



## Introducing Illinois Masterpiece Coverage Adjustments

At Chubb, we look for ways to do more for our clients and we wanted to inform you of a new range of options you can offer clients to customize their coverage based on their unique needs.

In select states, you currently have the option to increase coverage for clients in the following areas:

- Increased Homeowner or Unit Assessments Coverage
- Increased Landscaping Coverage
- Increased Coverage for Business Property

You can also purchase these additional Coverages:

- Greenwise Upgrade Coverage
- Student Additional Living Expenses Coverage
- Assisted Living Care Coverage

These adjustments continue to be a way to customize a client's policy to meet their needs.

We are now introducing additional options you can offer your clients. Effective 9/30/19 for new business and 11/29/19 for renewals in the state of IL, we are making two categories of changes:

- Adding coverage language in our dwelling forms that reinforces our intent around the way we handle claims today that involve "matching" damaged and undamaged portions of the dwelling. This change helps differentiate us in the marketplace.
- Introducing Masterpiece Coverage Adjustments, a series of options that gives clients the option to limit select coverages for a premium adjustment.

### **Reinforcing Intent to "Match"**

We are making a policy change to contractually reflect an existing Chubb claim practice, which can help you, as an agent or broker, demonstrate how Chubb is different than the industry. As part of a covered loss, Chubb will go above and beyond to repair not only the damaged portion, but to also replace undamaged portions as needed to make sure everything visually matches.

For Deluxe House Coverage, We revised our definition of "Reconstruction cost" under Payment basis, in order to reinforce our coverage intent. "Reconstruction cost" also includes the reasonable cost for matching to ensure visual continuity with any adjacent undamaged portions of your house or other permanent structure consisting of the same materials after a covered loss.

For Condominium Preference, Cooperative Preference, Deluxe and Standard Condominium, Deluxe and Standard Cooperative, Deluxe and Standard Renters Coverages, we revised this Extra Coverage, Additions and alterations in order to reinforce our coverage intent. This Extra coverage also includes the reasonable cost for matching to ensure visual continuity with any adjacent undamaged portions of the insured unit consisting of the same materials after a covered loss.

All dwelling policyholders will receive a notice about this change with their renewal.



## **Masterpiece Coverage Adjustments**

We recognize there isn't just one type of Chubb client. And we understand that certain clients may benefit from more flexibility in choosing their coverage options. Masterpiece Coverage Adjustments are new coverage options that may be right for clients who are comfortable limiting select areas of coverage for a premium adjustment - like those with a second or seasonal home that may have different protection needs.

The adjustment options include:

### **Limitation of coverage for matching**

Clients with home, city home, condo and co-op, and coverage can choose to limit their coverage for matching for covered partial losses. With this option, policies will have a matching of undamaged property exclusion, which specifies that Chubb will only repair damaged items for a covered partial loss. This is available to Deluxe homeowner policies and results in a 7% discount.

With this limitation, for example, if a client has a covered loss to lower kitchen cabinets that were damaged by a water leak - Chubb will replace only the cabinets that were damaged. Chubb will do their best to match the replacement cabinets to the undamaged cabinets, but will not make changes to the undamaged cabinets.

When selecting this option, customers are asked to sign an acknowledgement form. This limitation does not apply for a covered total loss.

### **Limited Rebuilding to code and Additional living expenses**

Clients can choose to limit their coverage for Rebuilding to code and Additional living expenses for a premium adjustment. Additional living expenses cover the increase in daily expenses while a client's home is being repaired after a claim, including temporary housing and meals, and Rebuilding to code covers the increased cost to meet building codes when a home is rebuilt after a covered loss. You can limit coverage at 10% or 20% of the insured dwelling value for a home, or 10% or 20% of Additions and alterations and contents coverage combined for a Condominium, Cooperative, or Rental unit. This limitation results in a 1% or 2% discount.

### **Limitation of coverage for roof surfaces**

Clients can choose to limit their coverage for external roof surfaces for covered partial losses. With this limitation, coverage would exclude cosmetic damage (i.e., any superficial damage, often from hail, that changes the appearance of the roof but does not affect how it functions) and the cost to replace or change undamaged portions of the roof. Coverage would also be provided on an actual cash basis, meaning it would include depreciation. This is available to Deluxe house and city home policies and results in a 4% discount.

For example, if a client with full Masterpiece Coverage has a portion of their roof damaged, Chubb may replace the whole roof to ensure a seamless match if needed. Clients who choose to limit this coverage with Masterpiece Coverage Adjustments may only receive coverage for the damaged area, which may result in some tiles not matching depending on the age of the roof.

When selecting this option, customers are asked to sign an acknowledgement form.

### **Water Back-Up Deductible**

Clients now have the option to increase their special water back-up deductible in exchange for a premium credit. This deductible applies, for example, if damage is caused by water backing up into the home from a sump pump or basement drain. Clients can now choose the following new deductible options: \$10,000, \$25,000, or \$50,000. Factors ranging from .95 to .99 are applied to reduce premium.



Clearly explaining to your clients what they will and won't receive will help protect you and your clients from surprises down the road. If your clients choose Masterpiece Coverage Adjustments, the unmatched service and industry-leading claims experience they expect from Chubb won't change. Unlike other clients, however, select areas of their coverage will be more limited. Choosing Masterpiece Coverage Adjustments means introducing important limits and caps on areas where Chubb would typically go above and beyond.

**You're more than a claim. You're our client.**

What's not changing is our commitment to excellent claims service. With Masterpiece, your client has some of the broadest coverage available in the insurance industry- even when select limitations are applied- and benefits from Chubb's renowned claim practices. Now, with Masterpiece Coverage Adjustments, you and your clients have can benefit from more flexibility in choosing your coverage.

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*Chubb is the marketing name used to refer to subsidiaries of Chubb Limited providing insurance and related services. For a list of these subsidiaries, please visit our website at [www.chubb.com](http://www.chubb.com). Insurance provided by ACE American Insurance Company and its U.S. based Chubb underwriting company affiliates. All products may not be available in all states. This communication contains product summaries only. Coverage is subject to the language of the policies as actually issued. Surplus lines insurance sold only through licensed surplus lines producers. Chubb is the world's largest publicly traded property and casualty insurer. With operations in 54 countries, Chubb provides commercial and personal property and casualty insurance, personal accident and supplemental health insurance, reinsurance and life insurance to a diverse group of clients. Chubb Limited, the parent company of Chubb, is listed on the New York Stock Exchange (NYSE: CB) and is a component of the S&P 500 index.*