

October 16, 2008

To: CIS Property/Liability Members
CIS Risk Management Advisors (RMA)
Local Agents

From: Bob Kahl
Underwriting Manager

Subject: Flood Coverage

Dear Member,

With winter storms on the horizon, now is the time for you to 1) review your plans for protecting your property and equipment from water and storm damage and 2) review and make sure your flood insurance is ready as well.

IMPORTANT POINTS FOR YOUR FLOOD COVERAGE REVIEW

- Remember, CIS Property/Auto Physical Damage Coverage Trust members have a \$5 Million per member Flood insurance limit.
- Optional higher excess flood limits may be available. Review your property coverage declarations page to find your current flood coverage limit; if higher limits are desired you must contact your Risk Management Advisor/Agent or CIS underwriter.
- The maximum flood coverage limit for all CIS Trust members is \$200 Million. If Trust losses exceed that amount claim settlements will be adjusted accordingly.
- Review property locations and flood zones. Different deductibles apply to flood damage depending on whether the property is in, even partially in, a higher risk zone. Any National Flood Insurance Program (NFIP) "A" or "V" flood zone is considered higher risk.
- Consider purchasing NFIP coverage if you don't already; property identified at the time of loss as being in an NFIP "A" or "V" flood zone is subject to a deductible equal to the maximum amount of coverage which you could have purchased through the NFIP program.
- You are responsible for proper flood zone identification. Flood zones shown on the CIS property schedule are only as good as the information you have provided the Trust; the actual zone determined at the time of loss will determine deductible and coverage,

- Review property values shown for any properties located in floodways. Properties in floodways are eligible only for Replacement or ACV coverage options meaning the maximum coverage is limited by the amount shown.
- If you have any questions contact your Risk Management Advisor/Agent, your CIS underwriter or CIS Risk Management Consultant.

Remember, your Risk Management Advisor and CIS Risk Management Consultant are important partners in your review of winter risk management preparations and plans and can help you make sure that if the worst happens, you will have the best outcome possible.

Thank you for your support of this, your program.

Bob Kahl
Underwriting Manager