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ACE INA
ACE INA Communications
Routing TL31D
1601 Chestnut Street
Two Liberty Place
Philadelphia, PA 19103

215.640.4744 *tel*
215.640.1133 *fax*
www.ace-ina.com

**Corporate
News
Release**

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Media Contact: **Carla Ferrara**
ACE INA Communications
215 640-4744
carla.ferrara@ace-ina.com

**ACE Select Markets Announces Top Ten Disaster Protection Tips:
What Every Consumer Should Know About Their Homeowners Policy**

PHILADELPHIA -- June 10, 2004 – When a disaster strikes, everyone pays the price, including homeowners who may not have adequate insurance coverage. According to the Federal Emergency Management Agency (FEMA), “Devastating floods in the United States cause more than \$2 billion in property damage each year. Most homeowners and business insurance policies do not cover flood loss.¹” Many homeowners policies also may exclude or do not adequately cover damages caused by mudslides, wind, hail and other disasters. The Disaster Mortgage ProtectionSM insurance product unit of ACE Select Markets—the division of ACE USA that focuses on the underwriting and marketing of specialty insurance products targeted towards specific insurance buyers—recently released a top ten list detailing tips and methods to help ensure adequate protection for homeowners in advance of a disaster.

“Imagine that your family is driven from your home by a disaster like flooding, fire, mudslides or damage caused by windstorms. Expenses, like temporary housing, transportation, clothing and food mount. You may even lose wages. Will you be able to make your mortgage payments?” asked Kimberle Kennedy, Vice President, ACE Select Markets. “Disaster Mortgage Protection (DMP) insurance is designed to supplement the basic homeowner’s policy and protect those most at risk of losing their homes should a disaster strike.”

Though recovering from a disaster may be an enormous burden for many of those affected, there are steps consumers can take to protect themselves should a disaster strike.

**ACE SELECT MARKETS’ TOP TEN TIPS:
DISASTER MORTGAGE PROTECTION FOR CONSUMERS**

Building Consumer Awareness to Protect Your Most Important Asset: Your Home

1. *Be an informed consumer.* Before a disaster strikes, understand what your homeowners policy covers and what it doesn’t, what your own responsibilities are, and what additional products are available that may help reduce the risk to losing your home.

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¹Federal Emergency Management Agency (FEMA) Web site. <http://www.fema.gov/storm/flood.shtm>



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Page two – ACE Select Markets Announces Top Ten Disaster Protection Tips: What Every Consumer Should Know to Protect Their Home

2. *Ensure that you are fully covered and that in the event of a disaster you can pay your mortgage.* Homeowners insurance may provide limited coverage in some disasters and does not provide coverage for payment of your mortgage. If a home is deemed temporarily uninhabitable for more than 48 hours as a result of a disaster, DMP will pay the insured's mortgage for up to two years while your home is being repaired. This same policy will reimburse an insured's homeowners policy deductible up to \$500 for a covered loss even if the insured remains in his or her home. In addition, if the home is deemed permanently uninhabitable due to the condemnation or movement of the land on which the home exists, the policy will pay the balance of the mortgage up to \$100,000.
3. *Know what insurance products and services are available to you and how they are handled.* Do you know all of the tools available to you to protect the investment in your home—probably your most important investment? Call your bank or lending institution and find out exactly what is offered.
4. *Purchase supplemental insurance coverage.* At a cost of less than two percent of your monthly mortgage payment, disaster mortgage insurance coverage is surprisingly affordable.
5. *Know the hidden costs of a disaster.* In the immediate aftermath of a disaster, you may be financially affected and lose income if you're not working. As unexpected expenses mount--like temporary housing, food, clothing and transportation--affected homeowners may find it difficult or impossible to make their mortgage payments, putting them at risk of losing what remains of their homes even as they struggle to regroup and rebuild.
6. *Understand your deductibles.* There is often a gap between what the homeowners policy covers and the overall cost to the homeowner. For example, wind deductibles under most homeowners policies are between two to five percent of the overall value of the home. If your house is valued at \$200,000 and your homeowners policy provides a five percent deductible, you are not covered until you've exceeded \$10,000.00 in repair costs.
7. *Know who your insurance agent or company is and how to file a claim.* Be sure you have easy access to contact information for your insurance agent. Keep insurance policies in a secure location along with a list of valuable possessions and any pertinent paperwork including: insurance policies; passports; birth certificates; warranties on appliances; paid invoices for home improvements, and any key medical information, including copies of prescriptions. In addition, maintain a list of possessions and be able to produce it in the event of a claim.
8. *Keep contact information on contractors.* Contractors and repair professionals are in high demand following a disaster, especially one affecting the entire community. Have on hand a list of two or three reliable contractors to call should your home be damaged by disaster. This will help ensure that

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Page three – ACE Select Markets Announces Top Ten Disaster Protection Tips: What Every Consumer Should Know to Protect Their Home

timely repairs can be made if needed. Many insurance companies can provide you with a list of contractors in your area.

9. *Be aware of local government agencies that react to disasters and the scope of their responsibilities.* Know how an emergency evacuation is defined and carried out, so you can more accurately gauge the threat and make a safety plan. Federal agencies like FEMA (www.fema.org) and The American Red Cross (www.redcross.org) provide detailed disaster planning and survival tips.
10. *Evaluate Your Risks.* If you live in a region in the U.S. with a known history of hurricanes, floods, wildfires, mudslides, tornadoes or other wind occurrences, research your additional mortgage protection insurance options. Take action before seasonal weather occurrences and other disasters strike.

According to Ms. Kennedy, the more educated homeowners are about protecting their investment in their homes from the costs associated with disasters like fire, mudslides, tornadoes and floods, the better.

“Disaster Mortgage Protection insurance is an affordable safety net that may mean the difference between losing everything and being able to regroup and rebuild in the wake of disaster,” said Ms. Kennedy.

For more information on Disaster Mortgage Protection, call your lender or call ACE at 800 234-7354.

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Disaster Mortgage Protection insurance is underwritten by ACE American Insurance Company in all states, except in Florida where the coverage is underwritten by Bankers Standard Insurance Company. Both companies are members of The ACE Group of Companies, rated A (Excellent) by A.M. Best Company and A+ (Strong) by Standard & Poor’s. The product is not available in AK, CT, SD, and TX.

Coverage applies to primary residences only. This insurance provides no coverage for rental properties, mobile homes, and manufactured homes.