



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

Underwriting Guidelines

1. A policy may be issued for 1- 4 unit owner-occupied structure, including Townhouses and Condominiums, designated and used only for private residential purpose. (Non-Primary residences must be written as secondary/seasonal, residences).
2. Insurance-To-Value Guidelines:
 - a) **Replacement Value** - Forms ML-1R, 2, 3 & 5 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 www.ncins.com)
 - b) **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. The Replacement Cost provision changed to 50%. (ML-256 NCIC)
 - c) **Alternative Replacement Cost** - Coverage A must be insured to 100% of Replacement Cost as determined by current MS&B RCT Square Foot Residential Valuation Cost Guide. The Replacement Cost provision changed to 90%. (ML-256 RC NCIC)
 - d) **Actual Cash Value** - If Coverage A limit does not meet the Replacement Cost Provisions outlined above, policy is considered an Actual Cash Value policy. (Coverage A must be a minimum of 50% of Full Replacement Cost).
 - e) **Market Value/Replacement Cost Provision** - Coverage A (Building) must be insured to 30% of Replacement Cost as determined by a current MS&B Express Square-Foot Residential Valuation Cost Guide. Total minimum replacement cost of structure must be \$250,000 to qualify, (ML-38 MV/RC NCIC). Losses will be settled on Replacement cost basis up to the policy limit.
 - f) **Market Value Program** - Coverage A must be insured to at least 30% of Replacement Cost as determined by a current MS&B RCT Square Foot Residential Valuation Cost Guide. Total minimum Replacement Cost of dwelling is \$250,000 to qualify, (ML-38 MVP NCIC). Losses will be settled on Actual Cash Value basis.
 - g) **Minimum Amount of Insurance Required** - Minimum Coverage A must be \$125,000. for ML-5*, \$100,000. for ML-3, \$75,000 for ML-2 and \$50,000. for ML-1. ML-4 (Tenant Homeowners) \$20,000. Coverage A must be 50% of Replacement Cost to qualify for the Homeowner Program.
3. Dwelling must meet the following minimum construction requirements:
 - Electric Service must be at least 100 AMP.
 - Must have central heat. (unless prior Company approval)
 - Property must meet Local & State codes/ordinances.
4. Trampoline exclusion is mandatory on policy. (ML-52A)
5. Canine exclusion is mandatory on policy (ML-373)
6. Lead Exclusion (ML-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.
11. ML-416 NCIC Seasonal/Secondary Homeowners endorsement is mandatory on all Seasonal Homeowner policies.



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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 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. Risks previously canceled, declined or non-renewed by the company.(without prior company approval)
11. Insureds with poor loss and/or credit history.
12. No Coverage on dwellings with flat, cedar, slate or rolled roofs. (without prior company approval)
13. Property that has unfenced, in-ground swimming pools or pools with diving boards.
14. Premises with any dog having a bite history of which exhibits any sign or aggression.
15. Premises with trampolines.
16. Daycare or nurseries whether incidental or not.
17. Wood stoves in private structures, farm structures, barns, garages, workshops.
18. Applicant has horses which are used for riding by other than household members
19. Premises with boarding of horses for others, (See Farmowner program).
20. 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.
 - 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. 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
21. 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).



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Ineligible Risks (cont.)

- 22. Buildings insured must be at least 20 feet from any other structure. (without prior company approval)
- 23. Mobile Homes, including Double-Wides. (See Manufactured Home Program)
- 24. Property with structures on pier foundations are limited to ML-1 coverages (without prior Company approval).

Optional Coverages:

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

- Forms ML-8, ML-70A, ML-89, ML-244, ML-243

Credits Available

ML-1, 2, 3 + 5*

- Higher deductible options
- New Home Credit
- Renovation Credit
- Protective Device Credits
- Alternative Replacement Cost (90%)
- Low Temperature Alarm Credit
- Non-Smoker Credit
- No Fuel Storage Credit

ML-4

- Higher deductible options

*ML-5 coverage form is available on dwellings that qualify for the New Home or Renovation Credit.

Binding Authority *PER SOLID RISK

- 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 canceled 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.



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Submission Requirements

1. NCIC Homeowners Application (or Accord with NCIC Supplemental App.) must be fully completed, signed by named insured and 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.

Submission Requirements (cont.)

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. Wood stove questionnaires must accompany applications on property with wood burning apparatus, along with two photos: one showing side view of installation, and one showing connection of stovepipe into chimney.
6. A down payment of 10% is required

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 10% of annual premium
5. A Minimum Premium of \$400 will be retained.
6. Sufficient Documentation showing completion and occupancy is required in file by 60th day, or a Notice of Cancellation will be mailed to the insured.
7. If dwelling is completed and 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.
11. Must complete Dwelling Under Construction Supplemental Questionnaire.

NO BINDING AUTHORITY – SUBJECT TO COMPANY APPROVAL