

GUA

GEORGIA UNDERWRITING ASSOCIATION

3355 Annandale Lane, Suite 3, Suwanee, GA 30024-2100

INFORMATION BULLETIN

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www.georgiaunderwriting.com

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The Information Bulletin was designed to assist with the placement of insurance with Georgia Underwriting Association and is for informational purposes only.

SECTION I

GENERAL INFORMATION

PURPOSE

The Georgia Underwriting Association (Georgia FAIR Plan) has been created by insurance companies licensed to write property insurance in Georgia to make property insurance (Homeowners, Fire, Extended Coverage, Vandalism and Malicious Mischief, Crime, and in certain areas, Windstorm and Hail coverage) more readily available to all eligible applicants. Before requesting coverage from GUA, an attempt should be made to place coverage in the voluntary market. GUA should be considered only as a last resort for insurance placement.

PLAN OF OPERATION

A Plan of Operation submitted by an industry committee to the Commissioner of Insurance has been approved. The following is a brief explanation of scope of operation of the Georgia Underwriting Association, which operates the Georgia Fair Access to Insurance Requirements Plan (Georgia FAIR Plan).

The Plan Operation Provides:

- A. **Who May Apply:** Any person having an insurable interest in property at a fixed location in the State of Georgia is eligible to apply for Homeowners, Fire, Extended Coverage, Vandalism and Malicious Mischief, Crime, and in certain areas, Windstorm and Hail Coverage. However, the person applying for insurance must use a licensed agent.
- B. **Eligible Property:** Real property at a fixed location, including builder's risk and buildings undergoing rehabilitation.
- C. **Ineligible Property:** Vacant or unoccupied structures, automobile, farm and manufacturing and/or processing risks are ineligible for coverage and any structures not in compliance with the International Building Code.
- E. **Coverage Provided and Forms Available:**
The Georgia Underwriting Association uses the following standard ISO forms.
 - (1) **Homeowner Program** – HO-8 modified coverage form with optional replacement cost coverage for buildings and contents, also optional theft coverage is available.
*Single Family owner occupied stand alone dwellings. Some permitted incidental occupancies.
Some permitted modular homes.
 - (2) **Dwelling Fire Program** – form DP 0001 - Standard Fire Policy, Extended Coverage Endorsement, and Vandalism and Malicious Mischief Endorsement (including Builder's Risk).
*Owner and non-owner occupied 1–4 family, used exclusively for dwelling purposes: not more than four apartments and no more than five boarders. Some permitted incidental occupancies.
*Trailer homes and mobile homes used exclusively for dwelling purposes at a fixed location are eligible for coverage, except for water coverage. See section V for tie down requirements.
*Liability coverage of \$20,000 may be purchased for any qualified risk for an additional \$100.00 premium.
*Water damage coverage of \$20,000 may be purchased for any qualified risk for an additional \$100.00 premium, excluding mobile homes.
 - (3) **Commercial Fire Program** – form CP 0099 Standard Property Policy Form
*Apartments with five or more units and mercantile buildings.

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(4) **Crime Program** – A policy insuring the perils of Burglary and Robbery is offered to qualified risk.

- F. **Term:** All policies will be for a term of one year. Continuation of coverage for eligible risks can be accomplished by submission of a “Continuation of Coverage” form.
- G. **Limits:** Limits of coverage shall be established by rules adopted by the Board of Directors subject to approval of the Commissioner. The maximum limit of coverage for any one building of all of an insured’s interests shall not exceed two million dollars (\$2,000,000) on any Habitational Risk and on any Commercial Risk. The maximum limit of coverage for any complex or inter-related multiple set of buildings shall not exceed twenty million dollars (\$20,000,000) in the aggregate and two million dollars (\$2,000,000) for each building.

The following maximum limits of liability apply to Crime Policies.

- (1) Habitational Burglary and Robbery - \$10,000
- (a) Special Limits
- Cash - \$200
 - Securities - \$500
 - Jewelry, articles of Gold, Silver or Platinum, Furs, Fine Arts, Antiques, Coin or Stamp Collections - \$1,500 aggregate per occurrence or \$500 for any one article. Loss, by theft of firearms is limited to \$2000 per occurrence.
- (2) Commercial Burglary and/or Robbery - \$15,000
- (a) Special Limits
- Burglary losses of money, securities or any item of jewelry with cash value in excess of \$50 will not be paid unless the items are forcibly extracted from a locked safe. There is also a limit of \$5,000 if the safe is not rated as “Class E” or better.
 - Outside robbery losses in excess of \$5,000 will not be paid unless the insured or his/her messenger is accompanied by an armed guard who is a separate person.

The following maximum limits of liability apply to Basic Homeowners Policies.

- (1) Section I Coverage
The maximum limits of liability are the maximum amount for Habitational Risks indicated in G above.
- (2) Section II Coverage – Maximum Limits
Coverage E (Personal Liability) - \$100,000 – each occurrence
Coverage F (Medical Payments) - \$1,000 – each person

- H. **Hurricane Underwriting Restrictions:** No request for increased coverage or application for new coverage shall be accepted at any time or period of time during which there exists of any portion of a hurricane designated by the U.S. National Weather Service, National Hurricane Center or any successor thereto within the boundaries of seventy (70) degrees West longitude and twenty (20) degrees North latitude until the expiration of twenty-four (24) hours after such hurricane warning has been lifted.
- I. **Rates and Premiums:** Advisory rates and premiums of the Insurance Services Office, Incorporated, or those filed and approved by the Georgia Insurance Department will apply to all coverages. Effective 9/01/13, a non-refundable policy/inspection fee will apply. This fee is due with the first payment.
- J. **Premiums:** All premiums for the gross amount are due to GUA and must be received in our office at least one day prior to the requested effective date of policy for new or continued business. Acceptable forms of payment are personal check from the insured, mortgage company check, certified check, cashier’s check, individual, or agency check, money order or credit card. No checks will be accepted that have Georgia Underwriting Association, GUA, Georgia Fair Plan, or like thereof, preprinted on the check. Credit card payments (Discover, MasterCard, and Visa) can be made via link at www.georgiaunderwriting.com. No credit card payment can be made without a GUA policy

number or Insta Quote number. GUA cannot accept checks from mortgage companies that contain payments for multiple policies. Premium financing agreements will be reviewed on an individual basis and approved by the General Manager.

K. Minimum Premiums: The minimum retained premium for cancelled policies is \$100.00 for all Dwelling and HO-8 policies, and \$200 for all Commercial policies.

L. Installment Premium Payment Plan:

- (1) We offer an optional 2 and 4 pay plan. There will be a service charge included for each installment following the initial payment.
- (2) If a policy is cancelled due to non-payment, a fee of \$15 will be required for reinstatement. A fee of \$25 will be assessed for all NSF checks.

M. Commission: The commission to a licensed agent or broker designated by the applicant is 10%. In consideration of endorsements and cancellations, an agent's commission will never exceed 10% of annual earned premium. ACH commission checks and detailed statement will be issued monthly. Paper commission checks will be issued every four months.

N. Insta Quotes are available at www.georgiaunderwriting.com as a courtesy. All quotes are tentative and non-binding. No coverage will be accepted verbally, by e-mail, phone or fax. Quotes do not constitute coverage, nor do they guarantee that the quoted coverages and premium will be accepted during the application and underwriting process.

O. Policy Distribution: The insured's copy is mailed directly to the insured. The agent's copy is emailed to the default agency email address. The Mortgagee copy is delivered electronically. All general correspondence will be emailed to the agency for distribution to the insured if necessary.

P. Information: The GUA website www.georgiaunderwriting.com is a useful tool for obtaining general information, insta quotes, applications, directions, and more.

PROCEDURES

1. Applications for Insurance:

- A. All requests for insurance must be on a current GUA application. Applications from any other source are not acceptable. Agents cannot bind coverage for GUA. Applications must be submitted electronically using the insta quote function.
- B. Applications are available as follows:
 - Online at www.georgiaunderwriting.com.
- C. All applications received by the Association are subject to the underwriting process and review. Adequate time is needed for the underwriting process. The following are needed for this process to occur:
 - Completed application signed by agent and named insured.
 - Mobile Home Tie-Down form (if requesting Mobile Home coverage).
 - Color photographs of front and back of the dwelling (black and white photos are not accepted).
 - Current appraisal, Marshal Swift Beck valuation report, or some other cost estimator.
 - Copy of previous insurance policy.
 - Copy of cancellation notice from previous company.
 - Letter of intent or statement of values (if Rehab or Builder's Risk).
- D. Applications, once completed and signed, may be submitted using the insta quote function.

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- E. Any structure, in a Windstorm and Hail area, constructed within ten years of the date of an application for insurance coverage, not built in compliance with the International Building Code, or its equivalent, including the design-wind requirements, shall not be an insurable risk. The owner or applicant shall furnish with the application, proof from a local building inspector, contractor, engineer, or architect, that the structure is built in accordance with the International Building Code or its equivalent.
- F. Flood information is required on each application and should include the name of the flood insurer and policy number. If no flood insurance is carried, state "None" in this space.

2. Inspection Program:

The Association may inspect the property to verify eligibility or coverage. Depending on the nature of the findings, the Association may elect to do one or more of the following: (1) change coverage requested, (2) choose to offer adequate time to make the necessary repairs, (3) refuse to offer coverage until corrective action has been taken, (4) require a proper pricing charge, or (5) issue notice of cancellation. A copy of the inspection report will be available to the applicant or agent upon request.

3. Underwriting:

- A. Applications, photos, and inspection reports will be examined by the Association to determine if the property meets reasonable underwriting standards.
- B. Reasonable underwriting standards for all risks include, but are not limited to, the following:
 - (1) physical condition of the property, including construction, heating, wiring, evidence of previous fire or general deterioration;
 - (2) its present use or housekeeping, such as vacancy, overcrowding, presence of rubbish or flammable materials;
 - (3) specific characteristics of ownership, condition, occupancy or maintenance, which are in violation of law or public policy and result in unreasonable exposures to loss;
 - (4) the amount of insurance requested, together with other insurance, must bear a reasonable relationship to the actual cash value of the property involved, except where state or federal law requires coverage equal to full replacement cost, provided the total replacement cost coverage does not exceed the Plan's underwriting limit.

In order for any conversion condominium structure to become eligible for replacement cost coverage, the following documentation must be furnished:

- (a) a statement based on a report prepared by an independent, registered architect or engineer, describing the present condition of all structural components and mechanical and electrical systems, excluding fixtures and appliances within the units, material to the use and enjoyment of the condominium;
 - (b) a statement of the expected useful life of each item reported on as provided in subparagraph (a) above or a statement that no representations are made in that regard;
 - (c) a list of any outstanding notices of uncured violations of building code or other county or municipal regulations together with the estimated cost of curing those violations.
 - (5) violation of law or public policy which results in an increased exposure to loss.
 - (6) frequency of losses.
- C. Following review against reasonable underwriting standards, a decision concerning acceptance or

Section I (General)

declination will be reached. Neighborhood or area location, or any environmental hazard beyond the control of the property owner, shall not be deemed to be acceptable criteria for declining a risk.

- D. In the event the actual cash value of a risk exceeds the maximum limit of liability through the Association, primary coverage may be written, at a proper premium, through the Association upon application, giving full details such as total amount of insurance to be carried, etc. The co-insurance clause and pro rata liability provisions of the policy may be waived.
- E. For special underwriting requirements applicable to specific coverages refer to Sections II through VI.

4. Acceptance

- A. When the risk is acceptable and no premium is submitted, a notice of approval will be issued to the agent or applicant.
- B. When the risk is acceptable and the proper premium is received, the Association will issue a policy effective at 12:01A.M., Standard Time, on the day following the date premium is received by Association.
- C. Policies will subsequently be issued by the Georgia Underwriting Association. Countersignature will be the responsibility of the Association.
- D. In the event the applicant is not notified by the Association of the acceptance or declination of the coverage within twenty (20) days after receipt of the completed and signed application by the Association, the applicant may request tentative coverage.
- E. In order to facilitate the prompt processing of requests for tentative coverage, the applicant or agent may contact the Association or submit to the Association a copy of the original application along with the appropriate estimated premium.

5. Declination

- A. Coverage on property which fails to meet reasonable underwriting standards will be declined and the applicant (copy to agent or broker) will be advised of the measures, if any, which if taken would make the property insurable.
- B. If improvements specified in the declination notice are made, a new application should be filed with the Association.

6. Risk Identification

All documents issued by the Association will bear a "GUA" policy number. Reference should be made to the "GUA" number in any communication to the Association with respect to Association risks.

7. Policy Changes:

- A. Requests for changes in the policy, or cancellation by the insured, should be addressed in writing to the Association. It is recommended that you use the form available on our website to insure that the necessary information is being provided. No change will be made except as it relates to existing location under the policy in question. Change of agent mid-term is not permitted and agent-of-record will only be honored at policy inception. All applicable details must be given.

(1) GUA policy number

Section I (General)

- (2) Name of insured
- (3) Effective date of endorsement
- (4) Complete statement of changes desired or the date and reason for cancellation.

- B. If additional premium is required, the change will become effective upon approval of the Underwriting Department providing premium is received by the Association within fifteen days.
- C. Changes not involving change in premium will become effective immediately upon action of the Underwriting Department.
- D. If the change calls for a return premium and policy is endorsed or cancelled, the return premium will be remitted by the Association as follows:

The refund may be issued to the insured, mortgage company, or agent at the discretion of GUA. Under no circumstances may any insurance agent withhold from the insured any portion of the unearned commission.

- 8. **Policy Assignment** to a new owner will not be permitted. If coverage for a new owner is requested, a new application must be submitted to the Association.
- 9. **Cancellation** of a policy under the Plan shall be for, but not limited to, the following reasons:
 - A. Cause which would have prevented issuance of a policy had such cause been known.
 - B. Non-payment of premium
 - C. Evidence of incendiarism
 - D. Changes rendering the risk no longer insurable
 - E. Frequency of losses
 - F. Approval of the Board of Directors.
- 10. **Cancellation Notices** will be sent by the Association. Such notices will contain right of appeal.
- 11. **Cancellation Method:** Cancellation of coverage will be in conformance with rules of Insurance Services Office, Incorporated.
- 12. **Continuation of Coverage** for eligible risks can be accomplished by submission of a "Continuation of Coverage" form. However, an attempt should be made to place coverage in the voluntary market.
- 13. Coverage on "habitational risks", as defined, cannot be afforded in the same policy with "commercial risks", as defined.
- 14. **Loss Handling:**
 - A. Losses will be reported promptly to the Claims Department of the Georgia Underwriting Association by the insured or his/her representative.
 - B. No adjustment of loss is to be handled by agents, and all questions pertaining to the adjustment of these losses including policy interpretation, rests with the Association. All loss assignments are to be made by the Association.

Section I (General)

Mailing Address

All communications on matters pertaining to the Association should be addressed to the Georgia Underwriting Association at 3355 Annandale Lane, Suite 3, Suwanee, GA 30024-2100.

Sincerely,

Jim C. Beck
General Manager
GEORGIA UNDERWRITING ASSOCIATION

SECTION II

WINDSTORM AND HAIL ONLY

- A. A policy excluding all perils except Windstorm and Hail may be issued to eligible property in the “Windstorm and Hail Area.” Both habitational and commercial risks are eligible.
- B. Applicable rules and procedures of Section I (General Information) must be followed.
- C. The following specific guidelines apply to Windstorm and Hail Only Policies.

1. Eligible Area:

Windstorm and Hail Area – includes properties at a fixed location as follows:

(a) Properties on the following Off Shore Islands

Butler’s Island	Little Sapelo Island
Cabbage Island	Little Tybee Island
Cain Creek Island	Little Wassaw Island
Champney Island	Ossabaw Island
Cockspur Island	Raccoon Key
Colonel’s Island	Rainbow Island
Cumberland Island	Saint Simon’s Island
Green Island	Sapelo Island
Isle of Wight	Sea Island
Jekyll Island	Tybee Island
Little Cumberland Island	Wassaw Island
Little Saint Simon’s Island	

(b) All other properties, wherever located, in the counties of Bryan, Camden, Chatham, Glynn, Liberty and McIntosh.

- 2. **Limits:** Limits of coverage shall be established by rules adopted by the Board of Directors subject to approval of the Commissioner. The maximum limit of coverage for any one building of all of an insured’s interests shall not exceed two million dollars (\$2,000,000) on any Habitational Risk and on any Commercial Risk. The maximum limit of coverage for any complex or inter-related multiple set of buildings shall not exceed twenty million dollars (\$20,000,000) in the aggregate and two million dollars (\$2,000,000) for each building.
- 3. Commercial policies written in the Windstorm and Hail Area, covering Windstorm and Hail Only, will include GUA “Special Provisions Windstorm or Hail Coverage” Form CP-GUA-600. Deductible amounts are 5%, 7.5%, and 10%.
- 4. Habitational policies written in the Windstorm and Hail Area, covering Windstorm and Hail Only, will include GUA “Special Provisions Windstorm or Hail” Form DP-GUA-500. Deductible amounts are 5%, 7.5%, and 10%.
- 5. With regard to the Windstorm and Hail Area, the deductible is applicable to wind and hail coverage. The deductible applies separately to each building, if two or more buildings are covered; separately to building and separately to contents, if a building and its contents are covered; separately to the contents of each building, if the contents of two or more buildings are covered; and, separately to personal property in the open. GUA reserves the right to increase the deductible as conditions require.
- 6. Any structure, in a Windstorm and Hail Area, constructed within ten years of the date of an application for insurance coverage, not built in compliance with the International Building Code, or its equivalent, including the design-wind requirements, shall not be an insurable risk. The owner or applicant shall furnish with the application, proof from a local building inspector, contractor, engineer or architect, in the

Section II (Wind & Hail)

form of a letter that the structure is built in accordance with the International Building Code or its equivalent.

7. **Replacement Cost Coverage:** This coverage is available for eligible windstorm and hail dwelling policies. Replacement cost coverage should be requested on the application, or with use of Supplemental Application DP-GUA-0030. This coverage is available for building and/or contents coverage.
8. **Loss of use Coverage:** This coverage is available for eligible windstorm and hail dwelling policies. Loss of use coverage should be requested on the application, or with use of Supplemental Application DP-GUA-0030. This coverage is available for building coverage only.

Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing endorsement now applies to Homeowners and Dwelling Windstorm or Hail policies contingent upon age of the roof.

Section III (Fire & Allied Lines)

SECTION III

FIRE AND ALLIED LINES DP-1

- A. Applicable rules and procedures of Section I (General Information) must be followed.
- B. The following specific guidelines apply to fire and allied lines policies.

1. Coverage Provided

- (a) Coverage is provided with the standard fire policy (DP-1), extended coverage endorsement, and vandalism and malicious mischief endorsement. Both building and contents coverage is offered.
- (b) Builders Risk coverage is available to applicable risks under construction or complete or complete rehabilitation.

- 2. Limits:** Limits of coverage shall be established by rules adopted by the Board of Directors subject to approval of the Commissioner. The maximum limit of coverage for any one building of all of an insured's interests shall not exceed two million dollars (\$2,000,000) on any Habitational Risk and on any Commercial Risk. The maximum limit of coverage for any complex or inter-related multiple set of buildings shall not exceed twenty million dollars (\$20,000,000) in the aggregate and two million dollars (\$2,000,000) for each building.
- 3. If eligible, Water damage coverage of \$20,000 may be purchased for an additional \$100 premium. Appropriate section of the application must be completed.
- 4. If eligible, Liability coverage of \$20,000 may be purchased for an additional \$100 premium. Appropriate section of the application must be completed.

SECTION IV

HOMEOWNERS 8

- A. A basic homeowners package policy is offered to eligible risks. ISO Homeowners Modified Coverage Form HO 00 08 is used.
- B. Applicable rules and procedures of Section I (General Information) must be followed.
- C. The following specific guidelines apply to homeowners policies.
1. The following maximum limits of liability apply to basic homeowners policies.
 - (a) Homeowners Policy Section I Coverage: The maximum limits of liability is the maximum amount for habitational risks indicated in paragraph H of Section I (General Information).
 - (b) Homeowners Policy Section II Coverage:
Coverage E (Personal Liability) - \$100,000 – each occurrence.
Coverage F (Medical Payments) - \$1,000 – each person.
 - (c) The standard \$1,000 theft coverage may be increased upon request to the following amounts with applicable additional premiums:
 - \$3,000 for an additional premium of \$61.80 for Terr. 33 -- \$97.52 for remainder of the state.
 - \$5,000 for an additional premium of \$123.60 for Terr. 33 -- \$195.04 for remainder of the state.
 2. Underwriting standards include, but are not limited to the following for homeowners policies.
 - (a) Liability Section – The risk is not eligible for coverage if any of the foregoing conditions exist.
 - Broken, cracked, uneven or otherwise faulty steps, porches, decks, sidewalks, patios and similar areas.
 - Downspouts or drains which discharge onto sidewalks or driveways.
 - Unsafe conditions including inadequate lighting of stairways and hallways.
 - Animals known to be vicious or animals which have caused a liability claim.
 - Swimming pools or private ponds not fenced in accordance with local regulations.
 - Unsafe or absence of handrails or banisters.
 - Junk cars, empty refrigerators, etc. in yard, which are an attraction to children.
 - Liability claim history over the past five years shows a claim frequency arising out of the insured's negligence.

Section IV (Homeowners)

- (b) Burglary and Robbery Section – Apply the underwriting standards identified as applicable to habitational crime policies in Crime (Burglary and Robbery) Section VI, 3 (a) and (b), page 2, omitting paragraph 3 (b) (1).
- 3. Optional Higher Deductible
Higher deductibles are available to eligible homeowners risks with appropriate deductible credit factors.
- 4. Optional Replacement Cost Coverage
Replacement cost coverage is available to eligible homeowners risks with the following additional premium:
 - (a) Building for an additional 10% of total premium.
 - (b) Contents for an additional 15% of total premium.
- 5. If eligible, Water damage coverage of \$20,000 may be purchased for an additional \$100 premium. Appropriate section of the application must be completed.

SECTION V

MOBILE HOMES

- A. Basic mobile homes coverage is available for eligible risks.
- B. Applicable rules and procedures of Section I (General Information) must be followed.
- C. The following special guidelines apply to mobile home policies.
1. **Coverage Provided:** Coverage is provided with the standard fire policy (DP-1), extended coverage endorsement, and vandalism and malicious mischief endorsement.
 2. **Limits:** Limits of coverage shall be established by rules adopted by the Board of Directors subject to approval of the Commissioner. The maximum limit of coverage for any one building of all of an insured's interests shall not exceed two million dollars (\$2,000,000) on any Habitational Risk and on any Commercial Risk. The maximum limit of coverage for any complex or inter-related multiple set of buildings shall not exceed twenty million dollars (\$20,000,000) in the aggregate and two million dollars (\$2,000,000) for each building.
 3. The following tie down requirements apply to all mobile homes and mobile home type offices.

(a) Windstorm and Hail Area (Hurricane Resistive)

Length (Excluding Hitch)	Vertical Ties Per Side	Diagonal Ties Per Side
Up to 46'	2	4
46' to 49'	2	5
49' to 58'	3	5
58' to 70'	3	6
70' to 73'	3	7
73' to 84'	4	7

(b) Other than Windstorm and Hail Area (Non-Hurricane Resistive)

Length (Excluding Hitch)	Vertical Ties Per Side	Diagonal Ties Per Side
Up to 54'	2	3
54' to 73'	2	4
73' to 84'	2	5

Notes: Applicable to (a) and (b)
All Ties must be properly anchored.

Double Wide Structures require only the diagonal ties specified, which shall be placed along the outer side walls.

Diagonal ties shall deviate at least 40 degrees from a vertical direction.

Section V (Mobile Homes)

Mobile Home: (Including Mobile Home Type Offices)

“A structure, transportable in one or more sections, which is eight body feet (8 ft.) or more in width and thirty-two (32 ft.) or more in length, and which is built on a permanent chassis, and designed to be used as a dwelling, or office with or without permanent foundation, when connected to the required utilities, and includes the plumbing, heating, air conditioning, and electrical systems contained therein.”

Tie: Strap, cable or securing device used to connect Mobile Home to ground anchors.

Vertical Tie: A tie intended to primarily resist the uplifting and overturning forces.

Diagonal Tie: A tie intended to primarily resist horizontal or shear forces and which may secondarily resist vertical, uplift and overturning forces.

Ground Anchor: Any device at the Mobile Home stand designed to transfer Mobile Home anchoring loads to the ground. All anchors shall be installed to the full depth shown by the anchor manufacturer’s installation instructions.

Anchoring System: A combination of ties, anchoring equipment and ground anchors that will, when properly designed and installed, resist overturning and lateral movement of the Mobile Home from wind forces.

SECTION VI

CRIME (BURGLARY AND ROBBERY)

- A. Applicable rules and procedures of Section I (General Information) must be followed, except that the installment premium payment option is not applicable.
- B. The following specific guidelines apply to crime coverage.

1. Coverage Provided

- (a) A policy insuring the following perils of burglary and robbery (crime policy) is offered to qualified risks:

- (1) Habitational Burglary and Robbery including damage to the residence during Burglary, Robbery or attempted Burglary or Robbery.

Note: A deductible of \$100.00 for each loss occurrence or five percent of the gross amount of loss, whichever is greater, shall apply.

- (2) Commercial Burglary, Robbery and Safe Burglary including damage to property during Burglary or Robbery or attempted Burglary or Robbery.

Note: A deductible is based on the annual gross receipts of the insured's business or five percent of the gross amount of loss, whichever is greater.

Gross Receipts	Deductible
less than \$299,999	\$250
\$300,000-\$499,999	\$350
\$500,000 or more	\$500

The deductible for nonprofit or public property risks is \$250 or five percent of the gross amount of loss, whichever is greater.

2. The following maximum limits of liability apply to crime policies:

- (a) Habitational Burglary and Robbery - \$10,000

(1) Special Limits

- Cash - \$200
- Securities - \$500
- Jewelry, Articles of Gold, Silver or Platinum, Furs, Fine Arts, Antiques, Coin or Stamp Collections - \$1,500 aggregate per occurrence or \$500 for any one article.

- (b) Commercial Burglary and/or Robbery - \$15,000

(1) Special Limits

- Burglary losses of money, securities or any item of jewelry with cash value in excess of \$50 will not be paid unless the items are forcibly extracted from a locked safe. There is also a limit of \$5,000 if the safe is not rated as "Class E" or better.
- Outside robbery losses in excess of \$5,000 will not be paid unless the insured or his/her messenger is accompanied by an armed guard who is a separate person.

Section VI (Crime)

3. Underwriting standards include, but are not limited to the following for crime policies:

(a) The coverages to which these standards apply are indicated by symbols:

Habitational Burglary and Robbery (RBR)

Commercial Robbery (MR)

Commercial Burglary (MB)

(b) Habitational Properties

- (1) A properly completed application shall be made a part of the contract and should include an affirmative and promissory warranty concerning protective devices. (RBR)
- (2) The premises must be of sound construction, well maintained and occupied. (RBR)
- (3) Exterior doors must be protected with dead bolt locks (minimum ½ inch throw) or self-locking dead latches (minimum ½ inch latch). (RBR)
- (4) Sliding glass doors must be secured by secondary locking devices (e.g., charlie bars or pins). (RBR)
- (5) All basement, first and second story windows and openings to fire escapes will have locks and pins. (RBR)
- (6) Garage doors must be equipped with key operated or other locking devices. (RBR)
- (7) Shrubs and landscaping must be trimmed. (RBR)
- (8) Outside lighting must be adequate. (RBR)
- (9) Applicant must have an acceptable loss frequency record. An unacceptable loss frequency record shall include two or more crime losses, each amounting to at least \$100.00 paid in a 12-month period, or three or more such losses in a 36-month period. (RBR)

Note 1: Declination of new coverage will result in, but is not limited to, noncompliance with items (1) through (9) above.

Note 2: Cancellation or non-renewal of in force coverage will result in, but is not limited to, noncompliance with items (1) through (9) above.

(c) Commercial Properties

- (1) A fully completed application shall be made a part of the contract and include an affirmative and promissory warranty concerning protective devices. (MR), (MB)
- (2) The premises must be of sound construction and well maintained. (MR), (MB)
- (3) The applicant, if an individual or any partner or controlling officer, if a partnership or corporation, shall meet reasonable standards of moral character. Said applicant shall not have been convicted of a fraudulent or dishonest act unless such conviction is clearly not pertinent to the risk by reason of passage of time or the nature of the offense. (MR), (MB)

Section VI (Crime)

- (4) All final exit doors must be secured by double cylinder dead locks when the premises are closed for business. Stores with exterior doorways opening upon a fully enclosed mall or arcade shall be secured by either folding or rolling steel grills, permanently installed with rigid tracks and locked with heavy duty padlocks. (MB)
- (5) The inside of all wood or wood panel exterior doors must be covered with sheet iron of a minimum thickness of 1/16 inch, bolted on all sides with at least ¼ inch carriage bolts, not more than 10 inches apart. Risks with rolling overhead doors shall be secured by a sliding bar passed through the track and locked with heavy duty padlock to prevent doors from being raised. (MB)
- (6) Accessible glass panel openings (which exceed 96 square inches and 6 inches in the smallest dimension) or doors, including skylights and transoms, must be protected on the inside by either flat iron, iron burglary bars, substantial iron or steel grill work, expanded metal burglary screens or wood shutters lines with sheet iron with a minimum thickness or 1/16 inch unless: properly installed approved burglary resistant safety glass protects such openings, or the premises are protected by an approved certified alarm system. (MB)
- (7) Outside hinge pins must be welded, flanged or screw-secured non-removable pins. (MB)
- (8) Outside show windows and show cases shall be protected by either folding or rolling steel grills or doors, or wood panels, when the premises are not open for business unless such show windows and show cases are constructed of approved burglary resistant safety glass or other material affording equal protection. (MB)
- (9) The premises, while closed for business, must be sufficiently lighted to make clearly visible the presence of any person on or about the premises. (MB)

(10) Burglary Protection Device Requirements:

Business Class	New Business	No Loss 3 Years	2 or More Losses
6	B	C	A
5	C	C	A
4	D	D	C
3	D	D	C
2	D	D	C
1	E	E	D

Protection Device Descriptions Key

- A. Central Station UL Approved
- B. Central Station With Line Security and Guard Response
- C. Central Station With Line Security Without Guard Response
- D. Silent or Local Alarm Professionally Installed With Maintenance
- E. None Required

Note: Business Classes are identified in the Commercial Rating tables.

- (11) For Safe Burglary coverage, a “Class E” safe or better, securely anchored to the floor shall be used. (MB)

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- (12) Applicant must have an acceptable loss frequency record. An unacceptable loss frequency record shall include two or more crime losses, each amounting to at least \$100.00 paid in a 12-month period or three or more such losses in a 36-month period. (MR), (MB)
- (13) Immediately upon receipt, checks shall be endorsed "For Deposit Only". The applicant shall maintain a record of checks, logged when received. The record shall include the names of the maker, payee, and bank, date and amount of check. It shall be maintained elsewhere than in the receptacle for money and securities. (MR), (MB)

Note 1: Declination of new coverage will result in, but is not limited to, noncompliance with items (1) through (13).

Note 2: Cancellation or non-renewal of in force coverage will result in, but is not limited to, noncompliance with Items (1) through (13).

(d) Definitions for Locking Devices and Other Protective Devices

- (1) Dead Lock – A locking device incorporating a lock that cannot be pushed or retracted into a door or window by the use of tools inserted between the frame of the door or window itself. Except as otherwise indicated, a dead lock may be equipped with a dead bolt or a dead latch.
- (2) Dead Bolt – A locking device using a fixed bolt that, when in locked position, cannot be retracted by a door knob or handle or other normal door opening device or by the application of force against the penetrating end of the bolt.
 - Single Cylinder Dead Bolt Lock – operated by key outside and by knob inside.
 - Double Cylinder Dead Bolt Lock – can be released from locked position only by a key, whether on the inside or the outside of the door.
 - Barrel Bolts – can be secured by a rotating motion which engages a knob in a slot and are acceptable on back doors and side doors. However, since barrel bolts cannot be operated from outside the premises, at least one door of a premises must be protected by a dead bolt lock or a self-locking dead latch.
 - Heavy Duty Rectangular Slide Bolts – can be secured in a locked position by a knob or comparable device, and are acceptable in the same situation as noted in "barrel bolts" above.
 - Heavy Duty Padlock – may be used to secure a sliding bolt.
 - Mortised Dead Bolt Lock – recessed into the edge of the door instead of the side of a door.
 - Baffle – means a piece of metal that covers the opening between a door and its frame at the area of penetration of the bolt or latch. It is used to deter the insertion of tools and prevent the exertion of pressure against the bolt or latch.
- (3) Dead Latch – A locking device, usually spring operated. It incorporates a feature which renders the latch rigid in its locked position and incapable of release by prying or by the turning of an outside door knob or handle or similar door opening device.
- (4) Throw – When used in the context of a locking device, means the distance the bolt or dead latch moves when the lock becomes engaged.
- (5) Striker – Refers to the portion of the doorway at which contact is made by the latch or bolt.
- (6) Alarm Systems – The following is a description of alarm systems and their class codes:

Class/Alarm Code

- (A) *Central Station Approved:* The alarm system must be Underwriters Laboratories (UL) approved, professional installed, regularly maintained, in constant operation and be monitored using UL approved equipment. It must be equipped with a telephone and electricity line security mechanism that activates the alarm if either line is cut. Upon any breach of a door, window (including storefront windows and unbarred skylights), or other accessible opening to the protected premises, it signals at a private sentry or guard headquarters that is attended and monitored 24 hours a day, and periodically checks the operation and effectiveness of the system. Immediately upon activation of the alarm, guards are dispatched to the protected premises for which they may be required to have keys and, as soon as a breach of the premises is confirmed, law enforcement authorities are notified
- (B) *Central Station with Security With Guard Responses:* The alarm system must be professionally installed and regularly maintained, and in constant operation. It must be equipped with a telephone and electricity line security mechanism that activates the alarm if either line is cut. It signals upon any breach of a door, window (including storefront windows and unbarred skylights), or other accessible opening to the protected premises at a private sentry or guard headquarters that is attended and monitored 24 hours a day, and periodically checks the operation and effectiveness of the system. Immediately upon the activation of the alarm, guards are dispatched to the protected premises and, as soon as a breach of the premises is confirmed,, law enforcement authorities are notified.
- (C) *Central Station With Line Security Without Guard Response:* The alarm must be professionally installed, regularly maintained, and in constant operation. It must be equipped with a telephone and electricity line security mechanism that activates the alarm if either line is cut. It signals upon any breach of a door, window (including storefront windows and unbarred skylights), or other accessible opening to the protected premises at a private sentry or guard headquarters that is attended and monitored 24 hours a day, and that periodically checks the operation and effectiveness of the system. As soon as a breach of the premises is confirmed, they must notify law enforcement authorities.
Note: If either of the central station alarm systems specified is not available in the community in which the premises are located, a silent alarm shall be permitted.
- (D) *Silent:* The alarm system must be professionally installed and regularly maintained. It signals at a location other than the location where it is installed upon any breach of a door, window (including storefront windows and unbarred skylights), or other accessible opening to the protected premises.
- (E) *Local:* The alarm system must be professionally installed and regularly maintained. It signals loudly at the premises by means of one or more temper-protected sounding devices upon any breach of a door, window (including storefront windows and unbarred skylights), or other accessible opening to the protected premises.
- (F) *None Required*

Note: All alarm systems must be professionally installed and maintained. All central station alarm systems must have line security. If any of the central station alarm systems specified are not available in the community in which the premises are located, a silent or local alarm shall be permitted.

Additional Alarm/Safe/Protection Service Types

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- Burglary Safe/Vault Alarm – safe or vault protected by a central station or silent supervised alarm system.
- Robbery Holdup Button – a holdup alarm system that is constantly in operation and signals at an office of law enforcement authorities or at an office of an independent agency located away from the protected property. Accessible, but inconspicuous, buttons at hand or foot or knee levels are placed throughout the premises. An insure may, at his/her option, cause the alarm to sound on the premises, in addition to the remote location.
- Bonded Armored Car Service – to cover robbery away from the premises when cash is transported from the insured premises to the bank.

SECTION VII

FIRE AND ALLIED LINES COMMERCIAL PROPERTY FORM

- A. Applicable rules and procedures of Section I (General Information) must be followed.
- B. The following specific guidelines apply to fire and allied lines policies.

1. Coverage Provided

- (a) Coverage is provided with the standard fire policy (CP-0099), extended coverage endorsement, and vandalism and malicious mischief endorsement. Both building and contents coverage is offered.
- (b) Builders Risk coverage is available to applicable risks under construction or complete rehabilitation.

- 2. **Limits:** Limits of coverage shall be established by rules adopted by the Board of Directors subject to approval of the Commissioner. The maximum limit of coverage for any one building of all of an insured's interests shall not exceed two million dollars(\$2,000,000) on any Habitational Risk and on any Commercial Risk. The maximum limit of coverage for any complex or inter-related multiple set of buildings shall not exceed twenty million dollars (\$20,000,000) in the aggregate and two million dollars (\$2,000,000) for each building.

SECTION VIII

COMPARISON OF COVERAGES

COMPARISON OF COVERAGES – PERSONAL LINES

HOMEOWNERS POLICY HO-8

Application HO

SECTION I

1. Fire or Lightning
2. Windstorm or Hail
3. Explosion
4. Riot or Civil Commotion
5. Aircraft
6. Vehicle
7. Smoke
8. Vandalism/Malicious Mischief
9. Theft (\$1,000) effective 10/01/16
Optional (\$3,000 - \$61.80 for Terr. 33 – \$97.52 for remainder of state) or \$5,000 - \$123.60 for Terr. 33 -- \$195.04 for remainder of state)
10. Volcanic Eruption

SECTION II

1. Personal Liability (\$100,000)
2. Medical Payments to Others (\$1,000)

Water Damage Coverage
\$20,000 for \$100 Additional Premium

DWELLING FIRE POLICY DP-1

Application DF

1. Fire or Lightning
 2. Windstorm or Hail
 3. Explosion
 4. Riot or Civil Commotion
 5. Aircraft
 6. Vehicles
 7. Smoke
 8. Volcanic Eruption
 9. Vandalism/Malicious Mischief
- Water Damage Coverage
\$20,000 for \$100 Additional Premium

OPTIONAL COVERAGE

Liability - \$20,000 for \$100 Additional Premium
Front & Rear Photos Required

WIND AND HAIL ONLY

Application DWH

1. Wind
2. Hail

OPTIONAL COVERAGE

Replacement Cost (Building &/or Contents) – 20% of EC Premium

Loss of Use – Additional Premium Applies

COMPARISON OF COVERAGES – COMMERCIAL LINES

COMMERCIAL FIRE

Application CF

- A. Fire
- B. Lightning
- C. Explosion
- D. Windstorm or Hail
- E. Smoke
- F. Aircraft or Vehicles
- G. Riot or Civil Commotion
- I. Volcanic Action
- J. Vandalism

Business Interruption

Replacement Cost

WIND AND HAIL ONLY

Application CWH

- 1. Wind
- 2. Hail

OPTIONAL COVERAGE

Replacement Cost (Building
&/or Contents) – 20% of EC
Premium

Loss of Use – Additional Premium
Applies

SECTION IX

SAMPLE FORMS