

Table of Contents

	Index of Policy Forms and Endorsements	2
100	General Rules	3
101	Policy Form	3
102	Eligibility	3
103	Coverage Limits & Program Description	4
104	Producer Appointments	5
105	Applications for Insurance	5
106	Supporting Documentation	6
107	Policy Period, Minimum Premium, Waiver of Premium, Rounding	6
108	Premium Payment	7
109	Commissions	7
110	Manual Premium Revision	7
111	Transfer or Assignment	7
112	Fees	7
200	Underwriting Guidelines	8
201	Binding	8
202	Special Hurricane/Tropical Storm Rule	10
203	Automatic Increase in Limits	10
204	Construction Definitions	10
205	Single Building Definition	10
206	Protection Classification Codes and Information	10
207	Special Underwriting Requirements	11
208	Ineligible Risks	11
300	Base Class Premiums & Territories	15
	Tier Factor Chart 1 - HO-A, & HO-B Rates	15
	Tier Factor Chart 2 - HO-A+ Rates	16
400	Underwriting Credits/Surcharges	18
401	Age of Home	18
402a	Fire Protection	18
402b	Burglar Protection	18
403	Age of Home/Preferred Builder Credit	18
404	Deductibles	18
405	Mature Citizen Credit	19
406	Hail Resistant Roof Credit	19
407	No Prior Loss Credit	19
408	Homeowner Tenant and Homeowner Condominium Policies	19
409	Maximum % Discount Rule	19
500	Additional/Optional Coverages	20
501	Replacement Cost on Personal Property	20
502	Residential Glass Coverage	20
503	Increased Limits on Jewelry, Watches, and Furs	20
504	Increased Limits on Business Personal Property	20
505	Increased Limits on Money/Bank Cards	20
506	Increased Limits on Bullion/Valuable Papers	21
507	Television and Radio Antennas	21
508	Physicians', Surgeons' & Dentists' Outside Coverage	21
509	Personal Computer Coverage	21
510	\$250 Theft Deductible	21
511	Increased Cost of Construction-Building Laws	21
512	Windstorm, Hurricane & Hail Exclusion	21
513	Exclusion of Cosmetic Damage to Roof Coverings	22
514	Scheduled Personal Property	22
515	Mold Remediation Coverage	23
516	Increased Section II Limits	24
517	Personal Injury Coverage	24
518	Office, Private School or Studio Section II Liability	24
519	Watercraft Liability Coverage	25
520	Business Pursuits Liability Coverage	25
521	Additional Premises Liability Coverage	25
522	Unit Owners Outbuildings and Other Structures Coverage	25
523	Additional Insured	25
524	Townhouse Loss Assessment Coverage	25
525	Neighborhood Homeowners Loss Assessment Coverage	26
526	Unit Owners Rental to Others	26
527	Condominium Loss Assessment Coverage	26
528	Dog Liability Coverage	26

Form/Endorsement Name	
HOMEOWNERS	
Homeowners Form A	HO-A
Homeowners Form B	HO-B
Homeowner Tenant B	HO-BT
Homeowner Condo Form B	HO-CON B
Replacement of Personal Property (HO-B, HO-BT, HO-CON-B)	HO-101
Residence Glass Coverage	HO-105
Increased Limit on Jewelry, Watches & Furs	HO-110
Increased Limit on Business PP	HO-111
Increased Limit on Money/Bank Cards	HO-112
Increased Limit on Bullion/Valuable Papers	HO-113
Television and Radio Antenna	HO-120
Physicians', Surgeons' & Dentists' Outside Coverage	HO-125
Personal Computer Coverage	HO-126
\$250 Theft Deductible (HO-BT, HO-CON-B)	HO-130
Increased Costs of Construction-Building Laws	HO-135
Windstorm, Hurricane & Hail Exclusion Agreement (HO-A, HO-A+, HO-B, HO-CON-B)	HO-140
Windstorm, Hurricane & Hail Exclusion Agreement (HO-BT)	HO-140B
Exclusion of Residential Community Property Clause	HO-142
Exclusion of Cosmetic Damage to Roof Coverings Caused by Hail	HO-145
Scheduled Personal Property	HO-160
Mold, Fungi or Other Microbes Coverage (HO-A)	HO-161
Mold, Fungi or Other Microbes Coverage (HO-B)	HO-162
Mold, Fungi or Other Microbes Coverage (HO-BT)	HO-164
Mold, Fungi or Other Microbes Coverage (HO-B-CON)	HO-165
Unit Owners Outbuildings and Other Structures Coverage	HO-180
Personal Injury Coverage	HO-201
Office, Private School or Studio Section II Liability	HO-205
Watercraft Liability Coverage	HO-215
Business Pursuits Liability Coverage	HO-220
Additional Premises Liability Coverage	HO-225
Additional Insured	HO-301
Townhouse Loss Assessment Coverage	HO-310
Neighborhood Loss Assessment Coverage	HO-315
Unit Owners Rental to Others	HO-380
Condominium Loss Assessment Coverage	HO-382
Replacement Cost Coverage – Personal Property (A+)	HO-401S (06/04)
Additional Extended Coverage with Limited Fungi, Other Microbes or Rot (A+)	HO-470S (06/04)
Replacement Cost Coverage - Dwelling (A+) - Mandatory	HO-708S (06/04)
Replacement Cost Coverage – Dwelling with ACV on Roof (A+)	HO-709S (06/04)
Animal Liability Exclusion- Amendantory	SLHOAEUS0806
Dog Liability Endorsement	SLHODLUS0806
MISCELLANEOUS ITEMS	
Privacy Notice	SLIC Privacy Notice (04/04)
A+ Memorandum	SLTXHOA+ (06/04)

100. General Rules

The Stonington Lloyds Insurance Company (SLIC) Homeowners Program provides property and liability coverages using the forms and endorsements specified in this manual. This manual contains the rules and classifications governing the writing of a Homeowners Policy with SLIC.

The rules, rates, forms, and endorsements of SLIC for each coverage shall govern in all cases specifically provided for in this manual.

101. Policy Form:

Form ICT HO-A: Provides insurance protection on an actual cash value basis for the dwelling, other private structures on the premises, and personal property on and away from the premises for loss by specifically named perils. In addition, Personal Liability Coverage and Medical Payments to Others are included in the package of coverage.

Form ICT HO-B: Provides insurance protection on replacement cost basis for the dwelling and other private structures on the premises for loss by all risks of loss unless excluded, and actual cash value on personal property on and away from the premises for loss by specifically named perils. In addition, Personal Liability Coverage and Medical Payments to Others are included in the package of coverage.

Form ICT HO-CON-B: Provides insurance protection for condominium unit owners on an actual cash basis for additions and alterations, exterior surfaces of balconies and personal property on and away from the premises for loss by specifically named perils. In addition, Personal Liability Coverage and Medical Payments to Others are included in the package of coverage.

Form ICT HO-BT: Provides insurance protection for tenants and covers personal property on and away from premises against loss by fire, extended coverage, vandalism, and malicious mischief, theft and certain other named perils.

102. Eligibility:

A Homeowners Policy on Form ICT HO-A, ICT HO-B, or ICT HO-CON-B may be written only for the owner-occupant of a single-family dwelling or condominium unit used exclusively for private residential purposes. ICT HO-BT may be written only for single-family private residential purposes.

The dwelling should show characteristics that indicate "Pride in ownership". The roof, electrical, plumbing, foundation and appliances must be in good to excellent condition. The agent must inspect the foundation and exterior walls for any indication of existing foundation problems and inspect the dwelling for any evidence of mold. All dwellings must be insured 100% to either actual cash value or replacement cost, depending on the policy form.

Eligible applicants shall be considered in good faith if they report all information of a material nature and do not willfully or knowingly make incorrect or misleading statements in the application form and have not, at any time previously, failed to pay earned premiums or other valid charges owed to SLIC.

Inquiries will be made on applicants as to their individual claim and credit history utilizing third party information.

103. General Information – Coverage Limits & Program Description

The information provided in this rule is general in nature. Additional and/or more specific information may be found in the rules following.

The following limits are available:

Tier	Maximum Dwelling Value	*Maximum T.I.V.	Minimum Dwelling Value
Select	\$750,000	\$1,500,000	\$90,000
Elite**	\$750,000	\$1,500,000	\$90,000
Preferred	\$500,000	\$1,000,000	\$90,000
Standard	\$400,000	\$800,000	\$0
Classic***	\$300,000	\$600,000	\$0

* **T.I.V.** is Total Insurable Value, Dwelling + Personal Property + Loss of Use + Other Structures + Scheduled Property.

** Maximum dwelling limits for PPC 9 is \$550,000.

*** Classic rate level risks should be submitted to underwriting for prior approval

• **Loss Settlement:**

	ICT HO-A	ICT HO-B	ICT-HO-BT	ICT HO-CON-B
Coverage A	Actual Cash Value	Replacement Cost	N/A	N/A
Coverage B	Actual Cash Value	Actual Cash Value	Actual Cash Value	Actual Cash Value

• **Covered Perils:**

ICT HO-A

Fire or Lightning, Windstorm, Hurricane & Hail, Explosion, Riot or Civil Commotion, Aircraft & Vehicles, Sudden and Accidental Damage from Smoke, Vandalism or Malicious Mischief, Theft.

ICT HO-B

All risks of loss covered except those specifically excluded.

ICT HO-BT

Fire and Lightning, Sudden and Accidental Damage from Smoke, Windstorm, Hurricane & Hail, Explosion, Aircraft and Vehicles, Vandalism and Malicious Mischief, Riot and Civil Commotion, Collapse of Building, Accidental Discharge, Leakage or Overflow of Water or Steam, Falling Objects, Freezing, Theft.

ICT HO-CON-B

Fire and Lightning, Sudden and Accidental Damage from Smoke, Windstorm, Hurricane & Hail, Explosion, Aircraft and Vehicles, Vandalism and Malicious Mischief, Riot and Civil Commotion, Collapse of Building, Accidental Discharge, Leakage or Overflow of Water or Steam, Falling Objects, Freezing, Theft.

• **Mandatory Notices & Endorsements:**

The following notices and endorsements are mandatory for **all policies** issued pursuant to this manual:

Notice of Optional Coverage Provision – provides notice of available coverage options.

Important Notice

Privacy Notice

Use of Credit Disclosure

Community Property Clause (HO-142): Removes the residential community property clause from the policy.

The following endorsements are mandatory for **HO-A+ policies** issued pursuant to this manual:

Additional Extended Coverage with Limited Fungi, Microbes and Rot (HO-470S) – offers limited mold remediation and other additional coverages.

Replacement Cost Coverage on Dwelling (HO-708S) - provides replacement cost coverage on the dwelling subject to the 80% coinsurance requirement.

104. Producer Appointments:

1. A producer appointed to SLIC shall be a general lines property and casualty agent licensed in the State of Texas.
2. An agency contract shall be executed between the producer and SLIC prior to the binding of coverage. All actions taken by the agent on behalf of SLIC shall be in accordance with the agency appointment contract and all applicable statutes and regulations of the state of Texas.
3. The agency shall have errors & omissions coverage in an amount at least equal to \$500,000 per occurrence, with a minimum annual aggregate of \$1,000,000 and such coverage shall be written by an insurer licensed to do business in Texas with a minimum rating of B++.

105. Applications for Insurance:

1. All business must be submitted electronically via the internet homeowners application.
2. The internet homeowners application or paper application, including all supporting documents, must be signed and dated by the insured and the agent and kept in the agent's files and is subject to audit review by the company. Payment for the gross premium due along with any required documents must be mailed to the company, attached to the transmittal form, within five (5) business days from the effective date of coverage or from the date the application was signed by the insured and agent and the premium received by the agent, whichever comes first.
3. The agent will submit payment payable to SLIC for the full gross amount of premium due with the submission but at no time shall this amount be less than the amount paid to the agent by the insured or mortgagee.
4. It is important that the policy number be clearly written on the check to ensure it can be properly identified and a payment for the gross premium can be applied.
5. Failure to make SLIC required minimum premium deposit could result in producer suspension.
6. No funds should be collected for properties that are ineligible for binding.
7. Producers who have submitted dishonored checks or other funds on two or more occasions during a one (1) year period shall submit future payments by certified check, bank check, or money order.

8. If an insured or applicant pays by check or money order, the producer shall advise the applicant to make the check or money order payable to SLIC, not the producer or agency. Policyholders' monies are not recoverable from SLIC, nor can a producer request cancellation of a policy as a result of a returned item.
9. The five (5) business day submission requirement also applies to all endorsement requests.
10. An internet homeowners application and supplemental application containing the applicant/insured's signature must be retained by the producer at his/her place of business for a period of five (5) years from the policy termination date.
11. A copy of the completed and signed application and supplemental application shall be given to the applicant/insured.

106. Supporting Documentation:

Failure to provide documentation for premium credits will result in the removal of the credit and an invoice to the insured.

The following is a listing of required documentation:

1. Signed application;
2. For homes older than thirty-five (35) years, a four (4) point inspection documenting condition of electrical, heating/cooling, roof, and plumbing to current state and local building code standards;
3. Applicants who have sustained any losses in the preceding sixty (60) months should submit full details of the loss(es) and an explanation of how the cause(s) of loss was corrected;
4. Copy of alarm system certificate and monitoring receipt if required by the underwriting guidelines or if any alarm credits are applied;
5. Copy of sprinkler system certificate if any sprinkler credits apply;

107. Policy Period, Minimum Premium, Waiver of Premium, and Rounding:

1. All policies must be written for a period of one year, based upon premiums, forms, and endorsements applicable on the effective date of the policy term.
2. The policy may be extended for successive policy periods by renewal based upon premiums, forms, and endorsements in effect at renewal effective date. An offer of renewal does not constitute coverage at renewal without payment of premium.
3. The minimum written premium applicable to homeowners policies shall be \$400 and for tenant and condominium policies shall be \$280. These minimum premiums do not include any applicable policy or inspection fees.
4. The minimum annual premium shall include all chargeable endorsements or coverages, if written at inception of the policy.
5. Additional or return premiums of \$5 or less shall be waived with an option by the company to grant any return premium due if requested by the insured.
6. The premium for each coverage shown in the policy shall be rounded to the nearest whole dollar, with \$0.50 or more rounded to the next higher whole dollar. In no event will premiums for any coverage be less than one dollar (\$1). Interim rounding follows rules prescribed in the ICT Texas Personal Lines Manual.
7. For all policy cancellations, round the total policy return premium to the next higher dollar.

108. Premium Payment

SLIC accepts only the following methods of payment:

1. Full Payment: full payment of gross annual premium plus all policy fees due at the inception of the policy. If payment is to be collected at closing, the agent is responsible for remitting the correct premium in a timely manner.
2. 2 Pay Plan: 50% of the total premium due at the inception of the policy plus the \$50.00 policy fee with the remaining 50% of the total premium due 60 days after the inception of the policy.
3. 4 Pay Plan: 25% of the total premium due at the inception of the policy plus the \$50.00 policy fee with the remaining 75% of the total premium due in three equal installments at 60, 120, and 180 day intervals.

Each installment, except under the full payment option, is subject to a \$3.00 service charge.

Premium must be electronically submitted or mailed to the company within five (5) business days of binding for the policy to remain in force. Premiums collectible at mortgage closing or billable to a mortgage company must be submitted within 20 days of binding.

Note: Outside premium finance will not be accepted.

109. Commissions:

The rate of commission payable to producers for all coverages shall be at the rate shown on the producer's agreement. A producer shall not apply a service charge or any other agency fee to an applicant for the completion of an application. Commissions as outlined above shall be a producer's only remuneration. In the event any policy premiums are "charged off", commission shall only be paid on collected earned premiums.

110. Manual Premium Revision:

A manual premium revision shall be made in accordance with the following procedures:

1. The effective date of such revision shall be as announced.
2. The revision shall apply to any policy or endorsement in the manner outlined in the announcement of the revision.
3. Unless otherwise provided at the time of the announcement of the premium revision, the revision shall not affect in-force policy forms, endorsements, or premiums, until the policy is renewed.

111. Transfer or Assignment:

Transfers or assignments are not available. New applications are required.

112. Fees:

1. Policy Fee

A non-commissionable and pro-rata earned policy fee of **\$50.00** will be charged on all new and renewal policies.

2. Inspection Fee

SLIC will be inspecting a large majority of all insured properties. SLIC reserves the right to inspect any risk submitted for coverage.

A fully earned property inspection fee of **\$25.00** will be charged to all homes 10 years and older, and any home with Coverage A (Dwelling) limit of \$500,000 and greater.

Eligible homes with composition shingle roofs 15 years of age and older should be submitted unbound with the **\$25.00** inspection fee made payable to UIM of Texas. Pre-binding inspections will be completed for underwriting review. All inspection fees are fully earned and non-refundable.

200. Underwriting Guidelines:

Stonington Lloyds Insurance Company has created a program that is designed to provide coverage for property which displays pride of ownership and has maintained a superior level of maintenance. The risk must meet all underwriting guidelines outlined below. If there is a question regarding any of the qualifications please contact an underwriter for assistance. Additional underwriting guidelines apply to specific endorsements or optional coverages as shown.

201. Binding:

1. An agent may NOT bind coverage on any risk ineligible for coverage. The producer shall review each application carefully to determine if coverage is eligible to be bound. The binding authority specified herein may not be exceeded under any circumstances.
2. Binding procedures:
 - a. The binder shall specifically show the hour, day, month, and year of the effective date. The binder shall never have any effective time and date prior to:
 - i. The completion of the proper application including the applicant and licensed agent signatures and the receipt of the deposit premium prescribed by the Company.
 - ii. The insured's request to add or reduce any coverage of an existing policy.
 - iii. All endorsement requests must be mailed within five (5) business days of binding to be honored by the Company or the effective date will be processed as of the date received.
 - b. A producer may bind coverage for a period not to exceed twenty-one (21) days, subject to eligibility requirements and binding limits shown in these guidelines and in the rate manual of SLIC.
 - c. Binding is subject to acceptance of the risk based on the SLIC Exposure Management Plan.
3. Replacement Cost coverage on Dwelling may not be bound with coverage less than 100% Replacement Cost without prior approval from SLIC.
4. Protection Class 9 risks may not be bound without prior approval.

(Tiering and Eligibility are subject to Underwriting discretion)

Category	Criteria	Select	A=Acceptable		U=Unacceptable	
			Elite	Preferred	Standard	***Classic
Age of Dwelling	15 Years or Less	A	A	A	A	A
	15 to 30 Years	U	A	A	A	A
	31 to 50 Years*	U	U	A	A	A
	51 to 60 Years*	U	U	A	A	A
	Over 60 Years*	U	U	A	A	A
Loss History (applies to New Business only)	Maximum Number of Losses in past three years on Property to be Covered and Owned by Applicant (Weather related claims are disregarded for tier selection only.)	0	0	1	2	3
Protection Classes		1 to 8	1 to 9**	1 to 9	1 to 9	1 to 9
Heating	Non-Thermostatically Controlled Heating System	U	U	U	A	A
Mortgages	Maximum Number of Mortgages	2	2	2	2	3
Seasonal or Secondary Homes	The risk is located in a secured area (i.e. patrolled, guarded or gated community) OR has a centralized monitored fire and burglar alarm system. If the risk is not located in a secured area, then applicant must provide a copy of alarm certificate with the application	U	A	A	A	A
	All Other Seasonal or Secondary Homes	U	U	U	U	U
Structure	Single Family, including Townhouses	A	A	A	A	A
	Duplexes	U	U	A	A	A
	Other Than Single Family	U	U	U	U	U
	Modular Homes on a Permanent Foundation	U	U	A	A	A

* Homes over the age of 35, regardless of tier, must have documentation of the condition of the home or of any extensive electrical and plumbing remodeling or renovation.

** Maximum dwelling limits for PPC 9 is \$550,000.

*** Classic rate level risks should be submitted to underwriting for prior approval.

An agent does not have binding authority for dwellings over 35 years old. Contact the Stonington Lloyds underwriter for prior approval and pricing.

202. Special Hurricane/Tropical Storm Rule:

In Tier 1 and Tier 2 counties, no application for new, or endorsement for increased coverage or reduction in any deductible amount may be bound, written, or issued, or monies received, regardless of effective date, when a Tropical Storm or Hurricane Watch or Warning has been issued by the National Weather Service for any part of the State of Texas and for forty-eight (48) hours after the Watch or Warning has been lifted.

203. Automatic Increase in Limits:

1. The Coverage A dwelling limit may be adjusted at each renewal for inflation. For example, if the ISO HomeValue Index increases by 3%, the Coverage A amount on a dwelling insured for \$100,000 will be automatically increased to \$103,000 at renewal.
2. If an adjustment is made to the Coverage A dwelling limit, it will be indicated on the renewal declarations page by the following statement: "Property coverage limit increased due to inflation measured by ISO HomeValue"

204. Construction Definitions:

1. **Frame** – outer walls of frame, sheet aluminum, or aluminum siding on wood, composition siding, and asphalt covering fiberboard. Also includes stucco over frame.
2. **Brick Veneer** – outer walls of brick-veneer or stone-veneer. Also includes "hardy-board" or "hardy-plank".
3. **Brick** – outer walls of solid masonry, brick, stone, concrete, HTB, HT, hollow masonry units, ICM and ICMS, fire-resistive and semi-fire resistive.

For risks with mixed construction, the predominant construction shall be the construction comprising over 50% of the total exterior wall area (excluding gables).

For risks with more than two construction types, the predominant construction shall be the construction comprising the majority of the total exterior wall area (excluding gables).

205. Single Building Definition:

1. All buildings or sections of buildings which are accessible through unprotected openings shall be considered as a single building.
2. Buildings which are separated by space shall be considered separate buildings.
3. Buildings or sections of buildings which are separated by a six (6) inch reinforced concrete or an eight (8) inch masonry party wall, or a documented minimum two (2) hour non-combustible wall which has been laboratory tested for independent structural integrity under fire conditions; which pierces or rises to the underside of the roof and which pierces or extends to the inner-side of the exterior wall shall be considered separate buildings. Accessibility between buildings with independent walls or through masonry party walls described above shall be protected by at least a Class A fire door installed in a masonry wall section.

206. Protection Classification Codes and Information:

Protection Class determinations are defined by the ISO Public Protection Classification System and apply to all risks insured under the SLIC homeowners program.

1. The protection class indicated applies in a municipality or classified area where a single class of fire protection is available throughout.
2. In a classified area where two or more classifications are shown (6/9), the classification is determined as follows:

- a. Dwelling within 1,000 feet of a fire hydrant AND 5 road miles or less from the primary responding fire department, use the first PC listed (6);
- b. Dwelling more than 1,000 feet from a fire hydrant AND 5 road miles or less from the primary responding fire department, use the second PC listed (9) – *submit only*.
- c. Dwelling more than 5 road miles from the primary responding fire department, use PC 10 – RISK INELIGIBLE.

207. Special Underwriting Requirements:

1. Eligible Coverage A limits based on 100% of current Replacement Cost.
2. The perils of Windstorm and Hail must be excluded in areas where coverage is available from the Texas Windstorm Insurance Association unless prior underwriting approval is received. Risks that exclude wind coverage must purchase a TWIA policy with matching limits.
3. Dwellings with composition shingles 10 to 15 years old must be written on an HO A+ policy form with Actual Cash Value Loss Settlement provisions on the roof. Other roof types and ages are also eligible for this coverage, based upon inspection of the condition of the roof covering.
4. Properties with pools, spas, hot tubs, or similar structures must be completely fenced, walled, or screened with a self-locking gate. The fence or wall must be a permanent installation with a minimum height of four (4) feet and be constructed of material that provides a reasonable barrier to entry as determined by SLIC.

Note: Swimming pools and built in hot tubs connected to the dwelling by a continuous concrete foundation are considered part of the dwelling. When calculating replacement cost of the dwelling, the replacement cost of these structures should be included in the calculation.

208. Ineligible Risks:

The following risks are ineligible for coverage with SLIC – **DO NOT BIND**:

1. Insured:

- a. Applicants and/or any resident family member who have ever been cancelled or non-renewed for material misrepresentation, insurance fraud, other underwriting reasons, or been convicted of arson.
- b. Named insured other than an individual(s). The named insured may not be a corporation, including limited liability corporations (LLC), partnership, estate, trust, or association. (*NOTE – an exception may be made, upon underwriting review of the trust documents, for a property titled to a living trust. Where a living trust holds title to the insured dwelling, a homeowners policy may be issued to the individual trust grantor or beneficiaries of the living trust, provided they reside in the dwelling as their primary residence. The living trust must be included as an additional named insured.*)
- c. Dwellings occupied by the purchaser under a contract for deed or rent to own arrangement.
- d. Dwellings owned by two or more individuals if all titled owners are not full time residents of the dwelling.
- e. Risks having more than three (3) mortgages.
- f. Property owned by the applicant that has had a lapse of coverage greater than 30 days.

2. Occupancy:

- a. Commercial Property.
- b. Properties where a business is conducted, except incidental offices.

- c. Residential risks used primarily for non-habitational purposes or dwellings that were originally designed or constructed for other than habitational purposes.
 - d. Dwellings occupied by more than one family, **other than duplexes**.
 - e. Fraternity, sorority, or any similar housing arrangement.
 - f. Roomers or boarders for remuneration.
 - g. Vacant or "unoccupied" dwellings, except for a new purchase expected to be owner-occupied within thirty (30) days from policy inception. The expected move-in date must be noted on the application. If that date is beyond thirty (30) days, submit the risk unbound for prior underwriting review including an explanation for the delay and any loss control measures taken. Unoccupied includes dwellings with personal property contained therein if the dwelling is no longer a place of usual return.
3. **Types of Dwellings:**
- a. Units with more than one (1) family, **other than duplexes**.
 - b. Mobile Homes, manufactured homes, trailer homes, travel trailers, house trailers or prefabricated homes.
 - c. Dwellings in the course of construction.
 - d. Dwellings of unconventional design or construction including log homes, metal homes, earth homes and dome homes.
 - e. Dwellings or structures that are homemade or rebuilt, or any dwelling constructed with extensive remodeling unless work was done by a licensed contractor.
 - f. Properties built on stilts, pilings, or with open foundations.
 - g. Dwellings with asbestos siding or roofing materials.
 - h. Dwellings that are isolated or inaccessible.
4. **Insurance-to-Value:**
- a. Replacement Cost exceeds 1.5 times the current market value, excluding the value of land.
 - b. Coverage A is less than the full and current Replacement Cost or Actual Cash Value as applies per policy form.
 - c. Contents values that exceed 80% of the dwelling value.
5. **Condition:**
- a. Properties which have been condemned due to condition.
 - b. Properties located in condemned areas or areas scheduled to be condemned due to urban renewal or highway construction.
 - c. Properties in a state of disrepair or reflecting a lack of maintenance and pride in ownership.
 - d. Properties with existing damage with no definitive proof of intent to repair.
 - e. Risks having slab or foundation damage.
 - f. Risks having evidence of settling (cracks) in the structure.
6. **Major Mechanical Systems:**
- a. Dwellings over 35 yrs of age are ineligible without proof of the condition of electrical, heating/air conditioning, plumbing systems and roof. Underwriting review/approval of update documentation required prior to binding.
 - b. Properties that have a portable heater, wood burning stoves or open flame as the primary source of heat, except for permanent and factory or professionally installed central gas fireplaces.
 - c. Properties with any "knob and tube" or aluminum branch wiring in use or potentially hazardous electrical condition.
 - d. Properties equipped with electrical service less than 100 amps.
 - e. Dwellings with steel, galvanized or polybutylene plumbing.

7. **Roof:**
 - a. Dwellings with unapproved roof type including -flat roofs (less than 1/12 pitch) sod roofs, wood shake or shingle roofs, rolled tar paper, clay tiles, asbestos shingles and wood overlaid with composition shingles.
 - b. Dwellings with more than 2 layers of composition shingles.
 - c. Roofs with less than 5 years of useful life remaining, regardless of age.
 - d. Dwellings with composition shingles roofs more than 15 years old without prior approval – refer to Rule 112. Dwellings with composition shingle roofs 10 to 15 years old may be bound with to Actual Cash Value loss settlement provisions but are subject to inspection.

8. **Location:**
 - a. Properties located in Protection Class 10. Properties located in Protection Class 9 require underwriting approval prior to binding.
 - b. Properties located on a farm, ranch, orchard or grove; or where farming activities or ranching operations take place.
 - c. Any insured location with a structure constructed partially or entirely over water. Piers and docks are acceptable.
 - d. Properties built on landfills previously used for refuse.
 - e. Risks located on more than five (5) acres.
 - f. Properties that are unable to be inspected either because the inspector is unable to locate or access the property or the homeowner refuses the inspection.
 - g. Risks with buried oil tanks on the premises.
 - h. Risks located within 1000 feet of tidal water.
 - i. Risks with any prior or current sinkhole activity on the premises whether or not it resulted in loss to the dwelling.

9. **Liability Exposures --risks having excessive or unusual liability exposure, including but not limited to:**
 - a. Empty in-ground swimming pools.
 - b. Unkempt swimming pools (in ground or above ground) and spas.
 - c. Swimming pools, spa, hot tub, or similar structures that are not completely fenced, walled, or screened with a self-latching gate. The fence or wall must be a permanent installation, lockable, and a minimum height of four (4) feet.
 - d. Swimming pools with diving boards and/or slides.
 - e. Trampolines.
 - f. Vicious or exotic animals or any animals with a history of aggression, attack or biting.
 - g. The following dog breeds or any mixed breed thereof: Akita, Boxer, Bull Terrier, Bullmastiff, Chow Chow, Doberman Pinscher, German Shepherd, Giant Schnauzer, Mastiff, Ovtcharka, Presa Canario, Pit Bull, Rhodesian Ridgeback, Rottweiler, Neapolitan Mastiff, Wolf, Wolf Hybrid.
 - h. Any other breed or mix the company deems as presenting an excessive liability exposure.
 - i. Non-domestic animals, live stock, or saddle animals.
 - j. Childcare or Home Day Care on premises, provided to unrelated individuals, for compensation.
 - k. Any type of all terrain vehicles (ATV's).
 - l. Skateboard, bicycle, or similar "stunt" ramps.
 - m. HO-215 with personal watercraft, i.e., Seadoos, Jet Skies, Wave Runners, Wet Bikes and other similar personal watercraft.

10. **Loss History*:**
 - a. Risks having any fire damage claims in the last five years (excluding acts of God such as lightning or wild fire).
 - b. Risks with any prior personal liability claims in the last 5 years.

- c. Risks having open, pending or unresolved claims.
- d. Risks with any prior on-premises theft or vandalism claims that have not installed a central station alarm system.
- e. Risks with an excessive frequency of prior losses.
- f. Risks with any prior mold damage claims that have not been remediated.
- g. Risks with any prior slab damage or evidence of settling (cracks) in the structure.

***notes concerning prior losses:**

- 1) Generally all paid claims filed by an applicant and/or spouse and all paid claims for the insured properties are used in determining loss history. While a single prior water loss will not be the sole reason for rejecting an application for insurance, prior claims for water damage either by the applicant or on the dwelling for which insurance is being sought are considered along with all other eligibility requirements.
- 2) A water damage claim is defined as a request for indemnification for a loss arising from the discharge or leakage of water or steam as a direct result of the failure of a plumbing system or other system that contains water or steam. A single water damage claim is acceptable and can be bound if there are no other non-weather-related claims and the paid loss is less than \$2,500. If the paid loss exceeds \$2,500, the agent must submit a completed WDR-1. Multiple paid water damage claims within 5 years of the policy effective date on the subject property are acceptable if no paid loss exceeds \$2,500 and only one of the claims is within 3 years of the policy effective date. Multiple water damage claims within 3 years of the policy effective date are unacceptable.
- 3) An appliance-related claim is defined as a request for indemnification for a loss arising from the discharge or leakage of water or steam from an appliance as a direct result of the failure of the appliance. The list of appliances includes air conditioning units, heating units, refrigerators, dishwashers, icemakers, clothes washers, water heaters and disposals. An appliance related claim does not include an external attachment to the appliance such as hoses, tubes, valves and other types of connections that are not part of the appliance. Hoses, tubes, etc. are water damage claims. Appliance-related claims on the subject property are acceptable and can be bound if the loss has been repaired and a Certificate of Appliance-Related Water Damage Remediation (WDR-1) is issued by a qualified inspector. The certification and inspection is at the consumer's cost. If the consumer will not have the property inspected and certified, the agent must do an inspection of the property and the Water Damage Guidelines above apply.
- 4) The following individuals who hold one or more of the following licenses are eligible inspectors that can certify proper remediation of an appliance-related claim:
 - a. Inspectors licensed/certified through the Voluntary Inspection Program pursuant to Article 5.33B of the Insurance Code. The TDI website has a list of these inspectors.
 - b. Persons licensed to perform real estate inspections under the Real Estate Licensing Act.
 - c. Persons licensed as an assessor or remediator by the Texas Board of Health under Chapter 1958 of the Occupations Code.
 - d. Texas Professional Engineers.TDI has promulgated a certificate titled Certificate of Appliance-Related Water Damage Remediation (WDR-1). It must be completed and issued by the inspector within 10 days of the completion of the inspection. More than two paid appliance-related water damage claims within 3 years of the policy effective date on the subject property are unacceptable.
- 5) Prior mold damage or a prior mold damage claim filed either by the applicant or on the dwelling to be insured shall not be used as a basis for determining whether to issue a homeowner insurance policy if the applicant has had mold remediation performed, had the remediation inspected and provides a properly

completed Certificate of Mold Damage Remediation form to the company.

This procedure applies when the report or information provided by the applicant indicates the subject property had previous mold damage or a paid claim involving mold damage. Prior to binding coverage underwriting must receive validation or verification that the property was properly remediated and inspected by a licensed mold assessor or adjuster. A Certificate of Mold Damage Remediation (MDR-1) must be attached to the application for each mold claim.

11. Credit History:

- a*. Insured or spouse with any public records of bankruptcy, foreclosure, liens or failure to pay child support.
- b*. Any insured or spouse of any named insured having a credit score of less than 626 in combination with any other adverse underwriting factor.
- c. Extenuating circumstances leading to any adverse public records or insurance score will be reviewed upon receipt of explanation and documentation.

***note concerning credit history:** Insurance credit score will not be used as a sole means to decline an applicant.

300. Territories and Tier Factors:

**Tier Factor Chart 1:
Applied to HO-A and HO-B (November 2001 Benchmark Rates)**

Territory	Territory Description	Select	Elite	Preferred	Standard	Classic
001	Harris County	2.09	2.19	2.51	2.93	3.55
002	Dallas County	1.50	1.58	1.81	2.10	2.55
003	Tarrant County	1.50	1.58	1.81	2.10	2.55
004	Rockwall County	1.30	1.37	1.57	1.82	2.21
004A	Collin County	1.33	1.40	1.61	1.86	2.26
004B	Denton County	1.30	1.37	1.57	1.82	2.21
005	Bexar County	1.26	1.32	1.52	1.76	2.14
006	Travis County	1.35	1.42	1.63	1.89	2.30
007	El Paso County	1.35	1.42	1.63	1.89	2.30
008	Galveston County	6.20	6.51	7.44	8.68	10.54
008X	Galveston County, excluding wind	3.62	3.80	4.34	5.07	6.15
009	Nueces County	3.20	3.36	3.84	4.48	5.44
010	Seacoast Counties excluding Aransas	2.80	2.94	3.36	3.92	4.76
010A	Aransas County	3.62	3.80	4.34	5.07	6.15
011	Seacoast Counties (Second Tier)	1.89	1.98	2.27	2.65	3.21
011A	Fort Bend County	2.48	2.60	2.98	3.47	4.22
011B	Orange County	2.05	2.15	2.46	2.87	3.49
012	South Texas Counties	1.10	1.16	1.33	1.54	1.87
012W	South Texas Tier 3 which includes Starr, Jim Hogg, Duval, McMullen, & Atascosa	1.40	1.47	1.68	1.96	2.38
013	South Central Texas Counties	1.10	1.16	1.33	1.54	1.87
13B	Brazos County	1.13	1.19	1.36	1.58	1.92
13W	Williamson County	1.12	1.18	1.35	1.57	1.90

Territory	Territory Description	Select	Elite	Preferred	Standard	Classic
13X	South Central Tier 3 which includes Karnes, De Witt, Lavaca, Colorado, & Austin	1.43	1.50	1.72	2.00	2.43
14E	Ellis County	1.30	1.37	1.57	1.82	2.21
14G	Gregg County	1.30	1.37	1.57	1.82	2.21
14N	All Other Northern East Texas Counties	1.30	1.37	1.57	1.82	2.21
14T	Smith County	1.30	1.37	1.57	1.82	2.21
14S	East Texas Southern Counties	1.15	1.21	1.39	1.61	1.96
14W	East Texas Tier 3 which includes Waller, Montgomery, San Jacinto, Polk, Tyler, Jasper, & Newton	1.46	1.53	1.75	2.04	2.48
15C	Far West Texas Counties	1.08	1.13	1.30	1.51	1.84
15N	Area surrounding Midland/Ector Counties	1.08	1.13	1.30	1.51	1.84
15E	Ector County	1.08	1.13	1.30	1.51	1.84
15M	Midland County	1.08	1.13	1.30	1.51	1.84
16C	Eastland / Hamilton Area	1.12	1.18	1.35	1.57	1.90
16J	Johnson County	1.12	1.18	1.35	1.57	1.90
16N	Area South of Taylor County	1.15	1.21	1.39	1.61	1.96
16T	Taylor County	1.20	1.26	1.45	1.68	2.04
16S	McLennan County	1.25	1.31	1.51	1.75	2.13
017	North East Texas Counties	1.15	1.21	1.39	1.61	1.96
17K	Kaufman County	1.20	1.26	1.45	1.68	2.04
018	Lubbock and Hale Counties	1.15	1.21	1.39	1.61	1.96
18A	All other Counties in Territory 18	1.00	1.05	1.21	1.40	1.70
19C	Wise County Area	1.10	1.16	1.33	1.54	1.87
19P	Parker County	1.12	1.18	1.35	1.57	1.90
19N	Clay / Throckmorton County Area	1.05	1.10	1.27	1.47	1.79
19W	Wichita County	1.07	1.12	1.29	1.50	1.82
020	Potter, Randle Counties	1.15	1.21	1.39	1.61	1.96
20A	All other Counties in Territory 20	1.05	1.10	1.27	1.47	1.79

Tier Factor Chart 2

Applied to HO-A+ (November 2001 HO-B Benchmark Rates)

(Coverage offered through the attachment of the HO-708S and HO-470S to the HO-A policy)

Territory	Territory Description	Select	Elite	Preferred	Standard	Classic
001	Harris County	1.88	1.97	2.26	2.63	3.20
002	Dallas County	1.20	1.26	1.45	1.68	2.04
003	Tarrant County	1.28	1.34	1.54	1.79	2.17
004	Rockwall County	1.17	1.23	1.41	1.64	1.99
004A	Collin County	1.20	1.26	1.45	1.68	2.04
004B	Denton County	1.17	1.23	1.41	1.64	1.99
005	Bexar County	1.01	1.06	1.22	1.41	1.72
006	Travis County	1.22	1.28	1.47	1.70	2.07
007	El Paso County	1.08	1.13	1.30	1.51	1.84

Territory	Territory Description	Select	Elite	Preferred	Standard	Classic
008	Galveston County	5.58	5.86	6.70	7.81	9.49
008X	Galveston County, excluding wind	3.27	3.43	3.92	4.58	5.56
009	Nueces County	2.90	3.05	3.48	4.06	4.93
010	Seacoast Counties excluding Aransas	2.52	2.65	3.02	3.53	4.28
010A	Aransas County	3.27	3.43	3.92	4.58	5.56
011	Seacoast Counties (Second Tier)	1.71	1.80	2.05	2.39	2.91
011A	Fort Bend County	2.23	2.34	2.68	3.12	3.79
011B	Orange County	1.84	1.93	2.21	2.58	3.13
012	South Texas Counties	0.88	0.92	1.06	1.23	1.50
012W	South Texas Tier 3 which includes Starr, Jim Hogg, Duval, McMullen & Atascosa	1.12	1.18	1.34	1.57	1.90
013	South Central Texas Counties	0.94	0.98	1.13	1.31	1.59
13B	Brazos County	0.96	1.01	1.16	1.34	1.63
13W	Williamson County	0.95	1.00	1.15	1.33	1.62
13X	South Central Tier 3 which includes Karnes, De Witt, Lavaca, Colorado & Austin	1.21	1.27	1.45	1.69	2.06
14E	Ellis County	1.11	1.16	1.33	1.55	1.88
14G	Gregg County	1.11	1.16	1.33	1.55	1.88
14N	All Other Northern East Texas Counties	1.11	1.16	1.33	1.55	1.88
14T	Smith County	1.11	1.16	1.33	1.55	1.88
14S	East Texas Southern Counties	0.98	1.03	1.18	1.37	1.66
14W	East Texas Tier 3 which includes Waller, Montgomery, San Jacinto, Polk, Tyler, Jasper & Newton	1.25	1.31	1.50	1.75	2.13
15C	Far West Texas Counties	0.86	0.91	1.04	1.21	1.47
15N	Area surrounding Midland / Ector Counties	0.86	0.91	1.04	1.21	1.47
15E	Ector County	0.86	0.91	1.04	1.21	1.47
15M	Midland County	0.86	0.91	1.04	1.21	1.47
16C	Eastland / Hamilton Area	0.95	1.00	1.15	1.33	1.62
16J	Johnson County	0.95	1.00	1.15	1.33	1.62
16N	Area South of Taylor County	0.92	0.97	1.11	1.29	1.56
16T	Taylor County	0.96	1.01	1.16	1.34	1.63
16S	McLennan County	1.06	1.12	1.28	1.49	1.81
017	North East Texas Counties	0.92	0.97	1.11	1.29	1.56
17K	Kaufman County	0.96	1.01	1.16	1.34	1.63
018	Lubbock and Hale Counties	0.92	0.97	1.11	1.29	1.56
18A	All other Counties in Territory 18	0.80	0.84	0.97	1.12	1.36
19C	Wise County Area	0.88	0.92	1.06	1.23	1.50
19P	Parker County	0.90	0.94	1.08	1.25	1.52
19N	Clay / Throckmorton County Area	0.84	0.88	1.01	1.18	1.43
19W	Wichita County	0.86	0.90	1.03	1.20	1.46
020	Potter, Randle Counties	0.92	0.97	1.11	1.29	1.56
20A	All other Counties in Territory 20	0.84	0.88	1.01	1.18	1.43

400. Underwriting Credits* & Surcharges:

401. Age of Home:

The age of home is calculated by subtracting the year the building was first built and occupied as a residence from the current year.

402a. Fire Protection:

Approved and properly maintained installations of fire alarms in the dwelling may be recognized for reduced premium by multiplying the *Total Base Premium* by either of the factors below. A certificate of Monitored Central Station Alarm System must be on file in order to receive this credit.

TYPE OF PROTECTION	FACTOR
Fire Alarm Reporting to Fire or Central Station OR Complete Home Sprinkler System	5% 8%

402b. Burglar Protection:

Installation of centrally monitored burglar alarms in the dwelling may be recognized for reduced premium by multiplying the *Total Base Premium* by 5%. A certificate of Monitored Central Station Alarm System must be on file in order to receive this credit.

403. Age of Home/Preferred Builder Credit:

Established builders who build in quantity and are recognized for their willingness to stand behind their product. These builders are listed on the website. Homes must be 0 to 10 years old to be eligible for the credit. Apply a credit calculated by multiplying the *Total Base Premium* x the following factors:

Age of home (based on calendar year)	New Home	Accredited Builder
0	.50	.90
1	.53	.90
2	.56	.90
3	.60	.90
4	.64	.90
5	.68	.90
6	.73	.93
7	.78	.97
8	.83	1.00
9	.89	1.00
10	.95	1.00
11	1.00	1.00

404. Deductibles:

The standard deductible included in the Base Rates is equal to 1% of the dwelling limit for Clause 1 and 1% of the dwelling limit for Clause 2. Other deductible options are available as outlined in the ICT Manual. Windstorm, hurricane and hail deductible must be equal to or greater than the All Other Perils deductible.

Minimum wind deductibles are as follows:

WIND	ALL OTHER
Tier 1 (Territories 8,9, & 10)	2%
Tier 2 (Territory 11)	1%

405. Mature Citizen Credit:

For any insured over 59 years of age (as of the inception date of the policy) a credit may be recognized for reduced premium by multiplying the *Total Base Premium* by 5%.

406. Hail Resistant Roof Credit:

U.L. 2218 qualifying roofs as per the Texas Personal Lines Manual. HO-145, Exclusion of Cosmetic Damage to Roof Coverings Caused by Hail, is required to be signed by the insured and attached to the policy before the credits will be applied.

HAIL RESISTANT ROOF	FACTOR
TWIA Territories	4%
Remainder of State	10%

407. No Prior Loss Credit:

Upon policy renewal, a credit may be applied to the *Total Base Premium* if there have been no reported claims and applies to renewal business, including rollover from previous carrier (with proper documentation):

Must be Loss Free with Stonington Lloyds for 2 years with no reported claims	- 5%
Must be Loss Free with Stonington Lloyds for 3 years with no reported claims	- 8%
Must be Loss Free with Stonington Lloyds for 4 or more years with no reported claims	- 10%

***notes regarding underwriting credits:**

1. Residential roof coverings meeting the impact resistance of the Underwriters Laboratories testing criteria and have been so certified according to the Texas Department of Insurance guidelines qualify for the hail-resistant roof credit in Rule 405 above. Please contact the Company for further information regarding any roof that is believed to have impact resistant characteristics or refer to the Texas Personal Lines Manual.
2. Residences meeting the Home Security Devices criteria as outlined in the Texas Insurance Code qualify for the credits indicated in Rule 402b. Please contact the Company for further information or refer to the Texas Personal Lines Manual or Texas Insurance Code.
3. Residences meeting the Automatic Sprinkler System criteria as outlined in the Texas Insurance Code qualify for the credit indicated in Rule 402a above. Please contact the Company for further information or refer to the Texas Personal Lines Manual or Texas Insurance Code.

408. Homeowner Tenant and Homeowner Condominium Policies

Base rates are per the ICT Personal Lines Manual modified by a factor of 1.50 in all rating territories. Tiering criteria and factors do not apply to HO-BT and HO-CON-B.

409. Maximum % Discount Rule:

The sum of the premium credits in Rules 402a, 402b, 403, 405, 406 and 407 is subject to a maximum of 55%.

500. Additional & Optional Coverages:

Coverages listed in this section may be added to the basic policy for an additional charge. Please review the descriptions of each additional optional coverage for specific rules and eligibility.

501. Replacement Cost on Personal Property (HO-101 or HO-401S):

Provides Replacement Cost Coverage on Personal Property (Coverage B) for forms ICT HO-B, ICT HO-BT, and ICT HO-CON-B.

The additional premium is computed by multiplying the *Adjusted Base Premium* by the factor noted in the ICT manual.

All policies, except HO-A+, attach endorsement HO-101 "Replacement of Personal Property".

HO-A+ policies, attach endorsement HO-401S "Replacement of Personal Property" .

502. Residential Glass Coverage (HO-105):

Unscheduled (only) glass coverage can be added for an additional premium as outlined in the ICT manual.

Attach endorsement HO-105 "Residence Glass Coverage".

503. Increased Limits on Jewelry, Watches and Furs (HO-110):

The special limit of liability for the category of Jewelry, Watches and Furs may be increased to a maximum limit of \$5,000 per item and subject to the rates as outlined in the ICT Manual.

Attach endorsement HO-110 "Increased Limit on Jewelry, Watches and Furs".

504. Increased Limits on Business Personal Property (HO-111):

The special limit of liability for the category of Business Personal Property may be increased to a maximum limit of \$5,000 per item and subject to the rates as outlined in the ICT Manual.

Attach endorsement HO-111 "Increased Limit on Business Personal Property".

505. Increased Limits on Money/Bank Cards (HO-112):

The special limit of liability for the category of Money/Bank Cards may be increased to a maximum limit of \$500 per card and subject to the rates as outlined in the ICT Manual.

Attach endorsement HO-112 "Increased Limit on Money/Bank Cards".

506. Increased Limits on Bullion/Valuable Papers (HO-113):

The special limit of liability for the category of Bullion/Valuable Papers may be increased to a maximum limit of \$1,000 per item and subject to the rates as outlined in the ICT Manual.

Attach endorsement HO-113 "Increased Limit on Bullion/Valuable Papers".

507. Television and Radio Antennas (HO-120):

The special limit of liability for the category of Television and Radio Antennas may be increased to a maximum limit of \$1,000 per item and subject to the rates as outlined in the ICT Manual.

Attach endorsement HO-120 "Television and Radio Antennas".

508. Physicians', Surgeons' & Dentists' Outside Coverage (HO-125):

The special limit of liability for the category of Physicians', Surgeons' & Dentists' Outside Coverage may be increased to a maximum limit of \$2,000 and subject to the rates as outlined in the ICT Manual.

Attach endorsement HO-125 "Physicians', Surgeons' & Dentists' Outside Coverage".

509. Personal Computer Coverage (HO-126):

The special limit of liability for the category of Personal Computer Coverage may be increased to a maximum limit of \$2,500 and subject to the rates as outlined in the ICT Manual.

Attach endorsement HO-126 "Personal Computer Coverage".

510: \$250 Theft Deductible (for use with HO-BT, HO-CON-B) (HO-130):

When a \$250 theft deductible is applied to BO-BT or HO-CON-B, attach endorsement HO-130.

511: Increased Cost of Construction-Building Laws (HO-135):

The special limit of liability for the category of Increased Cost of Construction-Building Laws may be increased in the amounts of 10%, 15% or 25% of the Coverage A – dwelling limit of liability and subject to the rates as outlined in the ICT Manual.

Attach endorsement HO-135 "Increased Cost of Construction-Building Laws".

512: Windstorm, Hurricane & Hail Exclusion (HO-140 or HO-140b) Required for all policies covering properties in tier one areas:

This is available if there is a concurrent TWIA policy. The endorsements HO-140B (for HO-BT) and HO-140 (all other) must be signed by the insured and submitted to SLIC. Rates are as outlined in the ICT Manual.

513: Exclusion of Cosmetic Damage to Roof Coverings (HO-145):

When a credit is provided in recognition of hail resistive roof coverings pursuant to Rule 405 of this manual, endorsement HO-145, "Exclusion of Cosmetic Damages to Roof Coverings" will be attached to the policy.

The endorsement provides that damage from hail consisting of only dents to the exterior surface of a home or other structures, not causing structural damage, is excluded. The insured's signature is required on this form to acknowledge the exclusion.

514: Scheduled Personal Property (HO-160):

1. The Scheduled Personal Property Endorsement covers all risk of loss or damage, without deductible, to the insured property except as excluded below:

- a. Wear and tear, gradual deterioration, moths, vermin or inherent vice.
- b. Any military activity, etc.
- c. Nuclear reaction or nuclear radiation.
- d. Exclusions described in special conditions applicable to each class of property.

The Scheduled Personal Property coverage is world-wide, with the exception of Fine Arts which is limited to the United States and Canada.

2. **Insurable Property:**

- a. Jewelry and watches
- b. Furs and garments trimmed with fur or consisting principally of fur.
- c. Cameras – including projection machines, film, home video cameras, playback recorders and articles of equipment pertaining thereto.
- d. Musical Instruments
- e. Silverware
- f. Golfer's Equipment – including golf clubs, golf clothing and other golf equipment. This includes your clothing while contained in a locker when you are playing golf. Coverage on golf balls is limited to the perils of Fire and Burglary (provided there are visible marks of forcible entry into the building, room or locker). Golf carts may not be scheduled under the policy.
- g. Fine Arts – includes paintings, etchings, pictures, art glass windows, tapestries hung as art and other bona fide works of art (such as statuary, marbles, bronzes, rare books and bric-a-brac) or rarity, historical value or artistic merit. Damage caused by or resulting from repairing, restoration or retouching process is excluded. Breakage of statuary, marbles, glassware, bric-a-brac, porcelains and other similar fragile articles is limited to caused by fire, lightning, explosion, windstorm, earthquake, flood, aircraft, vandalism, malicious mischief, theft, attempted theft, collision, derailment or overturn of conveyance. Loss to Fine Arts on exhibition at fair grounds or premises of national or international expositions is excluded regardless of cause, unless the premises are covered by the policy to which the endorsement is attached. You agree that the covered property will be packed and unpacked by competent packers.
- h. Stamp Collections – including due, envelope, official, revenue, match and medicine stamps, covers, locals, reprints, essays, proofs and other philatelic property including the books, pages and mountings thereof.
- i. Coin Collections – including medals, paper money, bank notes, tokens of money and other numismatic property, including coin albums, containers, frames, cards and display cabinets in use with the collection.

3. **Scheduling:** All property insured under this form must be individually scheduled with an accurate description, manufacturer’s name and serial number on property which it is available, and the amount of insurance applying.

Proof of value and a detailed description of the item(s) should be submitted with the application or change request within 15 days of binding coverage. If no proof of value is available at the time coverage is bound, agents binding authority is limited to \$2,500 per item and \$5,000 per schedule. Scheduled items valued at or above \$5,000 require a certified appraisal of value dated within the last three years.

4. **Ineligible Property:**

- a. Furniture not otherwise listed under 2. Insurable Property, under Rule 511 of this manual.
- b. Rugs.
- c. Any single item valued above \$10,000.
- d. Any total schedule valued above \$100,000.

5. **Newly Acquired Property:**

The endorsement provides that newly acquired property of a class of scheduled property already insured for are automatically covered for up to 25% of the amount of insurance for that class of property, provided the insured reports the newly acquired property within ninety (90) days and pays the pro rata additional premium from the date acquired. If these items are not reported to the Company within ninety (90) days this coverage on the newly acquired property will cease. This automatic coverage does not apply to items of a class of property which is not presently covered under the Scheduled Personal Property Endorsement.

4. **Additional Premium:**

Whenever newly acquired items or additional classes or property are added to the Scheduled Personal Property Endorsement in mid-term, the appropriate pro-rate additional premiums must be charged.

Item	Rate per \$100	Maximum Limit Per category
Cameras	\$3.00	\$5,000
Coin and Stamp Collection	\$1.30	\$10,000
Fine Arts	\$1.00	\$25,000
Furs	\$1.00	\$10,000
Golf Equipment	\$1.00	\$10,000
Jewelry	\$2.00	\$25,000
Musical Instruments	\$1.00	\$10,000
Silverware	\$1.00	\$20,000

Attach endorsement HO-160 “Scheduled Personal Property”. ****All modifications to Scheduled Personal Property must be reviewed to assure the changes fall within the specified limits and Submitted Unbound for underwriting review.***

515: Mold Remediation Coverage:

All new applications require a completed “Notice of Optional Coverage Provisions” form to be signed before the binding of the coverage. This form must have the premium blanks filled in for all four (4) options on the form (see chart below). Option 1, 2, 3 or 4 must be marked with an X and the bottom section must be completed and signed by the insured. Coverage options are 25%, 50%, or 100% of the policy limits. Coverage under the A+ policy is offered through the Additional Extended Coverage with Limited Fungi, Other Microbes or Rot Remediation (HO-470S).

If the insured elects Option 1, no further action is required. If the insured elects Option 2, 3 or 4, the producer cannot bind coverage until the insured has met our underwriting requirements. In order to select and be approved for mold remediation coverage, BEFORE BINDING underwriting will require the following at the insured’s expense, *unless* the home was built in the current year and only the 25% coverage option is selected:

1. A statement from a qualified air quality testing firm certifying that the residence is free of toxic molds and that the overall mold levels in the residence are no greater than the mold levels of the ambient outside air.
2. A statement from a licensed master plumber that the residence is free of water leaks and that all plumbing and drainage systems are in good working order.

We reserve the right to decline the application for mold coverage if unacceptable underwriting conditions exist, such as prior water loss, poor general maintenance of the home or plumbing, or a roof in need of repair or replacement.

Premium Charge for Mold Additional Coverage Endorsement - Options 2, 3, and 4

The additional premium for this optional coverage is calculated by multiplying the appropriate factor by the Total Base Premium (if the policy excludes wind, the Mold Remediation Coverage factor should be applied to the Total Base Premium **including** wind):

Option / Territory	7, 15C, 16N, 16S, 17, 19N	4, 15N, 16C, 18, 19C, 20	2, 3, 5, 8*, 12, 13, 14	1, 6, 9*, 10*, 11
Option 2 - 25%	16%	28%	41%	62%
Option 3 - 50%	25%	36%	50%	73%
Option 4 - 100%	44%	58%	74%	100%

* For territories 8 and 9, the above percentages should be multiplied by the full wind premium, regardless if wind is excluded on the policy.

“New Business” requirements must be met in order to bind coverage to add the Additional Coverage Endorsements (HO-161 to HO-165 for HO-A, HO-B policies AND HO-470S for A+ policy) either during the policy term or at the renewal.

516: Increased Section II Limits:

The basic liability limits provided in the SLIC ICT HO-A, ICT HO-B, ICT HO-BT and ICT HO-CON-B policies may be increased up to a maximum of \$300,000 Combined Personal Liability and \$5,000 Premises Medical Payments based upon the rates provided in the ICT Manual.

517: Personal Injury Coverage (HO-201):

Coverage for Personal Injury may be added by attaching endorsement HO-201 and subject to the rates as outlined in the ICT Manual.

518: Office, Private School or Studio Section II Liability (HO-205):

Coverage for Office, Private School or Studio Liability may be added by attaching endorsement HO-205. This coverage may be added for office occupancy only and subject to the rates as outlined in the ICT Manual.

519: Watercraft Liability Coverage (HO-215):

Coverage for Watercraft may be added by attaching endorsement HO-215 and subject to the following limitations.

1. Maximum overall length of boat is to be under 26 feet
2. Maximum speed rating not greater than 30 MPH
3. Maximum horsepower must not exceed the boat manufacturers recommendation
4. Private Passenger pleasure use only
5. Personal watercraft (i.e. Seadoos, Jet Skies, Wave Runners, Wet Bikes jet skis, etc.) are not eligible
6. Boats equipped with cooking or sleeping facilities are not eligible
7. Boats rented to others, used for racing or any speed related competition are not eligible
8. Amphibious, homemade or kit boats are not eligible.

Subject to rates as outlined in the ICT Manual.

520: Business Pursuits Liability Coverage (HO-220):

Coverage for Business Pursuits Liability for premium groups C, D and E only may be added by attaching endorsement HO-220 and subject to the rates as outlined in the ICT Manual.

521: Additional Premises Liability Coverage (HO-225):

Coverage for Additional Premises Liability may be added by attaching endorsement HO-225 and subject a maximum of six additional locations in Texas – without business pursuits. Rates are as outlined in the ICT Manual.

522: Unit Owners Outbuildings and Other Structures Coverage (HO-180):

The ICT HO-CON-B policy may be extended to cover outbuildings and/or other structures owned solely by the insured and located on the premises of the condominium complex by adding endorsement HO-180. The rate of \$1.00 per \$100 applies separately to each outbuilding and/or other structure.

523: Additional Insured (HO-301):

The ICT HO-A, ICT HO-B, ICT HO-BT and ICT HO-CON-B policies may be extended to cover the ownership interest of any : Mother, Father, Son, Daughter, Grandparent, Grandchild, or Living Trusts. Attach endorsement HO-301. The additional premium is a flat \$35.00.

524: Townhouse Loss Assessment Coverage (HO-310):

The ICT HO-BT and ICT-HO-CON-B policies may be extended to include a special limit of liability for the category of Townhouse Loss Assessment Coverage, up to a maximum limit of \$50,000 and subject to the rates as outlined in the ICT Manual.

Attach endorsement HO-310 "Townhouse Loss Assessment Coverage".

525: Neighborhood Homeowners Loss Assessment Coverage (HO315):

The ICT HO-A, HO-A+ and HO-B policies may be extended to include a special limit of liability for the category of Neighborhood Homeowners Loss Assessment Coverage, up to a maximum limit of \$50,000 and subject to the rates as outlined in the ICT Manual.

Attach endorsement HO-315 "Neighborhood Homeowners Loss Assessment Coverage".

526: Unit Owners Rental to Others (HO-380):

The ICT HO-BT and ICT-HO-CON-B policies may be extended to include Unit Owners Rental to Others, subject to the rates as outlined in the ICT Manual.

Attach endorsement HO-380 "Unit Owners Rental to Others".

527: Condominium Loss Assessment Coverage (HO-382):

The ICT HO-CON-B policies may be extended to include a special limit of liability for the category of Condominium Loss Assessment Coverage, up to a maximum limit of \$50,000 and subject to the rates as outlined in the ICT Manual.

Attach endorsement HO-382 "Condominium Loss Assessment Coverage".

528: Dog Liability Coverage

1. Animal Liability is to be excluded from all policies. Attach SLHOAEUS – Animal Liability Exclusion – Amendatory; OR
2. Section II, Coverage C (Personal Liability) may be amended to include bodily injury or property damage arising from dogs owned or kept by the insured.
 - a. Attach endorsement SLHODLUS "Dog Liability Endorsement."
 - b. The Coverage Limit provided by this endorsement is \$25,000 for Coverage C (Personal Liability).
 - c. A flat premium charge of \$30.00 applies.