



## NOTICE OF CONDITIONS OF UNDERINSURANCE

This Notice is being provided to you because you have a Property Insurance policy with **Guardian Insurance Company** (herein referred to as "Company") and it is the Company's responsibility, to inform you of the following conditions that may case your property to be underinsured, which means that you do not have enough to cover losses or damages to the insured property in the event of a catastrophic/natural disaster. Your property maybe underinsured because:

1. You do not meet the 80% coinsurance requirement, which requires the insured to maintain 80% of insurance in relation to the replacement cost of the insured property;
2. You made improvements to the insured property and did not disclose this to the agent, in order to obtain adequate coverage;
3. Your lender, bank or loan servicer secured insurance coverage, known as "force-placed insurance" for ONLY its financial interest in the insured property because:
  - (i) the insurance that initially covered the property was cancelled,
  - (ii) the insurance that initially covered the property lapsed, or
  - (iii) the insurance covering the property was not sufficient and you did not secure your own replacement policy;
4. You selected insurance coverage for dwelling only, and excluded coverage of contents, loss of use and other structures;
5. The rate per square foot, which is usually market driven and is used to determine the replacement cost, has increased. The replacement cost at the time of the loss may be greater than the replacement cost at the time the policy was initially purchased. Examples of market driven factors are the costs of construction materials as well as the demand for contractors. The demand for both construction material and contractors will increase the cost for repairs.
6. Other: \_\_\_\_\_

**If the property is "underinsured," your insurance policy for the insured property does not offer complete financial protection in the event of a catastrophic/natural disaster and a penalty will be applied which limits the amount you will receive on your claim.**

I \_\_\_\_\_, the undersigned agent, have provided the undersigned policyholder this "Notice of Conditions of Underinsurance" and have fully explained each condition described above.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

\_\_\_\_\_  
(PRINT Name of Agent)

\_\_\_\_\_  
Signature of Agent

**THE UNDERSIGNED POLICYHOLDER ACKNOWLEDGES RECEIPT OF THIS "NOTICE OF CONDITIONS OF UNDERINSURANCE" AND CONFIRMS THAT THE AGENT HAS FULLY EXPLAINED THE ABOVE DESCRIBED CONDITIONS AND THAT THE UNDERSIGNED POLICYHOLDER UNDERSTANDS THE CONDITIONS OF UNDERINSURANCE AND HOW THEY WILL AFFECT THE UNDERSIGNED POLICYHOLDER'S INSURANCE COVERAGE IN THE EVENT OF A CATASTROPHIC/NATURAL DISASTER.**

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

\_\_\_\_\_  
(PRINT Name of Policyholder)

\_\_\_\_\_  
Signature of Policyholder

POLICY # \_\_\_\_\_