Insurance Percentage- provides for the selection of a modified replacement cost amount for the dwelling that is less than 80% of replacement value.
15. Coverage for Other Members Of Your Household-non family member -provides coverage for named persons who are members of your household who are not normally provided coverage under the terms of the policy.
16. Assisted Living Care Coverage- provides personal property, additional living expense and personal liability coverage to a person related to you by blood, marriage or adoption and is not a member of your household who regularly resides in an Assisted Living Care facility.
17. Ordinance Or Law Increased Amount Of Coverage- provides for an increase in the basic Ordinance Or Law Coverage amount by that provided in the policy.
18. Actual Cash Value Loss Settlement- provides for reduced settlements at actual cash value instead of the cost of replacement or repair.
19. Actual Cash Value Loss Settlement Windstorm Or Hail Losses To Roof Surfacing -provides for reduced loss settlement at actual cash value for roof surfacing for damage caused by windstorm or hail instead of replacement cost loss settlement.
20. Additional Insured - Student Living Away From The Residence Premises-- extends property and liability coverages for a full-time student, who was a resident of the named insured's household before moving out to attend school.
21. Functional Replacement Cost Loss Settlement- Settlement provides coverage on a functional replacement cost basis instead of a replacement cost basis. Functional replacement cost means the amount which it would cost to repair or replace the damaged building with less costly common construction materials and methods which are functionally equivalent to obsolete, antique or custom construction materials and methods.

- 22. Residence Held In Trust –recognizes that the property in the name of a Trust.
- 23. Unit-Owners Modified Other Insurance Condition – Maryland (Condominium owners only)
- 24. Loss Assessment -Increased Loss Assessment coverage is available under Form HO-6- Increases the amount of coverage for assessments for covered perils by a specific amount.
- 25. Neighborhood Betterment – Maryland

Flood Insurance.

Do you live on a hillside, in a valley, near a body of water or on level land?
You may need flood insurance no matter where you live. Homeowners policies do not provide coverage for flood, mudslide, erosion, surface runoff or similar occurrences. Property owners in eligible areas may obtain coverage through the National Flood Insurance Program. You can obtain information about the National Flood Insurance Program by contacting your insurance agent or by going on the internet to www.FLOODSMART.GOV or by calling 1-800-427-4661.

OUR POLICY DOES NOT COVER LOSS BY FLOOD

This statement provides a list of the types of additional insurance coverages that are available. Contact your insurance company, insurance producer or agent to discuss these optional coverages.

NOTE. The MDJIA policies are issued for one year only and do not automatically renew. To continue coverage past the expiration date, you or your producer must reapply and pay the required premium prior to the expiration of the existing policy.

Customer Copy

**Maryland Joint Insurance Association
HOMEOWNERS POLICIES ONLY**

Water Backup and Sump Discharge or Overflow Coverage Available

Maryland law requires us to offer you the option to purchase additional coverage under your Homeowners Policy to cover damage caused by water which backs up through sewers or drains or overflows from a sump. This coverage is subject to a maximum amount of coverage and is subject to the Section I deductible of the policy.

**Water Backup and Sump Discharge or Overflow Coverage Endorsement
JIA 23 20 03 05 is available on Homeowners Policies based on the following rates:**

\$5,000 Basic Limit \$147.

Additional Increased Limits \$2.82/\$1000 in additional coverage

*Water damage Coverage Limit cannot exceed the policy limit. The standard policy Section I deductible will apply.

Water Backup and Sump Discharge or Overflow Coverage is available:
(Check One)

_____ \$5,000. Basic Limit

_____ Add Additional Coverage of \$ _____ to Basic Limit of \$5,000. Coverage can not exceed the Policy Limit.

_____ I wish to **reject coverage** for Water Backup and Sump Discharge or Overflow Coverage.

Policy/Tentative Binder # _____

Name (please print): _____

Address: _____

Signature: _____ Date: _____

ONLY AVAILABLE ON HO-2, HO-4, HO-6 & HO-8 POLICIES

THIS FORM AND OTHER FORMS REQUIRING AN INSURED'S SIGNATURE MUST BE COMPLETED AND RETURNED WITH THE APPLICATION IN ORDER FOR THE APPLICATION TO BE PROCESSED

MARYLAND JOINT INSURANCE ASSOCIATION
WINDSTORM MITIGATION PROGRAM

Discounts for improvements or construction that may materially mitigate loss from a hurricane or storm are now available on your Homeowners Policy.

If your home was built or improved using the following improvements or construction techniques please indicate which apply and provide supporting documentation. Additional descriptive information on back.

Roof covering and Roof covering attachment in accordance with Maryland Building Performance Standards on the following type of Roof:

- Hip Roof Other type roof
 Gable roof with Braced ends

Roof deck attachment method

- Plywood/OSB with 2" nails 6" form edge 12" apart on 24" truss spacing Dimensional lumber (DL) and Tongue and Groove Decks composed of 3/4 inch thick boards with nominal widths of 4 inches or more
 Plywood/OSB with 2 1/2" nails 6" form edge 12" apart on 24" truss spacing Reinforced Concrete Roof (RCR) Deck
 Plywood/OSB with 2 1/2 " nails 6" form edge 6" apart on 24" truss spacing Other Attachment method(s)

Roof to Wall connection

- Toe Nails- 3 at oblique angel Toe Nails- 3 at oblique angel
 Metal Clips nailed to side of rafter and top plate Metal Clips nailed to side of rafter and top plate
 Single Wraps -straps Single Wraps -straps
 Other connection method(s)

Opening protection

- Tempered, heated, laminated or Insulated glass without shutters Basic Storm Shutters

Secondary Water Resistance

- Modified Bitumen Tape applied to the plywood joints
 Foamed polyurethane structural adhesive applied from inside

Roof Shape

- Hip Roof Other type roof
 Gable roof with Braced ends

Door Strength

- Single or Double width doors or reinforced sliding doors Single or Double width doors or reinforced sliding doors
 Reinforced Double Width Doors

Garage Door Strength

- Single width, double width or reinforced double width garage doors Other type garage door
 Reinforced single width garage doors

NAME _____ Policy # _____

ADDRESS _____

Additional Information and Definitions:

Roof Shape:

- Hip Shape Roof has sloping ends and sloping sides down to the roof eaves line
- Gable roof-with braced ends- Roof structure in which the triangular portion of the wall between the edges of the sloping roof is strengthened by additional support
- Other than hip shape or gable with braced ends

Roof Construction Type:

- Meets Maryland Building Performance Standards (MBPS)Equivalent roof coverings and attachments in compliance with MBPS
- Non-Maryland Building Performance Standards (MBPS)Equivalent roof coverings and attachments in compliance with MBPS

Roof Deck Attachment Method:

- Plywood/Oriented Strand Board (OSB) with 2 inch nails spaced at 6 inches from the edge of the plywood and 12 inches in the field on 24 inch truss spacing
- Plywood/Oriented Strand Board (OSB) with 2 ½ inch nails spaced at 6 inches from the edge of the plywood and 12 inches in the field on 24 inch truss spacing
- Plywood/Oriented Strand Board (OSB) with 2 ½ inch nails spaced at 6 inches from the edge of the plywood and 6 inches in the field on 24 inch truss spacing
- Dimensional lumber (DL) and Tongue and Groove Decks composed of ¾ inch thick boards with nominal widths of 4 inches or more.
- Reinforced Concrete Roof (RCR) Deck: A roof deck that is designed and constructed in accordance with the provisions of American Concrete Institute (ACI) 318 Building Code Requirements for Structural Concrete, including integral construction with a masonry wall system.

Roof to Wall Connection

- Toe Nails: 3 nails driven at an oblique angle through the rafter and into the top plate.
- Clips: Pieces of metal that are nailed into the side of the rafter/truss and into the side of the top plate or wall stud. The metal does not wrap around the top of the rafter/truss and the clip is only located on one side of the connection
- Single Wraps; A single strap that is attached to the side and/or bottom of the top plate and is nailed to the rafter/truss
- Double Wraps straps that are wrapped on both sides and are attached to the side and/or bottom of the top plate and are nailed to the rafter/truss

Opening Protection:

- None - Glazed openings not protected for impact resistance
- Tempered, heated, laminated or Insulated glass without shutters
- Basic storm shutters- all glazed openings that meet the requirements of the American Society for Testing and Materials (ASTM) standards ASTM E 1886 and ASTM E 1996 for small missile impact testing (4.5 pounds)
- Hurricane Storm Shutters- All glazed openings protected to meet the requirements of the American Society for Testing and Materials (ASTM) standards ASTM E 1886 and ASTM E 1996 Standard Building Code SSTD-12 for large missile impact testing (9 pounds).

Secondary Water resistance (SWR)

- No SWR -including standard roof sheeting installed over joists.
- SWR may be achieved by adhering Modified Bitumen Tape to the plywood joints of the roof or by applying foamed polyurethane structural adhesive from inside the attic to cover the joints between all plywood sheets of the roof.

MARYLAND JOINT INSURANCE ASSOCIATION

Statement Regarding Flood Insurance

Please Note: This policy does NOT cover losses from flood.

Generally, the standard homeowner's insurance policy does not provide coverage for flooding, surface water that enters the home or rising water. However, coverage for these types of losses may be available through the Federal Government's National Flood Insurance Program ("NFIP") or through other sources.

You can obtain information about the National Flood Insurance Program by contacting your insurance company or your insurance agent or by going on the internet to www.FLOODSMART.GOV or by calling 1-800-427-4661. Here are some important facts you should know:

- Flood insurance policies are available for any home located in a community that is a participant in the NFIP.
- Some lenders, as a condition of your mortgage, will require that you purchased flood insurance. You should confirm with your mortgage lender or the NFIP, before settlement, if you are required to purchase flood insurance. Even if you are not required to purchase flood insurance, you should consider purchasing it as additional protection for your home.
- You do not have to be located in a special flood hazard area or be close to a body of water to experience flooding. The risk of flood is present for most homes as floods can be caused by storms, melting snow, heavy rains, dam failures or other causes.
- You must complete a separate application in order to purchase flood insurance; it is not part of your homeowner's insurance application.
- Flood insurance policies have two types of coverage: structural coverage for your home and the items that are permanently attached and contents coverage for your personal property within the home. Structure and contents coverages are purchased separately and carry separate deductibles.
- Generally, there is a thirty (30) day waiting period for a new flood insurance policy to become effective; although there are some exceptions to this general rule.
- As flood insurance through the NFIP is created by federal law, flood claims are adjusted and paid in a different manner than your homeowners' insurance claims.

**MARYLAND JOINT INSURANCE ASSOCIATION
INFORMATION DIGEST FOR HOMEOWNERS INSURANCE**

DESCRIPTIONS OF COVERAGE

The following are not intended as complete statements of coverage; for full details, see the policy contract.

ELIGIBILITY

Eligibility for a Homeowners or Tenants Policy including optional coverages is dependant on the Association's underwriting requirements. In addition, you must occupy a 1, 2, 3 or 4 family dwelling and use it exclusively for residential purposes (incidental occupancies excepted). Not more than one additional family or two (2) roomers or boarders may occupy an individual family unit (does not apply to tenants). Property situated on a premises used for farming purposes is ineligible.

COVERAGES

Our policy form, along with important coverage options, has been designed to provide insurance protection with the following basic coverages:

Fire	Volcanic Eruption
Lightning	* Falling Objects
Windstorm	* Weight of Ice, Snow or Sleet
Hail	* Freezing
Explosion	* Accidental Discharge or overflow
Riot or	of water or steam from within
Civil Commotion	plumbing, heating or air
Smoke	conditioning systems
Vandalism or	* Sudden and Accidental Tearing Apart,
Malicious Mischief	Cracking, Burning, or Bulging
Aircraft	of a steam or hot water heating system,
Damage by Vehicles	an air condition or an appliance for
Loss of Use	heating hot water
Personal Liability with	* Sudden and Accidental Damage from
damage to property	Artificially Generated Electric Current
of others	* Collapse of Buildings and Ordinance of Law
Theft (Limited under HO-8 to \$1,000)	

* Not available with Form HO-8

A \$500 deductible applies to most property losses, but increased deductibles and exclusions may apply.

THE ASSOCIATION DOES NOT PROVIDE COVERAGE FOR DAMAGE BY FLOOD

HOMEOWNERS (HO-2 & HO-8) FORMS:

Additional amounts of insurance for other structures, personal property and loss of use are provided based on the dwelling amount percentages shown below.

CONTENTS (HO-4) AND CONDOMINIUM OWNER'S (HO-6) FORMS:

You select the amount of insurance to be placed on your personal property. An additional amount of insurance is provided for loss of use based upon the Personal Property amount percentage below. Condominium owners may also select additional coverage for dwelling coverage.

Amount of Insurance	HO-2 Broad form	HO-8	HO-4 Tenants Form	HO-6 Condominium owners Form
Dwelling	You select this amount	You select this amount	N/A	\$10,000- may be increased
Other Structures	10% of Dwelling	10% of Dwelling		
Personal Property	50% of Dwelling	50% of Dwelling	You select this amount	You select this amount
Loss of Use	30% of Dwelling	10% of Dwelling	30% of personal Property	50% of Personal Property
Personal Liability	\$100,000	\$100,000	\$100,000	\$100,000
Medical Payments to Others	\$1,000	\$1,000	\$1,000	\$1,000

* based on 1 or 2 Family dwelling.

ARE YOU GOING TO BE ADEQUATELY INSURED?

The Association provides Dwelling coverage based on replacement cost (guaranteed replacement cost coverage is not offered)

HO-2 (Broad Form) coverage should be at least 80% of your dwellings replacement or functional replacement cost to be sure that partial dwelling losses are paid on a replacement cost basis. Otherwise you risk having your settlement reduced as a penalty due to your being under insured.

HOW CAN I REDUCE THE COST?

Alarm Systems:

Credits are available for burglar alarms, sprinkler systems or fire alarms-including smoke detectors.

Higher Deductibles

Higher deductibles are available which will reduce the costs.

OPTIONAL COVERAGES

Please review the Association's **Statement of Additional Optional Coverages Not Included in the Standard Homeowner Insurance Policy** provided with your application, or visit our web page, www.mdjia.org.

Water Backup and Sump Discharge

This optional coverage provides coverage up to \$5,000 for damage caused by water which backs up through sewers or drains or which overflows from a sump. Your policy deductible applies. Higher limits are available for additional premium.

Increased Personal Liability

Liability Limits of \$200,000 and \$300,000 are available for an additional premium.

Loss Assessment:

Increased Loss Assessment coverage is available under Form HO-6

Flood Insurance

Do you live on a hillside, in a valley, near a body of water or on level land?

You may need flood insurance no matter where you live. Homeowners policies do not provide coverage for flood, mudslide, erosion, surface runoff or similar occurrences. Property owners in eligible areas may obtain coverage through the National Flood Insurance Program. Contact your Producer for more information.

OUR POLICY DOES NOT COVER LOSS BY FLOOD

Some Policy Limitations Apply:

Loss by theft of all jewelry and furs taken in one occurrence is limited to \$1,500. (\$1,000 under form HO-8).

Limitations on loss to other property:

\$200	Money, Coin Collections and some precious metals.
\$1,000	Credit Card, Fund Transfer Card, Forgery and counterfeit Money
\$1,500	Electronic apparatus (such as mobile telephones), which may be operated from a vehicle, as well as other power sources.
\$1,500	Securities, Manuscripts, Stamp Collection, Trailers and Watercraft including their furnishings, equipment and outboard motors.
\$2,500	Theft of Firearms and related Equipment. (\$1,000 on form HO-8)
\$2,500	Theft of Silverware, Gold ware, Platinum ware and Pewter ware. (\$1,000 on form HO-8)
\$2,500	certain on premises Business Property with \$500 applicable to off premises. (\$1,000 on form HO-8 on premises)

There is no theft coverage away from home for (1) watercraft, including furnishings equipment and outboard motors and (2) trailers including boat trailers

Liability, theft and physical damage coverages are limited or excluded for many motorized vehicles such as midget automobiles, golf mobiles, snowmobiles and mopeds.

There is no coverage for C.B. radios, radios or tape players, including their accessories and tapes if the equipment is designed solely for use in a motor vehicle and is in or upon the vehicle.

NOTE: The MDJIA policies are issued for one year only and do not automatically renew. To continue coverage past the expiration date, you or your producer must reapply and pay the required premium prior to the expiration of the existing policy.

If you have questions, please contact your Producer or MDJIA Customer Service.