

**HOMEOWNER POLICY PROGRAMS
(PRIMARY/SECONDARY/SEASONAL/TENANT)
UNDERWRITING GUIDELINES**



AN INSURED MUST BE SAFETY CONSCIOUS AND HAVE A GOOD ATTITUDE TOWARDS LOSS PREVENTION.

Underwriting Guidelines:

1. A policy may be issued to a 1- 4 unit owner-occupant as a structure designated and used only for private residential purpose. (Non-Primary residences must be written as secondary/seasonal)
2. Insurance-To-Value Guidelines:
 - a) Replacement Value - Forms ML-1R, 2 & 3 include a Replacement Cost Provision. In order for standard Replacement Cost Provision to apply, Coverage A limit must equal at least 80% of the estimated Dwelling Replacement Value, as determined by a current MS/B Express Square-Foot Residential Valuation Cost Estimator. (Refer to NCIC website at ncins.com)
 - b) Actual Cash Value - If Coverage A limit does not meet the Replacement Cost Provisions outlined above, policy is considered an Actual Cash Value policy.
 - c) Minimum Amount of Insurance Required - Minimum Coverage A must be \$70,000 for ML-3, \$50,000 for ML-2 and \$30,000 for ML-1. ML-4 (Tenant Homeowners) \$20,000. Coverage A must be 50% of Replacement Cost to qualify for the Homeowner Program.
 - d) Alternative Replacement Cost - Coverage A must be: insured to 50% of Replacement Cost as determined by a current MS/B Express Square-Foot Residential Valuation Cost Guide.
3. Dwelling must meet the following minimum construction requirements:
 - Electric Service must be at least 100 AMP.
 - Must have central heat.
 - Property must meet Local & State codes/ordinances.
4. Trampoline exclusion is mandatory on policy. (FL-52A)
5. Canine exclusion is mandatory on policy (NC-FL-373)
6. Lead Exclusion (FL-59) is mandatory if dwelling is constructed prior to 1980 or has 2 or more units.
7. Earthquake Coverage: There is a 10-day waiting period before coverage becomes effective. Coverage must remain on the policy for 1 year.
8. Minimum Deductible is \$250.
9. Dwellings under construction (see Dwelling Under Construction Guidelines).
10. Inflation Guard on all policies.

Ineligible Risks:

1. No commercial exposure in the dwelling.
2. Risks with below average conditions (lack of maintenance, poor housekeeping, etc.).
3. Property in foreclosure proceedings or litigation.
4. Property within 1 mile of ocean, ocean bay or ocean sound.
5. Property with fuel storage tank on premises, except fuel storage tanks used for heating present heating system. (Maximum tank capacity – 500 gallons or less)
6. Property with underground or unprotected fuel storage tanks.
7. Property insured in the name of the mortgagee.
8. Property for sale (without prior company approval)
9. Vacant or unoccupied property. (Refer to FL guidelines).
10. Property that is seasonally unoccupied. (Secondary/Seasonal Homeowner Program)
11. Risks previously canceled, declined or non-renewed by the company.(without prior company approval)
12. Insureds with poor loss and/or credit history.
13. No Coverage on dwellings with flat, cedar, slate or rolled roofs. (without prior company approval)
14. Property that has unfenced in-ground swimming pools or diving boards.
15. Buildings insured must be at least 20 feet from any other structure. (without prior company approval)

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16. Premises with any dog of traditionally dangerous breeds such as Pitbulls, German Shepherds, Dobermans, Rottweilers, Akitas, Chows and any other dog deemed aggressive.
17. Applicant has horses which are used for riding by other than household members
18. Premises with boarding of horses for others, (See Farmowner program).
19. Premises where insured is operating a farm, except for the following incidental farm operations:
 - Premises with more than 160 idle acres (161+) on or away from premises. Idle shall be defined as "no livestock and no cultivation". Appropriate FCPL charge must be made. (See Code 905)
 - Premises with incidental cultivation and/or livestock. Premises may not have more than 5 head of livestock, in which two (2) can be horses. Horses must be owned by insured. Appropriate FCPL charge must be made. (Code 906) If insured desires coverage on livestock, (see Farmowner Program).
 - If coverage is requested for Livestock or equipment, (See Farmowners Program).

Farming shall be defined as: The ownership, maintenance or use of premises for the production of crops or the raising or care of livestock, including all necessary operations. Farming also includes the operations of roadside stands and farm markets maintained principally for the sale of the insured's own farm products, but it does not include other retail activities.

Livestock shall be defined as: Domestic animals such as horses, cattle, or sheep, etc., kept for their services or raised for food and other products

20. Structures used for agricultural purposes are ineligible for Coverage B, except those structures used to house not more than five (5) head of livestock, whether or not used for private garaging purposes, provided that the total ground floor square foot area of the building does not exceed 1500 sq. ft. (Structures over 1500-sq ft see the Farmowners or Farm Fire program).
21. Premises with trampolines.
22. Daycare or nurseries whether incidental or not.
23. Mobile Homes, including Double-Wides. (See Manufactured Home Program)

Submission Requirements:

1. NCIC Homeowners Application (or Acord *with NCIC Supplemental App.*) must be fully completed, signed by named insured & submitted to company within ten (10) working days from date coverage is bound. Company must be notified of binding immediately.
2. At least two (2) photos of the dwelling (front & rear) must accompany completed application. If there are other structures on the premises (i.e. Barn, Garage) to be insured (included in Coverage B), please submit one (1) photo of each structure.
3. Tenant Homeowners (ML-4) When Coverage C - limit for personal property reaches \$50,000, at least one (1) photo of risk where contents are located must accompany application.
4. Current MS&B RCT Square Foot Residential Replacement Cost Estimator must accompany application.
5. Woodstove questionnaires must accompany applications on property with woodburning apparatus, along with 2 photos: 1 showing side view of installation, and 1 showing connection of stovepipe into chimney.
6. A down payment of 10% or \$100 whichever is greater is required.

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Optional Coverages:

The following optional coverage forms listed in manual are not available for use by NCIC.

- Forms ML-5, ML-8, ML-70A, ML-89, ML-244, ML-243, ML-147, ML-148, ML-150, ML-150A, ML-150B, ML-151, ML151A.
- Deductible Options of \$150, \$200, or \$2,000, \$250 Theft Deductible
- Liability limits of \$200,000

Credits Available:

ML-1, 2 or 3

- Higher deductible options
- New Home Credit
- Renovation Credit
- Protective Device Credits

ML-4

- Higher deductible options

Binding Authority:

- Section I (Property): \$400,000 All Dwellings (Cov. A)
- Section II (Liability): \$1,000,000

NOTE: All Risks bound must meet underwriting eligibility requirements for the specific program. Solid Risk is defined as an individual building and its contents, including time element coverages.

The Agent shall have no authority to bind the Company on windstorm, extended or physical damage coverage at any time during which the National Weather Service has issued, posted or placed into effect a tropical storm, hurricane or tornado advisory, watch or warning for the area in which the property for which such coverage is sought, is situated, located or owned.

To bind limits in excess of stated authority limits or to bind limits on a classification not listed above, a specific request must be made and approved by the Company.

Binders cannot be issued for more than 30 days. The Company must be sent a copy of binder immediately upon the issuance of binder.

No agent may bind any risk that has been previously cancelled or non-renewed by the Company. In the event the Company declines or terminates coverage by direct notice or any other legal means, the Agent may not re-bind that declined or terminated coverage without specific written authorization from the Company.

**DWELLINGS UNDER CONSTRUCTION OR
RENOVATION PROGRAM
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Dwellings Under Construction or Renovation [Primary or Secondary]:

1. Dwelling must be completed and occupied within **60** days from inception date of coverage. *(Note: If dwelling will **not** be completed and occupied within 60 days from inception date of coverage, see FL Dwelling Fire Program)*
2. Coverage may be written for full completed value.
3. ML-1 or ML-2 coverages only, until completed & occupied.
4. Down Payment Required: 25% of annual premium or \$100.00, whichever is greater.
5. A Minimum Premium of \$100.00 will be retained.
6. Sufficient Documentation showing completion & occupancy is required in file by 60th day, or a Notice of Cancellation will be mailed to the insured.
7. If dwelling is completed & occupied by effective date of cancellation, the Notice of Cancellation may be rescinded provided all other requirements have been satisfied.
8. If dwelling is **not** completed & occupied by effective date of cancellation, cancellation will stand.
9. Once a package policy is canceled, option to rewrite/reinstate must be approved by company.
10. All other normal underwriting guidelines apply. Notify underwriter when coverage is bound.

MINIMUM PREMIUM: \$100.00

MINIMUM RETAINED PREMIUM: \$100.00