



**UNIVERSAL**

TM

# Nevada Homeowners Program Manual

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Universal North America Insurance Company

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TABLE OF CONTENTS		
Rule Number	Rule Name/Description	Page Number
	<b>Index of Policy Forms &amp; Endorsement</b>	<b>4</b>
<b>100</b>	<b>General Rules</b>	<b>5</b>
101	Producer Appointments	5
102	Limits of Liability and Coverage Relationships	5
103	Description of Coverages	6
104	Mandatory Coverages	6
105	Eligibility	6
106	Secondary Residence Premises	7
107	Construction Definitions	7
108	Protection Classification Codes and Information	7
109	Seasonal Dwelling Definition	8
110	Single Building Definition	8
111	Applications for Insurance	8
112	Supporting Documentation	8
113	Policy Period, Minimum Premium, Waiver of Premium and Rounding	9
114	Premium Payment	9
115	Cancellation & Nonrenewal	9
116	Commissions	10
117	Manual Premium Revision	10
118	Transfer or Assignment	10
119	Mandatory Endorsements	10
<b>200</b>	<b>Underwriting Guidelines</b>	<b>11</b>
201	Binding	11
202	Extent of Coverage and Automatic Increase in Limits	11
203	Additional Underwriting Requirements	12
204	Ineligible Risks	12
<b>300</b>	<b>Rates and Rating Rules</b>	<b>14</b>
301	Base Class Premiums	15
302	Protection Class/Construction Factors	15
303	Key Factors	16
<b>400</b>	<b>Underwriting Credits/Surcharges</b>	<b>17</b>
401	Superior Construction	17
402	Townhouse or Rowhouse	17
403	Protective Devices	17
404	Affinity Discount	17
405	Age of Home Discount / Surcharge	18
406	Loss History Rating Plan	18
407	Deductibles	19
408	Building Code Effectiveness Grading	19
409	Seasonal/Secondary Residence	20
410	Multi-Line Discount	20
411	Gated Community Discount	21
412	Maximum Discount Rule	21
<b>500</b>	<b>Optional Additional Coverages &amp; Exclusions</b>	<b>22</b>
501	Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing	22
502	Increased Personal Property	22
503	Personal Property Replacement Cost	22
504	Ordinance or Law	22
505	Business Property – Increased Limits	23
506	Building Additions and Alterations – Increased Limits	23

Universal North America Insurance Company  
Nevada Homeowners Program

Rule Number	Rule Name/Description	Page Number
507	Unit-Owners Coverage A – Increased and Special Limits	23
508	Unit-Owners Rental to Others	23
509	Other Structures – Increased OR Decreased Limits	23
510	Loss Assessment Coverage	24
511	Scheduled Personal Property	24
512	Personal Property – Special Limits of Liability	25
513	Limited Fungi, Wet or Dry Rot, Or Bacteria Coverage – Special Sub-Limits	25
514	Permitted Incidental Occupancies – Residence Premises	26
515	Special Computer Coverage	26
516	Refrigerated Personal Property	26
517	Water Back-Up and Sump Overflow	26
518	Personal Liability and Medical Payments to Others – Basic & Increased Limits	27
519	Animal Liability	27
520	Identity Theft Expense Coverage	27
521	Equipment Breakdown Coverage	28
522	Earthquake Coverage	28
523	Specified Additional Amount of Insurance For Coverage A (HO 00 03)	30
524	Outboard Motors and Watercraft	30
525	Personal Injury Coverage	31
600	Territorial Definitions	32
601	Earthquake Territorial Definitions	32
	Premium Calculation Worksheets	33

Universal North America Insurance Company  
Nevada Homeowners Program

INDEX OF POLICY FORMS & ENDORSEMENTS		
Form Number	Mandatory Form	Form Name
HO 00 03		Homeowners 3 – Special Form
HO 00 04		Homeowners 4 – Contents Broad Form
HO 00 06		Homeowners 6 – Unit-Owners Form
HO 01 27	x	Special Provisions – Nevada
HO 04 10		Additional Interests
HO 04 12		Business Property – Increased Limits
HO 04 14		Special Computer Coverage
HO 04 16		Premises Alarm or Fire Protection System
HO 04 20		Specified Additional Amount of Insurance for Coverage A (HO 00 03)
HO 04 26	x	Limited Fungi, Wet or Dry Rot or Bacteria Coverage (HO-4&HO-6)
HO 04 27	x	Limited Fungi, Wet or Dry Rot or Bacteria Coverage (HO-3)
HO 04 28	x	Limited Fungi, Wet or Dry Rot or Bacteria Coverage (HO-4&6 with HO 17 31 or 32)
HO 04 35		Loss Assessment Coverage
HO 04 36		Loss Assessment Coverage for Earthquake
HO 04 40		Structures Rented to Others
HO 04 41		Additional Insured – Residence Premises
HO 04 42		Permitted Incidental Occupancies – Residence Premises
HO 04 48		Other Structures – Increased Limits
HO 04 51		Building Additions and Alterations Increased Limits (HO-4)
HO 04 54		Earthquake Coverage
HO 04 61		Scheduled Personal Property Endorsement
HO 04 65		Coverage C Increased Special Limits of Liability
HO 04 77		Ordinance or Law Increased Amount of Coverage
HO 04 90		Personal Property Replacement Cost
HO 04 93		Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing
HO 04 95		Water BackUp and Sump Overflow
HO 04 96	x	No Section II – Liability Coverages For Home Day Care, Limited Section I
HO 04 98		Refrigerated Property Coverage
HO 17 32		Unit-Owners Coverage A – Special Coverage (HO-6)
HO 17 33		Unit-Owners Rental to Others (HO-6)
HO 24 75		Watercraft
HO 24 82		Personal Injury
UI 101	x	Animal Liability Exclusion
UI 106		Animal Liability Special Limit Endorsement
UI 108	x	Trampoline Liability Exclusion
UI COVB		Coverage B – Other Structures Decreased Limits
UI 04 55		Identity Theft Expense Coverage
UI EBEE		Equipment Breakdown Enhancement Endorsement

Universal North America Insurance Company  
Nevada Homeowners Program

**100. GENERAL RULES**

The Universal Homeowners Policy Program provides property and liability coverages, using the forms and endorsement specified in this manual. This manual contains the rules and classifications governing the writing of a Homeowners Policy. The rules, rates, forms and endorsements of Universal for each coverage shall govern in all cases specifically provided for in this manual.

- A. This manual contains information to write the following lines of insurance on behalf of Universal:
  - 1. Homeowners Form (HO 00 03)
  - 2. Tenant Contents Form (HO 00 04)
  - 3. Condominium Unit-Owners Policy (HO 00 06)
- B. These General Rules of Practice apply to all lines of insurance except where noted in the respective section.

**101. PRODUCER APPOINTMENTS**

- A. A producer appointed to Universal shall be a General Lines Agent of residential property and casualty insurance licensed in the State of Nevada.
- B. An agency contract shall be executed between the producer and Universal or its MGA prior to binding of coverage.
- C. 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 the State of Nevada (includes Nevada licensed surplus lines insurers) with a minimum rating of B++.

**102. LIMITS OF LIABILITY AND COVERAGE RELATIONSHIPS**

- A. The limits of liability available under the Universal Homeowners program are as follows:

SECTION I – PROPERTY COVERAGES			
COVERAGE	HO 00 03	HO 00 04	HO 00 06
"A" – Dwelling	\$80,000 to \$1,700,000 (homes 5 yrs and newer) \$80,000 to \$750,000 (homes 10 yrs and newer) \$80,000 to \$500,000 (homes 20 yrs and newer) \$80,000 to \$350,000 (homes 21 yrs and older)	--	\$30,000 to \$300,000
"B" – Other Structures	2% to 70% of "A"	--	--
"C" – Personal Property	50% to 75% of "A"	\$20,000 to \$100,000	\$30,000 to \$300,000
"D" – Loss of Use	20% of "A"	20% of "C"	40% of "C"

*Home age is calculated by subtracting the home's year of construction from the current calendar year (i.e. a policy written in June 2006 on a home built in 1996 would consider the age of home as ten (10) years). For risks falling outside the above age/value guidelines, submit for underwriting review. Any risk over \$1m (regardless of age) also requires prior underwriting approval.*

SECTION II – LIABILITY COVERAGES (HO 00 03, HO 00 04 & HO 00 06)		
COVERAGE	BASIC LIMIT	INCREASED LIMIT
"E" – Personal Liability	\$100,000	\$300,000 or \$500,000
"F" – Medical Payments to Others	\$1,000	\$5,000

*Coverage "E" limits apply on an "occurrence" basis and Coverage "F" limits on an "each person" basis.*

- B. ALL FORMS – the limit of liability for Coverage "C" of Section I and Coverage "E" of Section II may be increased not to exceed the maximums shown in Rule 102.A.
- C. FORM HO 00 03 – under Coverage "B" of Section I, an additional amount of insurance may be written on specific structures in an amount not to exceed the maximums shown in Rule 102.A.
- D. FORM HO 00 06 – the limit of liability for Coverage "A" of Section I may be increased not to exceed the maximums shown in Rule 102.A.

**NOTE:** Coverage for swimming pools is provided as follows:

- (1) Under Coverage A (Dwelling) if the pool is attached to the dwelling by an enclosure of any sort
- (2) Under Coverage B (Other Structures) if the pool is attached to the dwelling by a concrete foundation only or if the pool is completely detached from the dwelling.

**Universal North America Insurance Company  
Nevada Homeowners Program**

**103. DESCRIPTION OF COVERAGES**

A. Section I Coverages – Property Damage: the following is a general description of the coverages provided by the individual Homeowners policy forms. The actual policy should be consulted for exact contract conditions.

PERIL	HO 00 03	HO 00 04	HO 00 06
Fire or Lightning	Yes	Yes	Yes
Windstorm or Hail, Explosion, Riot or Civil Commotion, Aircraft, Vehicles or Smoke	Yes	Yes	Yes
Vandalism or malicious mischief	Yes	Yes	Yes
Theft	Yes	Yes	Yes
Volcanic eruption	Yes	Yes	Yes
Falling objects, weight of ice, snow or sleet, accidental discharge of water or steam, sudden and accidental tearing apart of heating system or appliance, freezing, sudden accidental damage from electrical current	Yes	Yes	Yes
Additional risks with certain exceptions (Special Coverage)	Yes for "A", "B" & "D"	No	Optional for "A"

B. Section II Coverages – Liability: Forms HO 00 03, HO 00 04 and HO 00 06

Coverage "E" – Personal Liability	Covers payment on behalf of an insured for damages that the insured shall become legally obligated to pay because of bodily injury or property damage arising out of an insured's premises or personal activities. Animal, Trampoline and Day Care Liability Exclusions are standard endorsements to all HO policies
Coverage "F" – Medical Payments to Others	Covers medical expenses incurred by persons, other than the insured, who sustain bodily injury caused by an accident arising out of an insured's premises or personal activities

**104. MANDATORY COVERAGES**

It is mandatory that insurance be written for all coverages provided under both Sections I and II of the Homeowners policy, according to the minimum and maximum limits set forth in Rule 102.A.

**105. ELIGIBILITY**

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 changes owed to Universal.

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

Universal will be inspecting a large majority of their insured properties. Universal reserves the right to inspect any risk as part of the underwriting process.

A. **Form HO 00 03** – a Homeowners Policy may be issued:

- To the owner-occupant of a dwelling which is used exclusively for private residential purposes and contains not more than two (2) families and with not more than one (1) boarder or roomer per family; or
- To the purchaser-occupant who has entered into a long term installment contract for the purchase of the dwelling and who occupies the dwelling but to whom title does not pass from the seller until all the terms of the installment contract have been satisfied. The seller retains title until completion of the payments and in no way acts as a mortgagee. The seller's interest in the building and premises liability may be covered using **Endorsement HO 04 41 – Additional Insured**; or
- To the occupant of a dwelling under a life estate arrangement when the Coverage "A" amount is at least 100% of the dwelling's replacement cost. The owner's interest in the building and premises liability may be covered using **Endorsement HO 04 41 – Additional Insured**; or
- When a two (2)-family dwelling (duplex) is occupied by co-owners, each occupying distinct living quarters with separate entrances. Given these circumstances, a Homeowners Policy providing building coverage may be issued to only one of the co-owner occupants of the dwelling. The policy may be endorsed to cover the interest of the other co-owner in the building

**Universal North America Insurance Company  
Nevada Homeowners Program**

- and for premises liability. A separate Homeowners Policy (HO 00 04) may be issued to the co-owner occupying the other apartment in the building.
5. It is permissible to extend the Homeowners Policy, without additional premium charge, to cover the interest of a non-occupant joint owner in the building and for premises liability. Use Endorsement **HO 04 41 – Additional Insured – Residence Premises**.
- B. Form HO 00 04** – a Tenants Policy may be issued to:
1. The tenant (non-owner) of a dwelling or an apartment situated in any building; or
  2. The owner-occupant of a dwelling, cooperative unit of a building containing an apartment not otherwise eligible for a Homeowners Policy under General Rule 105.A. above, provided the residence premises occupied by the insured is used exclusively for residential purposes and is not occupied by more than one additional family or more than one (1) boarder or roomer.
- C. Form HO 00 06** – a Unit Owners Homeowners Policy may be issued to the owner(s) of a condominium or cooperative unit which is used exclusively for residential purposes, and is not occupied by more than one (1) additional family or more than one (1) boarder or roomer. When a condominium or co-op unit is rented to others, endorsement **HO 17 33** is mandatory and will be automatically attached. Please refer to the rating section of this manual for guidelines regarding Units Rented to Others. It is permissible to extend the Homeowners Policy, without additional premium charge, to cover the interest of a non-occupant joint owner in the building and for premises liability. Use Endorsement **HO 04 41 – Additional Insured – Residence Premises**.

**106. SECONDARY RESIDENCE PREMISES**

Homeowners coverage on a secondary residence premises shall be provided under a separate policy.

**107. CONSTRUCTION DEFINITIONS**

- A. Frame:** exterior wall of wood or other combustible construction, including wood ironclad, stucco on wood or plaster on combustible supports. Aluminum, vinyl, hardiplank or plastic siding over frame.
- B. Masonry Veneer:** exterior walls of combustible construction veneered with brick or stone.
- C. Masonry:** exterior walls constructed of masonry materials such as adobe, brick, concrete gypsum block, hollow concrete block, stone, tile or similar materials and floors and roof of combustible construction (disregarding floors resting directly on the ground).  
**NOTE: Mixed (Masonry/Frame)** – a combination of both frame and masonry construction shall be classed and coded as frame when the exterior walls of frame construction (including gables) exceed **33 1/3%** of the total exterior wall area, otherwise class and code as masonry.
- D. Superior Construction:**
  1. **Non-Combustible:** exterior walls, floors and roof constructed of and supported by metal, asbestos, gypsum or other non-combustible materials.
  2. **Masonry Non-Combustible:** exterior walls constructed of masonry materials (as described in C. above) and floors and roof of metal or other non-combustible materials.
  3. **Fire Resistive:** exterior walls, floors and roof constructed of masonry or other fire resistive materials.

**108. PROTECTION CLASSIFICATION CODES AND INFORMATION**

Protection Class determinations are defined by the ISO Public Protection Classification Systems and apply to all risks insured under the Homeowners Program.

- A.** The Protection Class indicated applies in a municipality or classified area where a single class of fire protection is available throughout (8, 7, 6, etc.)
- B.** In a classified area where two or more classifications are shown (i.e. 6/9) the classification is determined as follows:

Distance to Fire Station	Feet to Hydrant	Class
5 road miles or less	Hydrant (+) within 1,000 feet	First protection class shown (i.e. ....use Class 6)
5 road miles or less	Hydrant (+) beyond 1,000 feet	9 (prior underwriting approval required)
Over 5 road miles		10 (ineligible)

(+) Hydrant distance requirement DOES NOT apply when an alternative creditable water supply is available. Refer to footnotes under specific communities in the ISO Public Protection Classification Manual for applicability. Upon request, the agent shall submit a certification of creditable water supply from the responding Fire Department.

Universal North America Insurance Company  
Nevada Homeowners Program

**109. SEASONAL DWELLING DEFINITION**

A seasonal dwelling is a dwelling with continuous unoccupancy of six (6) or more consecutive months during any one (1) year period.

**110. SINGLE BUILDING DEFINITION**

- A. All buildings or sections of buildings which are accessible through unprotected openings shall be considered as a single building.
- B. Buildings which are separated by space shall be considered separate buildings.
- C. Buildings or sections of buildings which are separated by:
  - 1. A six (6) inch reinforced concrete or eight (8) inch masonry party wall; or
  - 2. 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 innerside 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.

**111. APPLICATIONS FOR INSURANCE**

- A. All business must be submitted via: Universal "Internet Homeowners Application"
- B. Application Submission Procedures

The Internet Homeowners Application must be signed and dated by the insured and the agent and kept in the agent's files as it is subject to audit review by the company. A check (unless paid electronically during application process) 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.

The agent will submit payment payable to Universal 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.

It is important that the policy number be clearly written on the check and all required documents to ensure they can be properly identified.

- Note 1:** Failure to make Universal required minimum premium deposit could result in Producer suspension.
- Note 2:** No funds should be collected for properties that are ineligible for binding.
- Note 3:** 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.
- Note 4:** 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 Universal, not the Producer or Agency. Policyholders' monies are not recoverable from Universal, nor can a Producer request cancellation of a policy as a result of a returned item.
- Note 5:** The five (5) business day submission requirement also applies to all endorsement requests.
- Note 6:** An internet homeowners 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.
- Note 7:** A copy of the completed and signed application and supplemental application shall be given to the applicant/insured.

**112. SUPPORTING DOCUMENTATION**

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

- A. Signed applications along with alarm certificates should be retained by the agent.
- B. Applications for dwellings older than thirty-five (35) years must be submitted with a four (4) point inspection and photos documenting updates to electrical, heating/cooling, roof and plumbing within the last 10 years (unless waived by underwriting).
- C. Applicants who have sustained a loss in the preceding thirty-six (36) months should submit full details of the claim and an explanation of how the cause(s) of the loss was corrected.
- D. Copy of trust documents for a property titled to a Living Trust.

Universal North America Insurance Company  
Nevada Homeowners Program

**113. POLICY PERIOD, MINIMUM PREMIUM, WAIVER OF PREMIUM AND ROUNDING**

- A. 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.
- B. The policy may be extended for successive policy periods by renewal based upon premiums, forms and endorsement in effect at renewal effective date. An offer of renewal does not constitute coverage at renewal without payment of premium.
- C. The minimum written premium applicable to forms HO 00 03 & HO 00 06 shall be \$300 and \$200 for form HO 00 04.
- D. The minimum annual premium shall include all chargeable endorsements or coverages, if written at inception of the policy.
- E. 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.
- F. 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). **Note:** For all policy cancellations, round the total policy return premium to the next higher dollar.

**114. PREMIUM PAYMENT**

Universal accepts only the following methods of payment:

All payments returned for insufficient funds are subject to a \$25 Non-Sufficient Funds fee.

Universal DOES NOT accept payment from outside premium finance companies.

- A. **Full Payment** – Full payment of the gross annual premium is due at the inception of the policy. If payment is to be collected at closing, the agent is responsible to remit the correct and timely premium.
- B. **2 Pay Plan** – 50% of the total premium is due at the inception of the policy, with the remaining 50% of the premium due 60 days after the inception of the policy; or
- C. **4 Pay Plan** – 25% of the total premium is due at the inception of the policy, with the remaining 75% of the premium due in three equal installments at 60, 120 and 180 day intervals; or
- D. **8 Pay Plan** - 25% of the total premium due at inception of the policy, with the remaining 75% of the total premium due in seven equal installments at 60, 90, 120, 150, 180, 210 and 240 day intervals.
- E. Each installment, except the down payment or full payment plan, is subject to a **\$3 service charge**.

**Note:** Premium must be electronically submitted or mailed to the company within 5 (five) business days of binding for policy to remain in force.

**115. CANCELLATION & NONRENEWAL**

- A. **Cancellation** – we may cancel the policy only for the reasons stated below, by written notification to the policyholder and, if any, the insurance agent of the date cancellation takes effect and the precise reason for cancellation. This cancellation notice may be delivered or mailed to the policyholder and the agent at the mailing address shown in the Declarations or the last known addresses. Proof of mailing will be sufficient proof of notice.
  - 1. When premium has not been paid, we may cancel at any time by letting the policyholder and agent know at least 10 days before the date cancellation takes effect.
  - 2. When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting the policyholder and agent know at least 10 days before the date cancellation takes effect.
  - 3. When this policy has been in effect for 60 days or more or at any time if it is a renewal with us, we may cancel:
    - (a) If there has been a material misrepresentation in the policy application which we have relied upon in affording coverage;
    - (b) If the insured risk substantially changed since the policy inception date and such change would warrant a substantial difference in the premium charged.
 This can be done by letting the policyholder and agent know at least 30 days before the date cancellation takes effect.
- B. **Nonrenewal** – we may elect not to renew the homeowners policy. We may do so by written notification to the policyholder and agent at least 30 days before the expiration date of the policy, mailed to the policyholder and agent at the mailing addresses shown in the Declarations or the last known addresses.
- C. It shall not be permissible to cancel any of the mandatory coverages in the policy unless the entire policy is cancelled.
- D. If insurance is increased, cancelled or reduced, the additional or return premium shall be computed on a pro-rata basis, subject to the minimum premium requirement. Return premiums due shall be provided in accordance with the timelines required by Nevada law.

Universal North America Insurance Company  
Nevada Homeowners Program

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**116. COMMISSIONS**

The rate of commission payable to Producers for all coverages shall be at the rate shown on the Producer's agreement of the policy premium received. A Producer shall not apply a service charge to an applicant for the completion of an application. Commissions as outlined above shall be a Producer's only remuneration. **Note:** In the event any policy premiums are CHARGED OFF, commission shall only be paid on collected earned premiums.

**117. MANUAL PREMIUM REVISION**

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

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

**118. TRANSFER OR ASSIGNMENT**

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

**119. MANDATORY ENDORSEMENTS**

- A. Special Provisions – Nevada (HO 01 27)
- B. Limited Fungi, Wet or Dry Rot, Or Bacteria Coverage (HO 04 26 or HO 04 27 or HO 04 28)
- C. No Section II – Liability Coverages for Home Day Care Business/Limited Section I – Property Coverages for Home Day Care Business (HO 04 96)
- D. Animal Liability Exclusion (UI 101)
- E. Trampoline Liability Exclusion (UI 108)

**200. UNDERWRITING GUIDELINES**

Universal 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**

- A. 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. All policies must be bound via the Universal internet application system.
- B. Binding Procedures:
  - 1. 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:
    - a. The completion of the proper application and the receipt of the deposit premium prescribed by the Company.
    - b. The insured's request to add or reduce any coverage of an existing policy.
    - c. 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 the date received.
  - 2. 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 manuals of Universal.
  - 3. Binding is subject to acceptance of the risk based on the Universal exposure management plan.
- C. No policy may be bound with coverage less than 100% Replacement Cost without prior approval from Universal.
- D. Protection Class nine (9) risks may not be bound without prior approval.

**202. EXTENT OF COVERAGE AND AUTOMATIC INCREASE IN LIMITS**

- A. **Property**
  - 1. **Homeowners Form (HO-3):** provides replacement cost coverage on structures and actual cash value\* on personal property.
  - 2. **Tenants Form (HO-4):** provides replacement cost coverage on improvements and betterments and actual cash value\* on personal property.
  - 3. **Condominium Unit-Owners Form (HO-6):** provides replacement cost coverage on additions and alterations that are not the responsibility of the condominium association and actual cash value\* on personal property.

\*Replacement Cost Coverage on Personal Property may be purchased for an additional premium on all forms.
- B. **Liability including Medical Payments**
  - 1. **Liability:** providing individual named insureds with combined single limits of liability of \$100,000, \$300,000 or \$500,000.
  - 2. **Medical Payments** with limits of \$1,000 or \$5,000 per person.  
*NOTE:* valid combinations are \$100,000 liability with \$1,000 medical payments, \$300,000 liability with \$5,000 medical payments or \$500,000 liability with \$5,000 medical payments.
- C. The base deductible applicable to all Homeowners Policies is \$250 (\$250 deductible is not available; all policies will be issued with a minimum \$500 deductible with the appropriate credit from the table in Rule 407). Optional higher deductibles are available.
- D. **Automatic Increase in Limits:**
  - 1. **General:** the Section I Coverage "A" limit does not apply to Tenants (HO-4) policies.
  - 2. **Coverage Adjustment:** the Coverage "A" dwelling limit may be adjusted at each renewal for inflation. For example, if the MSB Index increased by 3%, the Coverage "A" amount on a dwelling insured for \$100,000 will be automatically increased to \$103,000 at renewal. Other Section I blanket limits will be adjusted proportionally.
  - 3. **Renewal Declarations Page:** if an adjustment is made to the Section I Coverage "A" dwelling limit, it will be indicated on the renewal declarations page by the following statement – "property coverage limit increased at renewal by an inflation factor measured by the MSB Index".

**203. ADDITIONAL UNDERWRITING REQUIREMENTS**

**A. Older Homes**

Unless waived by underwriting, all homes 36+ years old must be submitted for underwriting approval prior to binding. The submission must include a 4-point inspection indicating that electrical wiring, heating/cooling, roof and plumbing systems have all been updated within the last 10 years and 2 clear photographs (front and rear) of the dwelling in order to be eligible.

**B. Pools and Similar Structures**

Properties with pools and similar structures must be completely fenced, walled or screened with a self latching gate. **Note:** 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 Universal (e.g. chain link, wood, steel, aluminum).

**204. INELIGIBLE RISKS**

The following risks may not be insured by Universal – *DO NOT SUBMIT*

**A. Commercial Property.**

**B. Coverage Limits:** Minimum/Maximum: properties for which the Replacement Cost (Coverage "A") or Actual Cash Value (Coverage "C") is either below or above the limits shown in the underwriting guidelines.

**C. Replacement Cost/Market Value Ratio:** properties with Replacement Cost exceeding 1½ times the market value, excluding land values.

**D. Replacement Cost of Property:** properties insured for an amount less than 100% of replacement cost without prior approval.

**E. Condemned Property:** properties which have been condemned due to condition, properties located in a condemned area or properties in an area scheduled to be condemned due to urban renewal or highway reconstruction.

**F. Property in Disrepair, Lack of Maintenance or Existing Damage:** properties in state of disrepair or reflecting lack of maintenance or properties with existing damage and no definitive proof of intent to repair.

**G. Dwellings over thirty-five (35) years old** without required proof of updates and prior underwriting approval.

**H. Risks located in a Protection Class 9** without prior underwriting approval. Risks located in **Protection Class 10** are INELIGIBLE.

**I. Dwellings with composition shingle roofs older than fifteen (15) years.**

**J. Dwellings with an unapproved roof type** (rolled tar paper, tin, aluminum, untreated wood, less than 1/12 pitch (unless the home is 10 years or newer), sod, wood shake, asbestos, more than 2 layers of composition shingle, composition shingle over wood shingle, any roof with less than 5 years of useful life).

**K. Farms & Ranches:** dwellings located on a farm, ranch, orchard or grove; or where farming activities or ranching operations take place.

**L. Dwellings occupied by more than one (1) family,** unless a duplex.

**M. Dwellings in the course of construction.**

**N. Business Exposure:** properties where a business is conducted except for incidental offices.

**O. Heating and Electrical:**

1. Dwellings which have a portable heater or open flame as a primary source of heat (i.e. electric, oil or kerosene portable space heater, gas heater or any device utilizing an open flame). Exception – permanent and factory installed central gas fireplaces.

2. Properties with any "knob & tube" or aluminum wiring in use or any other potentially hazardous electrical condition.

3. Properties equipped with electrical service less than one-hundred (100) amps.

**P. "Do-It-Yourself Construction":** dwellings or structures that are homemade or rebuilt, or any dwelling constructed with extensive remodeling. Exception – if approved by local government building or zoning department or a certificate of occupancy has been issued.

**Q. Non-Habitational Property:** residential risks used primarily for non-habitational purposes or dwellings that were originally designed or constructed for other than habitational purposes.

**R. Fraternity or Sorority Houses:** fraternity, sorority or any similar housing arrangement.

**S. Vacant or "Unoccupied" Property:** vacant or "unoccupied" dwellings. Exception – a new purchase expected to be owner-occupied within thirty (30) days from policy inception may be bound. The expected move-in date is required on the application. If beyond thirty (30) days, submit application unbound for prior approval 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; eligible seasonal or secondary dwellings are not considered vacant or "unoccupied".

**T. Material Misrepresentation, Insurance Fraud or Arson:** insureds or any members of the household whose homeowners insurance policies have *EVER* been canceled or non-renewed for material misrepresentation or insurance fraud or convicted of arson.

**Universal North America Insurance Company**  
**Nevada Homeowners Program**

- U. **Property Constructed Over Water:** any insured location with a structure constructed partially or entirely over water (i.e. boat houses, etc.). Ineligible structures *DO NOT* include piers and docks.
  - V. Property built on **stilts, pilings or with open foundations.**
  - W. **Property built on landfills – refuse:** properties built on landfills previously used for refuse.
  - X. **Inaccessible Property:** properties that are unable to be inspected either because the inspector is unable to locate or access the property or the homeowner/resident refuses the inspection.
  - Y. **Excessive or Unusual Liability Exposure,** including but not limited to:
    1. Risks with empty swimming pools
    2. Risks with swimming pool diving board and/or slide
    3. Risks with pools 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 and lockable with a minimum height of four (4) feet.
    4. Risks with trampolines.
    5. Risks with vicious or exotic animals or any animals with a history of attack or biting.
    6. Risks with any of the following dog breeds or any mixed breed thereof: Akita, American Staffordshire Terrier, Boxer, Bull Terrier, Bullmastiff, Chow Chow, Doberman Pinscher, German Shepherd, Giant Schnauzer, Mastiff, Ovtcharka, Presa Canario, Pit Bull, Rhodesian Ridgeback, Rottweiler, Neapolitan Mastiff, Wolf or Wolf-Hybrid.
    7. Risks with any livestock or saddle animal exposure
    8. Risks with skateboard, bicycle or other stunt-type ramps
    9. Childcare or Home Day Care on premises, provided to unrelated individuals, for compensation.
  - Z. Risks with any **prior slab damage, sinkhole damage or evidence of settling** (cracks) in the structure.
  - AA. Properties with **three (3) or more mortgages.**
  - BB. Risks with **two (2) or more prior property claims in the last three (3) years,** excluding Acts of God.
  - CC. Risks with **any prior personal liability claims in the last five (5) years.**
  - DD. Risks with **any prior theft or vandalism claims** that have not installed a central station burglar alarm system.
  - EE. Risks with **buried oil tanks** on premises.
  - FF. Risks with **any open, pending or unresolved claims.**
  - GG. Properties owned in the **name of a corporation (including LLC), partnership, association, estates or trusts.** Exception: an exception may be made, after underwriting review of the trust documents, for a property titled/deeded to a living trust. Where a living trust holds the title/deed 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.
  - HH. **Mobile homes,** manufactured homes, trailer homes, house trailers, pre-fab homes, or travel trailers.
  - II. Dwellings of **unconventional design or construction** including log homes, metal homes, earth homes and dome homes.
  - JJ. Property owned by the applicant that has had a **lapse of coverage greater than thirty (30) days.**
  - KK. Dwellings with any **asbestos siding or roofing** materials or built of **EFIS construction.**
  - LL. Risks with any **current or prior sinkhole activity** on the premises, whether or not it resulted in loss to the dwelling.
  - MM. Dwellings located on **more than five (5) acres.**
  - NN. Dwellings **owned by two or more individuals** if all titled owners are not full time residents of the dwelling.
  - OO. Risks with any **prior fire damage in the last five (5) years.**
  - PP. Risks with any **prior mold claims** that have not been completely remediated.
  - QQ. Dwellings with steel, **galvanized, cast iron or polybutylene plumbing.**
  - RR. Dwellings **occupied by roomers or boarders** for remuneration.
  - SS. **Credit History**
    - 1) Any insured or spouse of any named insured having a credit score of less than 626 in combination with any other adverse underwriting factor.
    - 2) Extenuating circumstances leading to any adverse public records or insurance score will be reviewed upon receipt of explanation and documentation.
- NOTE:** INSURANCE CREDIT SCORE WILL **NOT** BE USED AS THE SOLE MEANS TO DECLINE AN APPLICANT.

**300. RATES AND RATING RULES**

The Base Premium is developed by multiplying a Key Premium by a Key Factor and rounding to the nearest whole dollar (\$0.50 or more rounded to the next higher whole dollar).

**A. Form HO 00 03**

1. One and Two Family Dwelling
  - a. From the Base Class Premium Table, select the HO 00 03 premium for the territory that applies.
  - b. From the Protection Classification/Construction Tables in this Manual, select the Form and Protection – Construction Factors that apply.
  - c. Multiply the Base Class Premium by the Protection Classification/Construction Factor, and round again, to the nearest whole dollar to arrive at the Key Premium.
  - d. From the Key Factor Table, select the Key Factor for the desired limit of liability. If the limit of liability is not shown in the tables, interpolate as illustrated in Paragraph C. of this rule.
  - e. Multiply the Key Premium from Paragraph c. above by the Key Factor and round to the nearest whole dollar to arrive at the Base Premium.
  - f. Apply the appropriate adjustments.

**B. Form HO 00 04 or HO 00 06**

1. From the Base Class Premium Table, select the HO 00 04 or HO 00 06 premium for the territory that applies.
2. From the Protection Classification/Construction Tables in this Manual, select the Form and Protection – Construction Factors that apply.
3. Multiply the Base Class Premium by the Protection Classification/Construction Factor, and round again, to the nearest whole dollar to arrive at the Key Premium.
4. From the Key Factor Table, select the Key Factor for the desired limit of liability. If the limit of liability is not shown in the tables, interpolate as illustrated in Paragraph C. of this rule.
5. Multiply the Key Premium from Paragraph c. above by the Key Factor and round to the nearest whole dollar to arrive at the Base Premium.
6. Apply the appropriate adjustments.

**C. Interpolation Example**

1. When the desired limit of liability is less than the highest limit shown, interpolate the Key Factors using the nearest limit above and below the desired limit, for example:
  - a. HO 00 03, desired limit of \$203,000; the nearest limits are \$200,000 and \$205,000.
  - b. For \$200,000 the Key Factor is 1.993; for \$205,000 the Key Factor is 2.052. Calculate the difference between the two Key Factors and divide by 5. This provides a factor per \$1,000.  $2.052 - 1.993 = 0.059 / 5 = 0.012$
  - c. Multiply the factor per \$1,000 times 3, and add 1.993; the Key Factor for \$200,000.  $0.012 \times 3 = 0.036 + 1.993 = 2.029$
  - d. The result, 2.029 is the Key Factor for this example.
2. The factors shown in the above interpolation example are for illustration only and are not necessarily the factors shown in the Key Factor Table of this manual.

Universal North America Insurance Company  
Nevada Homeowners Program

301. BASE CLASS PREMIUMS

BASE CLASS PREMIUMS			
TERRITORY	HO 00 03	HO 00 04	HO 00 06
30	352	66	89
31	280	67	62
32	412	69	60
33	441	57	62
34	339	60	60
35	471	51	67
36	318	41	58
37	276	42	60

302. PROTECTION CLASS/CONSTRUCTION FACTORS

Protection Class	HO 00 03		HO 00 04 & HO 00 06	
	Masonry	Frame	Masonry	Frame
1	0.86	0.96	0.86	0.96
2	0.87	0.97	0.87	0.97
3	0.88	0.98	0.88	0.98
4	0.89	0.99	0.89	0.99
5	0.90	1.00	0.90	1.00
6	0.91	1.01	0.91	1.01
7	1.00	1.10	0.92	1.20
8	1.30	1.40	0.93	1.20
8B	1.42	1.58	1.15	1.44
9	1.50	1.70	1.30	1.60
10	1.60	1.80	1.50	2.00

Universal North America Insurance Company  
Nevada Homeowners Program

303. KEY FACTORS

Amount of Insurance Coverage A	HO 00 03 Key Factor		Amount of Insurance Coverage C	HO 00 04 Key Factor	HO 00 06 Key Factor
\$80,000	0.816		\$20,000	1.000	1.000
\$85,000	0.854		\$25,000	1.190	1.170
\$90,000	0.892		\$30,000	1.380	1.340
\$95,000	0.946		\$35,000	1.570	1.510
\$100,000	1.000		\$40,000	1.760	1.680
\$105,000	1.008		\$45,000	1.950	1.850
\$110,000	1.015		\$50,000	2.140	2.020
\$115,000	1.025		\$55,000	2.330	2.190
\$120,000	1.034		\$60,000	2.470	2.320
\$125,000	1.045		\$65,000	2.610	2.450
\$130,000	1.055		\$70,000	2.750	2.580
\$135,000	1.068		\$75,000	2.890	2.710
\$140,000	1.080		\$80,000	3.030	2.840
\$145,000	1.094		\$85,000	3.170	2.970
\$150,000	1.108		\$90,000	3.310	3.100
\$155,000	1.124		\$95,000	3.450	3.230
\$160,000	1.140		\$100,000	3.590	3.360
\$165,000	1.157		\$105,000	3.730	3.490
\$170,000	1.174		\$110,000	3.870	3.620
\$175,000	1.193		\$115,000	4.010	3.750
\$180,000	1.212		\$120,000	4.150	3.880
\$185,000	1.232		\$125,000	4.290	4.010
\$190,000	1.252		\$130,000	4.430	4.140
\$195,000	1.274		\$135,000	4.570	4.270
\$200,000	1.296		\$140,000	4.710	4.400
\$205,000	1.319		\$145,000	4.850	4.530
\$210,000	1.342		\$150,000	4.990	4.660
\$215,000	1.367		<b>Each add'l \$1,000</b>	<b>0.028</b>	<b>0.026</b>
\$220,000	1.392				
\$225,000	1.418				
\$230,000	1.444				
\$235,000	1.471				
\$240,000	1.498				
\$245,000	1.527				
\$250,000	1.555				
\$255,000	1.585				
\$260,000	1.615				
\$265,000	1.646				
\$270,000	1.677				
\$275,000	1.709				
\$280,000	1.741				
\$285,000	1.774				
\$290,000	1.807				
\$295,000	1.842				
\$300,000	1.876				
<b>Each add'l \$1,000</b>	<b>0.007</b>				

**Universal North America Insurance Company  
Nevada Homeowners Program**

**400. PREMIUM CREDITS/SURCHARGES**

The following rules describe all credits and surcharges that may be applicable to a particular risk. The surcharges apply to properties that have exposures or hazards which are not contemplated in the Base Premium.

**401. SUPERIOR CONSTRUCTION**

The premium adjustment for a dwelling or unit in a building of superior construction is computed by applying a **15% discount** to the Base Premium.

**402. TOWNHOUSE OR ROWHOUSE (HO 00 03)**

The additional premium for an eligible one (1) or two (2) family dwelling in a townhouse or rowhouse structure is computed by multiplying the Base Premium by the appropriate factor from the following table:

Number of Individual Units Within One Fire Division	Protection Class 1 – 8B	Protection Class 9+
1 & 2	0.00	0.00
3 & 4	0.10	0.15
5 – 8	0.25	0.30
9 & Over	0.40	0.45

An eligible two family owner-occupied dwelling attached to a one family dwelling but not separated by a firewall would be considered three (3) family units within a fire division. Four two (2) family dwellings not separated by a firewall would be considered eight (8) individual family units.

**403. PROTECTIVE DEVICES**

A discount is allowed for the installation of burglary and/or fire alarm systems in the residence in accordance with the following schedule:

Protective Devices	Discount %
1. Smoke or Fire Alarm	2%
2. (1) + Fire Extinguisher + Dead Bolts	5%
3. *Complete Burglar Alarm	5%
4. (2) + (3)	10%
5. Burglar alarm reporting to Central Station	10%
6. Fire alarm reporting to Central Station (risk must be located in PC 1 – 5)	10%
7. (2) + (5)	15%
8. (2) + (6)	15%
9. (5) + (6)	15%
10. **Complete home sprinkler system	10%
11. (2) + (10)	15%
12. (5) + (10)	15%
13. No Protective Devices	--
*Complete burglar alarm is defined as covering all accessible exterior doors and windows.	
**Complete home sprinkler system is defined as automatic sprinklers in all areas including bathrooms, attics and attached structures.	

Use Endorsement: **HO 04 16 – Premises Alarm or Fire Protection System**

**404. AFFINITY DISCOUNT**

If **either** of the following criteria are met, apply a discount of **15%** to the Base Premium.

1. The home is less than 5 years old and was constructed by a builder on the Universal "Preferred Builder" list; or
2. The homeowners insurance policy is written by a financial institution on the Universal "Preferred Financial Institutions" list.

Universal North America Insurance Company  
Nevada Homeowners Program

**405. AGE OF HOME DISCOUNT / SURCHARGE (HO 00 03 only)**

1. Multiply the otherwise applicable Base Premium by the following factors:

Age of Home (years old)	Factor	Age of Home (years old)	Factor
0	0.25	6	0.08
1	0.22	7	0.06
2	0.19	8	0.04
3	0.16	9	0.02
4	0.13	10 – 15	0.00
5	0.10	16+	Add +0.01 per year

2. The age of dwelling is defined as the difference between the year for which the policy is being rated and the year in which the house was built.
3. The above factors are also applicable for all dwellings that have been completely renovated. To qualify, all of the following must have been installed by a licensed contractor within the last 9 years: roof, plumbing, electrical and heat/cooling systems. The age of renovated dwellings is defined as the difference between the year in which the policy is being rated and the earliest year in which any of the required systems was installed by a licensed contractor.
4. A 4-point inspection must be provided detailing the extent of the work done and the dates of completion.

**406. LOSS HISTORY RATING PLAN – ALL FORMS**

**A. Introduction**

The Loss History Rating Plan recognizes the loss history of an insured or applicant, for both property and liability coverages, in determining the appropriate premium for a new or renewal policy.

**B. Eligibility**

A loss shall be considered eligible for rating under this Plan if:

1. The loss occurred during the three years immediately preceding the effective date for a new policy or renewal policy;
2. The loss occurred with respect to a risk eligible for coverage under the Homeowners Policy Program;
3. The loss was sustained with respect to the property or liability of an insured under the policy being rated; and

**C. Exceptions**

The following shall not be considered eligible for rating under the Plan:

1. A loss resulting from earth movement, fire (caused by wildfire), flood, freezing, hail, hurricane, lightning, mold (caused by weather), power surge (caused by weather), sinkhole, ice/sleet/snow, tornado, falling trees, water damage (caused by weather) or windstorm
2. A loss for which payment occurred only with respect to Medical Payments To Others or similar coverage.
3. A loss to a dwelling currently owned by an insured or applicant which occurred prior to ownership.

- D. Consecutive Years Insured with Universal – the years insured with Universal are determined by the number of consecutive years ending with the current renewal date, the policyholder or spouse has had a Universal homeowners policy covering their primary dwelling or contents.

**E. Refund of Increased Premium**

If, after an increased premium is generated based on the requirements of this Plan, it is determined that a loss does not meet the requirements of this Plan, we shall refund the increased portion of the premium attributable to such loss as generated by the Plan.

**F. Administration Of Loss History Rating Plan**

Information necessary to determine the loss history of the named insured or applicant shall be obtained from any one or combination of the following:

1. An application signed by the applicant.
2. A loss history or claims history database.
3. A company's internal records.

**G. Premium Computation**

Multiply the Base Premium by the appropriate factor from the following table:

Consecutive Years Insured with Universal	Number of Eligible Losses				
	0	1	2	3	4+
0 – 1	0.00	+0.10	+0.30	+0.55	+0.85
2 – 5	-0.05	+0.05	+0.30	+0.55	+0.85
6 – 8	-0.10	0.00	+0.25	+0.55	+0.85
9+	-0.10	-0.10	+0.10	+0.45	+0.85

**Universal North America Insurance Company  
Nevada Homeowners Program**

**407. DEDUCTIBLES**

All policies are subject to a deductible that applies to loss from all Section I Perils, except Earthquake. A separate deductible provision applies to Earthquake Coverage as described in Rule 522.

- A. **Base Deductible:** \$250(\$250 deductible is not available; all policies will be issued with a minimum \$500 deductible with the appropriate credit from the table below).
- B. **Optional Higher All Peril Deductibles:**
  - 1. Apply the appropriate credit factor from the table below to the Base Premium:

Form HO 00 03			
Coverage A Limit	Deductible Amounts		
	\$500	\$1000	\$2500
\$80,000 to \$99,999	0.09	0.21	0.38
\$100,000 to \$200,000	0.08	0.21	0.38
\$200,001 and over	0.04	0.11	0.25
HO 00 04			
Coverage C Limit	\$500	\$1000	\$2500
Up to \$25,000	0.09	0.23	0.41
\$25,001 and over	0.07	0.16	0.32
HO 00 06			
Coverage C Limit	\$500	\$1000	\$2500
Up to \$40,000	0.10	0.24	0.44
\$40,001 and over	0.08	0.19	0.37

**408. BUILDING CODE EFFECTIVENESS GRADING**

- A. **General Information**
  - 1. The Building Code Effectiveness Grading Schedule develops a grade of 1 to 10 for a community based on the adequacy of its building code and the effectiveness of its enforcement of that code. Policies which cover the perils of Windstorm or Hail may be eligible for special rating treatment, subject to the criteria in the following paragraphs. The Building Code Effectiveness Grading factor applies, where applicable, in addition to the Public Classification factors.
  - 2. In some communities, two Building Code Effectiveness Grades may be assigned. One grade will apply to 1 and 2 family dwelling buildings and/or personal property contained in such buildings. The other grade will apply to all other buildings occupied for residential, commercial and/or manufacturing purposes including personal and business property contained therein. The Public Protection Classification Manual will indicate the application of each grade.
  - 3. The Building Code Effectiveness Grades for a community, and their effective dates, are provided in the Public Protection Classification Manual published by Insurance Services Office, Inc.
- B. **Community Grading**
  - 1. The Building Code Effectiveness Grade applies to any building that has an original certificate of occupancy dated in the year of the effective date of the community grading, or later. A rating factor has been developed for each community grade.
  - 2. If a community is re-graded subsequent to its initial grading, the factor for the revised grade applies to buildings that have an original certificate of occupancy dated the year of the effective date of the revised grading, or later.
  - 3. Where certificates of occupancy are not issued, equivalent documentation acceptable to the company may be used.
  - 4. If, due to an addition or alteration, the original building is changed to comply with the latest building code, the factor for the community grading applicable at the time the reconstruction is completed will apply to such building.
  - 5. The Building Code Effectiveness Grade may apply to Windstorm/Hail or Earthquake, or to both. Specific information is provided in the Public Protection Classification Manual. If the grade in the manual does not apply to one of the perils, the factor should not be applied for that peril.
- C. **Individual Grading**

Where buildings have been built in full conformance with the natural hazard mitigation elements of one of the nationally recognized building codes, even though the community grade is greater than "1", exception rating procedures may apply.

  - 1. Any building may be classified as Grade "1" for Windstorm/Hail upon certification by a registered or licensed design professional, based on an on-site inspection, that such building is in compliance with one of the three nationally recognized building codes with respect to mitigation of the Windstorm or Hail hazard. This classification is effective only from the date of the certification.

**Universal North America Insurance Company  
Nevada Homeowners Program**

2. Any building may be classified as Grade 1 for Earthquake upon certification by a registered or licensed design professional, based on an on-site inspection, that such building is in compliance with the earthquake mitigation elements of one of the three nationally recognized building codes. This classification is effective only from the date of the certification.

**D. Ungraded Risks**

Buildings which do NOT meet the criteria in Paragraph B. or C. for Grade assignment are rated and coded as ungraded risks. Do NOT classify as Grade "10".

**E. Premium Credit Computation**

**1. Community Grading**

**a. Windstorm or Hail**

(1) Compute the premium credit as follows:

(a) Multiply the Base Class Premium by the appropriate factor from the table below; and

(b) Multiply the result from (a) by the Key Factor for the desired amount of insurance.

**b. Earthquake**

When Earthquake Endorsement HO 04 54 is attached to the policy, multiply the Earthquake Base Premium by the appropriate factor from the table below.

**c. BCEG Credit Factors**

**Windstorm or Hail Factors**

HO 00 03 BCEGS											
Territory	1	2	3	4	5	6	7	8	9	10	Ungraded
30 - 37	0.03	0.03	0.03	0.02	0.02	0.02	0.02	0.01	0.01	0.00	0.00
HO 00 04 BCEGS											
30 - 37	0.03	0.03	0.03	0.02	0.02	0.02	0.02	0.01	0.01	0.00	0.00
HO 00 06 BCEGS											
30 - 37	0.03	0.03	0.03	0.02	0.02	0.02	0.02	0.01	0.01	0.00	0.00

**Earthquake Factors**

ALL FORMS BCEGS											
Earthquake Territory	1	2	3	4	5	6	7	8	9	10	Ungraded
1 - 2	0.16	0.16	0.16	0.09	0.09	0.09	0.09	0.03	0.03	0.00	0.00
3 - 4	0.20	0.20	0.20	0.12	0.12	0.12	0.12	0.04	0.04	0.00	0.00

**2. Individual Grading**

For any building classified as Grade "1" based upon certification as set forth in Paragraph C. use the appropriate factor from the table above.

**NOTE:** Any costs associated with this BCEG provision are to be paid by the insured.

**409. SEASONAL/SECONDARY RESIDENCE**

A seasonal or secondary residence that is unoccupied by the owner from six (6) to nine (9) consecutive months, and is not rented to others may be written subject to a premium surcharge based on the following criteria:

- A. In order to be eligible, the risk must either be located in a secured/gated community or have burglar and fire alarms responding to a central station.
- B. Apply a 10% surcharge to the Base Premium.

**Note 1:** A copy of the fire and burglar alarm certificate and monitoring receipt must be submitted.

**Note 2:** A seasonal residence unoccupied from 6-9 consecutive months that does not meet the criteria of paragraphs A or B above, is unoccupied more than 9 consecutive months or is rented to others is not eligible for homeowners program.

**410. MULTI-LINE DISCOUNT**

If an insured has other insurance policies through Universal, a multi-line discount will be applied to the Homeowners base premium as follows:

- 1. 15% discount for a Universal personal auto policy.
- 2. 5% discount for a Universal personal Umbrella policy.
- 3. 5% discount for a Universal Flood policy.

If multiple companion policies exist, add the applicable discounts, subject to a 15% maximum multi-line discount.

Universal North America Insurance Company  
Nevada Homeowners Program

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**411. GATED COMMUNITY DISCOUNT**

If the home is located in a community where ALL entrances/exits are secured by a gate (either manned or unmanned) a discount of 5% will apply to the Base Premium.

**412. MAXIMUM DISCOUNT RULE**

The maximum discount that may be applied to any policy cannot exceed 70%. This maximum applies to discounts provided in Rules 401, 403, 404, 405, 406, 407, 408, 410 & 411. If the sum of those credits exceeds 70% an adjustment will be made to lower the amount to equal 70%.

**500. OPTIONAL ADDITIONAL COVERAGES & EXCLUSIONS**

Coverages listed in this section may be added to the basic policy for an additional charge. Not all coverages are available on every policy form. Please see the descriptions for each additional and optional coverage for specific rules and eligibility.

**501. ACTUAL CASH VALUE LOSS SETTLEMENT WINDSTORM OR HAIL LOSSES TO ROOF SURFACING**

- A. The policy provides loss settlement for building losses on a repair or replacement cost basis, subject to certain conditions.
- B. The policy may be endorsed to provide Actual Cash Value basis coverage for roof surfacing for losses caused by the peril of Windstorm or Hail.
- C. Apply a **1% discount** to the Adjusted Base Premium

Use Endorsement **HO 04 93 – Actual Cash Value Loss Settlement Windstorm or Hail Losses to Roof Surfacing**

**502. INCREASED PERSONAL PROPERTY (HO 00 03)**

The basic limit for Coverage "C" is 50% of the Coverage "A" limit. This limit may be increased to a maximum of 75% of the Coverage "A" limit.

Increased Limit – HO-3  
Additional Premium per \$1,000 of increased Coverage "C" limit = **\$1.92**

**503. PERSONAL PROPERTY REPLACEMENT COST COVERAGE**

The additional premium to extend the limit for Coverage "C" to include Replacement Cost Coverage is computed by applying the below factor in accordance with the premium calculation worksheet:

Policy Form	Factor
HO-3	0.15
HO-4 or HO-6	0.35

\*If the blanket limit for Coverage "C" is increased (**Rule 502**) the premium amount for said increase must also be multiplied by above factor.

Use Endorsement **HO 04 90 – Personal Property Replacement Cost**

**504. ORDINANCE OR LAW COVERAGE**

- A. **Basic Limit**  
The policy automatically provides up to 10% of the Coverage A limit of liability (or for Form HO 00 04, the Building Additions and Alterations limit) to pay for the increased costs necessary to comply with the enforcement of an ordinance or law.
- B. **Increased Amount of Coverage**
  - 1. **Description**  
The policy may be endorsed to increase the basic Ordinance or Law Coverage amount up to 25%, as noted in Paragraph 2. to accommodate the increased costs known or estimated by the insured for materials and labor to repair or replace the damaged property and to demolish the undamaged portion of damaged property and clear the site of resulting debris according to the ordinance or law.
  - 2. **Premium Determination**
    - a. Form HO 00 03 – multiply the Adjusted Base Premium by **3%** to increase the limit to 25% of Coverage A.
    - b. Forms HO 00 04 & HO 00 06 – for each additional \$1,000 of Ordinance or Law Coverage above 10% up to a maximum of 25%, multiply the Key Factor for "Each Additional \$1,000" by **0.30** and then multiplying that amount by the appropriate Key Premium. **THE ONLY INCREASED OPTION AVAILABLE IS 25%**

Use Endorsement **HO 04 77 – Ordinance or Law Increased Amount of Coverage**

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Nevada Homeowners Program

**505. BUSINESS PROPERTY – INCREASED LIMITS**

- A. The \$2,500 limit of liability for business property on the residence premises may be increased in \$2,500 increments up to \$10,000. The premium for each \$2,500 increase is **\$24.00**. The increased limit of liability does not apply to:
  - 1. Business property in storage or held as a sample or for sale or delivery after sale;
  - 2. Business property pertaining to a business actually conducted on the residence premises.  
(This exposure is addressed by **HO 04 42 – Permitted Incidental Occupancies.**)
- B. When the on-premises limit is increased, the off-premises limit of \$250 is automatically increased at no additional charge, to an amount that is 20% of the total on-premises limit of liability.

Use Endorsement **HO 04 12 – Business Property Increased Limits**

**506. BUILDING ADDITIONS AND ALTERATIONS – INCREASED LIMITS (Form HO-4)**

- A. The 10% limit of Coverage C may be increased up to a maximum of 100% of Coverage C.
- B. To develop the premium per \$1,000 of increased limit, multiply the HO 00 04 Key Factor for Each Additional \$1,000 by the HO 00 04 Key Premium (see **Rule 300**).

Use Endorsement **HO 04 51 – Building Additions and Alterations Increased Limits**

**507. UNIT-OWNERS COVERAGE A – INCREASED AND SPECIAL LIMITS (Form HO-6)**

- A. **Increased Limits** – The basic limit may be increased. The premium is developed based on the additional limit of insurance. To develop the premium for each additional \$1,000, multiply the HO-6 Key Factor for “Each Additional \$1,000” by the HO-6 Key Premium. Enter the total Coverage “A” limit on the application.
- B. **Special Coverage** – The Section I Perils Insured Against may be broadened to cover additional risks of loss. The additional premium is developed as follows: Charge **\$2.00 per policy plus \$0.89 per each additional \$1,000** for Coverage “A”

Use Endorsement **HO 17 32 Unit-Owners Coverage “A” – Special Coverage (HO-6)**

**508. UNIT-OWNERS RENTAL TO OTHERS (Form HO-6)**

- A. There is no coverage for theft under Coverage “C” – Personal Property or Section II Liability when the residence premises is regularly rented or held for rental to others. If the property is rented, then the policy must be endorsed to provide such coverage, including theft if the following requirements are met:
  - 1. Condominium unit is located in a limited access complex or building with local management or supervision;
  - 2. Unit is rented on a long-term basis of three (3) months or more **OR** on a regular basis to individuals related or personally known by the Insured.
- B. **Additional Premium** – Multiply the Coverage C Adjusted Base Premium by a Factor of **0.25**.

Use Endorsement **HO 17 33 – Unit-Owners Rental to Others (HO-6)**

**509. OTHER STRUCTURES – INCREASED or DECREASED LIMITS**

Other Structures - When insurance is written on a specific structure on the residence premises for:

- A. **Increased limits**
  - 1. Additional Rate OR Credit per \$1,000 of insurance is **\$2.88**
  - 2. The minimum limit is 2% of coverage A and the maximum limit cannot exceed 70% of coverage A

Use Endorsement **HO 04 48 – Other Structures – Increased Limits** or **UI COVB – Coverage B – Other Structures Decreased Limits**

- B. **Rented to Others – Residence Premises**

Rate per \$1,000 of insurance is **\$4.80** plus a premium of **\$31.00** for the increased coverage E and coverage F exposure

Use Endorsement **HO 04 40 – Structures Rented to Others – Residence Premises**

**Universal North America Insurance Company  
Nevada Homeowners Program**

**510. LOSS ASSESSMENT COVERAGE**

**Residence Premises** – The policy automatically provides at no additional charge, \$1,000 of loss assessment coverage for assessments relating to the residence premises. This limit may be increased if no association losses have occurred to which this coverage may apply.

Policy Form	\$5,000 Limit	\$10,000 Limit
HO 00 03 & HO 00 06(with HO 17 32)	\$4.00	\$7.00
HO 00 04 & HO 00 06(without HO 17 32)	\$3.00	\$5.00

Use Endorsement HO 04 35 – Loss Assessment Coverage

**511. SCHEDULED PERSONAL PROPERTY**

Additional coverage may be added to the Homeowners policy for specifically scheduled items of personal property subject to the following requirements:

- Each item must be individually described, including manufacturer, model, and serial # (if applicable), and valued.
- Covers property of an individual or spouses who reside together, or members of the Insured's family of the same household.
- An appraisal or bill of sale no older than three (3) years must accompany the application or endorsement request for each single item worth \$2,000 or more, and for each total schedule of over \$5,000.
- Any single item exceeding \$10,000 or total schedule exceeding \$25,000, must be submitted along with dated photos and appraisals to the company, unbound, for approval.  
**Central Station burglar alarm is also required for schedules over \$35,000.**
- Minimum values of \$500 for any one item, pair (jewelry), set (silverware), or grouping of collectables (with detailed schedules)
- Golf Carts may not be scheduled as Golf Equipment.

**Note 1:** Personal property items used in a trade or business are not eligible for scheduled personal property coverage except where noted.

**Note 2:** Does not apply to dealers or auctioneers, museums, art galleries, or art institutions, or property in the custody of such.

**Note 3:** Does not apply to property on public display or as part of a trade and/or hobby show.

Item	Rate/\$100	
Bicycles	\$9.35	
Cameras & Projection Equipment	Personal	\$1.75
	Professional	\$2.75
Collectibles	\$3.00	
Fine Arts and Antiques – Private Collection	No Breakage	\$0.75
	Breakage (For covered perils)	\$1.25
Furs	\$0.40	
Golf Equipment	\$1.40	
Guns	Collectable	\$1.00
	Fired	\$1.60
Musical Instruments	Personal	\$0.60
	Professional	\$1.55
Other Sports Equipment	\$3.00	
Personal Jewelry	\$1.25	
Jewelry in Vaults	\$0.27	
Stamp and Coin Collections	Stamps	\$0.50
	Coins	\$1.85
Silverware, Goldware and Pewterware	\$0.60	

Use Endorsement HO 04 61 – Scheduled Personal Property Endorsement



**Universal North America Insurance Company  
Nevada Homeowners Program**

**512. PERSONAL PROPERTY – SPECIAL LIMITS OF LIABILITY**

Increased Special Limits of Liability – The special limits of liability provided in Homeowners Forms HO-3, HO-4 and HO-6 may be increased for the following increments, rates and maximum limits:

Unscheduled Property Subject to Special Limits	Special Limit (Basic)	Incremental Increase	Rate per Increment	Maximum Limit
Jewelry, Watches and Furs	\$1,000	\$1,000	\$17.25	\$ 5,000
Money	\$ 200	\$ 100	\$ 5.75	\$ 1,000
Securities	\$1,000	\$ 100	\$ 3.83	\$ 2,000
Silverware, Goldware & Pewterware	\$2,500	\$ 500	\$ 0.33	\$10,000
Firearms (Loss by Theft)	\$2,000	\$ 100	\$ 2.88	\$ 6,000
Electronic Apparatus	\$1,000	\$ 500	\$ 9.58	\$ 5,000

Use Endorsement **HO 04 65 – Coverage “C” Increased Special Limits of Liability**

**513. LIMITED FUNGI, WET OR DRY ROT, OR BACTERIA COVERAGE – SPECIAL SUB-LIMITS**

**A. Coverage Description**

**1. Basic Limits**

When the optional Limited Fungi, Wet or Dry Rot, or Bacteria Coverage Endorsement is attached to the policy, limited amounts of insurance are automatically provided as follows:

**a. Section I – Fungi, Wet or Dry Rot or Bacteria**

\$10,000 to pay for loss to covered real or personal property, owned by an insured, that is damaged by fungi or wet or dry rot, or bacteria on the residence premises as defined in the coverage endorsements. This coverage applies only for the policy period in which the loss or costs occur.

**b. Section II – Fungi, Wet or Dry Rot or Bacteria**

\$50,000 to pay for damages because of bodily injury or property damage involving the inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any fungi, wet or dry rot or bacteria.

**B. Increased Limits**

**1. Section I – Fungi, Wet or Dry Rot, or Bacteria**

**a. Limits may be increased to \$25,000 or \$50,000.** The limit selected is entered on the coverage endorsements or the policy declarations.

**b.** Refer to Paragraph D. Premium Computation for premium computation instructions.

**2. Section II – Fungi, Wet or Dry Rot or Bacteria**

**a. Limits may be increased to \$100,000.** The limit selected is entered on the coverage endorsements or the policy declarations.

**b.** Refer to Paragraph D. Premium Computation for premium computation instructions.

**C. Application Of Limits of Liability**

**1.** For Property Coverage, the \$10,000 or the limit selected is the most coverage that will be provided during the policy period regardless of the number of locations insured for Limited Fungi, Wet or Dry Rot or Bacteria Coverage or the number of claims made during the policy period.

**2.** For Liability Coverage, \$50,000 or the limit selected is an aggregate limit and is the most coverage that will be provided during the policy period regardless of the number of persons injured, the number of persons whose property is damaged, the number of insureds, the number of locations insured under this policy or the number of bodily injury or property damage claims made.

**D. Premium Computation**

**1. Basic Limits** – there is no premium adjustment

**2. Increased Limits:**

- a.** Section I – Property
  - \$25,000.....\$45.00 per policy
  - \$50,000.....\$77.00 per policy
- b.** Section II – Liability
  - \$100,000.....\$ 7.00 per policy

**E. Endorsements**

**1. Use Limited Fungi, Wet or Dry Rot, Or Bacteria Coverage Endorsement:**

- a.** **HO 04 26** – for use with Forms HO 00 04 and HO 00 06;
- b.** **HO 04 27** – for use with Form HO 00 03
- c.** **HO 04 28** – for use with Form HO 00 06 with HO 17 32

**Universal North America Insurance Company**  
**Nevada Homeowners Program**

2. These endorsements provide complete details on coverages, limitations, definitions and additional policy conditions applicable to this coverage. Enter the applicable Section I – Property Coverage Limit of Liability for the Additional Coverage Fungi, Wet or Dry Rot, or Bacteria and the Section II – Coverage E Aggregate SubLimit of Liability for Fungi, Wet or Dry Rot, Or Bacteria.
3. Increased Section I & II limits are subject to underwriting review and must be submitted unbound.
4. The named insured may request increased limits with a signed and dated request specifying the level of coverage desired.

**514. PERMITTED INCIDENTAL OCCUPANCIES – RESIDENCE PREMISES**

- A. Coverage for a permitted incidental occupancy is limited under Section I and excluded under Section II. The policy may be endorsed to provide expanded Section I Coverage and Section II Coverage on a permitted incidental occupancy in the dwelling or in another structure on the residence premises.
- B. The only permitted Incidental Occupancies are incidental offices.
- C. If the permitted incidental occupancy is located in another structure, Coverage “B” does not apply to that structure. See E. below for charge for specific insurance on the structure.
- D. The permitted incidental occupancies endorsement also covers personal property pertaining to the permitted incidental occupancy up to \$2,500 within the Coverage “C” limits stated in the declarations.
- E. Premium
  1. Section I Coverages
    - a. If the permitted incidental occupancy is located in the dwelling, no additional charge is made.
    - b. If the permitted incidental occupancy is located in another structure, an additional premium is required. Rate per \$1,000\* for business in other structure **\$5.00**. \*Maximum of 50% of Coverage “A”
  2. Section II Coverages
    - a. The policy may be endorsed to provide Coverages “E” and “F” for the increased exposure arising from a permitted incidental occupancy on the residence premises only.
    - b. Premium **\$16.00**

Use Endorsement HO 04 42 – Permitted Incidental Occupancies – Residence Premises

**515. SPECIAL COMPUTER COVERAGE**

- A. The policy may be endorsed to insure computers and related equipment against additional risks of physical loss subject to certain exclusions for an additional premium.
- B. Premium - **\$14.00** per policy

Use Endorsement HO 04 14 – Special Computer Coverage

**516. REFRIGERATED PERSONAL PROPERTY**

- A. The policy may be endorsed to provide \$500 of coverage for covered property stored in freezers or refrigerators on the residence premises for loss caused by power service interruption or mechanical failure.
- B. A deductible of \$100 applies.
- C. Premium per policy - **\$10.00**

Use Endorsement HO 04 98 – Refrigerated Property Coverage

**517. WATER BACK-UP AND SUMP OVERFLOW**

- A. The policy may be endorsed to provide coverage for loss resulting from water which backs up through sewers or drains or which overflows from a sump. The limit of liability available under this option is \$5,000.
- B. A deductible of \$250 applies.
- C. Premium per policy - **\$25.00**

Use Endorsement HO 04 95 – Water Back Up and Sump Coverage

Universal North America Insurance Company  
Nevada Homeowners Program

**518. PERSONAL LIABILITY AND MEDICAL PAYMENTS TO OTHERS – BASIC & INCREASED LIMITS**

Basic and Increased Section II Limits

Coverage	Basic Limit	Option 1	Option 2
"E" – Personal Liability (each occurrence)	\$100,000	\$300,000	\$500,000
"F" – Medical Payments to Others (each person)	\$1,000	\$5,000	\$5,000
Premium Amount	Included	\$18.00	\$42.00

**519. ANIMAL LIABILITY**

- A. The policy may be endorsed to provide Section II coverage for damage caused by an animal owned or kept by an Insured subject to the limits, exclusions and conditions listed in your policy.

Coverage	Limit
"E" – Personal Liability (each occurrence)	\$50,000
Premium Amount	\$25.00

- B. This option does not apply to rare or exotic animals, saddle animals or vicious breeds of dogs or any animal with history of bite or attack.

**Note:** The limits of liability shown above replace the limits of liability shown on the declaration page for any and all covered losses resulting from a covered animal.

Use Endorsement **UI 106 – Animal Liability Special Limit Endorsement**

**520. IDENTITY THEFT EXPENSE COVERAGE**

- A. The policy may be endorsed to provide coverage for expenses incurred by an insured as the direct result of any one identity theft first discovered or which reasonably should have been discovered by the insured on or after the effective date of the endorsement and during the policy period.

- B. Covered expenses include:

1. Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies;
2. Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors;
3. Lost income resulting from time taken off work to complete fraud affidavits, meet with or talk to law enforcement agencies, credit agencies and/or legal counsel;
4. Loan application fees for re-applying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information;
5. Reasonable attorney fees incurred as a result of identity theft to:
  - (a) Defend lawsuits brought against an insured by merchants, financial institutions or their collection agencies;
  - (b) Remove any criminal or civil judgments wrongly entered against an insured; and
  - (c) Challenge the accuracy or completeness of any information in a consumer credit report;
6. Charges incurred for long distance telephone calls to merchants, law enforcement agencies, financial institutions or similar credit grantors or credit agencies to report or discuss an actual identity theft.

- C. Coverage is subject to an aggregate limit of \$15,000 for expenses incurred by an insured as the direct result of any one identity theft first discovered or which reasonably should have been discovered by the insured on or after the effective date of the endorsement and during the policy period. There is also a special sub-limit, subject to the \$15,000 aggregate limit, of \$200 a day up to a \$3,000 total limit for lost income.

- D. Exclusions include:

1. Loss arising out of or in connection with a business;
2. Expenses incurred due to any fraudulent, dishonest or criminal act by an insured or any person aiding or abetting an insured or by any authorized representative of an insured, whether acting alone or in collusion with others;
3. Loss other than expenses;
4. Loss for credit card, fund transfer card, forgery, counterfeit money or fund transfer or access device;
5. Loss caused when an occupant of the residence premises or a blood relative of the insured has committed the identity theft;
6. Loss caused when a residence employee has committed the identity theft.

- E. The annual premium for this additional coverage is **\$25.00**.

Use endorsement **UI 04 55 – Identity Theft Expense Coverage**

**521. EQUIPMENT BREAKDOWN COVERAGE**

A. Coverage is not automatically included, but will be provided at the request of the insured. For an additional premium, the Homeowners coverage forms are modified to include loss resulting from Equipment Breakdown.

**Equipment Breakdown** means:

- a. Physical loss or damage both originating within:
  - (1) Boilers, fired or unfired pressure vessels, vacuum vessels, and pressure piping, all normally subject to vacuum or internal pressure other than static pressure of contents, excluding:
    - a. waste disposal piping;
    - b. any piping forming part of a fire protective system;
    - c. furnaces; and
    - d. any water piping other than:
      - (1) boiler feed water piping between the feed pump and the boiler;
      - (2) boiler condensate return piping; or
      - (3) water piping forming part of refrigerator or air conditioning system used for cooling, humidifying or space heating purposes.
  - (2) All mechanical, electrical, electronic or fiber optic equipment; and
- b. Caused by, resulting from, or consisting of:
  - (1) Mechanical breakdown;
  - (2) Electrical or electronic breakdown; or
  - (3) Rupture, bursting, bulging, implosion, or steam implosion.

**B. Premium**

This coverage is applicable to all insured locations. For all insured locations and forms the annual premium will equal \$25.00. All policies subject to \$500 flat deductible.

**C. Limit of Liability**

The limit of liability for this coverage will equal a flat \$25,000 per occurrence, subject to a \$50,000 annual aggregate limit.

Use Endorsement UI EBEE – Equipment Breakdown Enhancement Endorsement

**522. EARTHQUAKE COVERAGE**

**A. Coverage Description**

The policy may be endorsed to provide coverage against a loss resulting from the peril of Earthquake. This peril shall apply to all Section I Coverages for the same limits provided in the policy. Use Earthquake Endorsement HO 04 54.

**B. Deductible**

Deductible percentage amounts of 5%, 10%, 15%, 20% and 25% of the limit of liability are included in this rule. In the event of an Earthquake loss to covered property, the dollar amount is deducted from the total of the loss for Coverages A, B and C. Earthquake rates are displayed below for the 5% and 10% deductible. Credit factors for deductible percentage amounts of 15%, 20% and 25% and provided in Paragraph E. Premium for Higher Deductibles of this rule.

**C. Loss Assessment Coverage**

The policy may also be endorsed to cover loss assessment resulting from loss by this peril. The limit of liability shall be based on the insured's proportionate interest in the total value of all collectively owned buildings and structures of the corporation or association of property owners. The coverage will automatically be added and is only available when Loss Assessment Coverage is added to the policy with endorsement HO 04 35. The limits and premiums are \$5,000 for \$3.00 and \$10,000 for \$4.00. The Earthquake Deductible applies. Use Loss Assessment Coverage for Earthquake Endorsement HO 04 36.

**D. Base Premium**

Develop the base premium as follows:

1. Determine whether construction table A, B or C applies for the appropriate deductible;
2. Determine the Earthquake territory according to the zip code of the residence premises from Rule 601;
3. For Form HO 00 03 add the results of the following three steps:
  - a. Multiply the Coverage A limit by the rate found in Column A of the table;
  - b. If the Coverage C limit is increased, multiply the rate found in Column D by the amount of the increase; and
  - c. If the Coverage D limit is increased, multiply the rate found in Column F by the amount of the increase.
4. For Form HO 00 04, add the results of the following two steps:
  - a. Multiply the Coverage C limit by the rate found in Column B of the table; and
  - b. If the Coverage D limit is increased, multiply the rate found in Column F by the amount of the increase.
5. For Form HO 00 06, add the results of the following three steps:
  - a. Multiply the Coverage C limit by the rate found in Column C of the table;
  - b. Multiply the Coverage A limit by the rate found in Column E of the table; and
  - c. If the Coverage D limit is increased, multiply the rate found in Column F by the amount of the increase.

**Universal North America Insurance Company  
Nevada Homeowners Program**

- 6. Building or Non-Building Structure items – All Forms  
Multiply the rate in Column F of the table by the appropriate limit of liability for Other Building or Structure Options. For example, Other Structures – Rented to Others Residence Premises Endorsement HO 04 40)
- 7. Ordinance or Law – Basic and Increased Limit – All Forms:  
Multiply the rate determined in Paragraphs D.3.a., D.4.b., D.5.b., and/or D.6. by the Ordinance or Law total amount of insurance. This includes basic and, if applicable, increased amounts.

**E. Premium for Higher Deductibles**

Multiply the Earthquake base premium determined in Paragraph D. for the 10% deductible by the appropriate factor from the following table:

Deductible Percentage	Factor		
	Frame	Masonry	Superior
15%	0.80	0.85	0.75
20%	0.65	0.70	0.60
25%	0.50	0.60	0.45

- F. Building Code Effectiveness Grading – refer to Rule 408 for information which may affect Earthquake rating.
- G. Earthquake Base Rates

5% Deductible – Base Rates per \$1,000						
Territory	(A)	(B)	(C)	(D)	(E)	(F)
	HO 00 03	HO 00 04	HO 00 06	HO 00 03 – Increased Cov C	HO 00 06 – Basic and Increased Cov A	Increased Cov D and Other Structure Options
<b>Table A – FRAME</b>						
1	2.07	1.10	1.15	1.10	1.38	0.95
2	1.77	0.97	1.00	0.97	1.20	0.87
3	1.32	0.78	0.80	0.78	0.88	0.73
4	0.58	0.38	0.40	0.38	0.38	0.38
<b>Table B – MASONRY</b>						
1	10.52	4.83	5.17	4.70	7.57	6.53
2	9.54	4.28	4.50	4.27	6.97	5.93
3	7.57	3.38	3.47	3.37	5.70	5.30
4	3.45	1.58	1.58	1.58	2.63	2.58
<b>Table C – SUPERIOR</b>						
1	2.40	0.82	0.87	0.78	1.90	1.57
2	2.17	0.75	0.78	0.73	1.72	1.48
3	1.85	0.68	0.70	0.68	1.48	1.38
4	0.92	0.38	0.38	0.38	0.73	0.73

Universal North America Insurance Company  
Nevada Homeowners Program

10% Deductible – Base Rates per \$1,000						
Territory	(A)	(B)	(C)	(D)	(E)	(F)
	HO 00 03	HO 00 04	HO 00 06	HO 00 03 – Increased Cov C	HO 00 06 – Basic and Increased Cov A	Increased Cov D and Other Structure Options
<b>Table A – FRAME</b>						
1	1.73	0.88	0.95	0.90	1.18	0.88
2	1.48	0.78	0.82	0.80	1.00	0.78
3	1.13	0.67	0.68	0.68	0.75	0.67
4	0.52	0.33	0.33	0.33	0.35	0.35
<b>Table B – MASONRY</b>						
1	9.54	4.23	4.57	4.17	6.88	6.28
2	8.60	3.73	3.95	3.77	6.33	5.68
3	7.00	3.07	3.17	3.08	5.30	5.07
4	3.23	1.48	1.48	1.48	2.48	2.47
<b>Table C – SUPERIOR</b>						
1	2.00	0.68	0.73	0.63	1.58	1.42
2	1.80	0.63	0.68	0.62	1.43	1.35
3	1.60	0.62	0.62	0.60	1.27	1.23
4	0.82	0.33	0.33	0.33	0.65	0.65

**523. SPECIFIED ADDITIONAL AMOUNT OF INSURANCE FOR COVERAGE A (HO 00 03)**

**A. Introduction**

The policy provides loss settlement for buildings insured under Coverage A or B on a replacement cost basis without deduction for depreciation, if, at the time of loss, the amount of insurance on the damaged building is 80% or more of the replacement cost of the building immediately before the loss.

**B. Coverage Description**

The policy may be endorsed to provide additional insurance for Coverage A only when loss, to property insured under Coverage A – Dwelling, exceeds the limit of liability shown in the policy declarations.

**C. Options Available**

When the below option is selected, the Coverage A limit of liability shall be at least 100% of the full replacement cost of the property insured under Coverage A at policy inception or at the time the endorsement is added to the policy:

**1. Specified Amount of Insurance For Coverage A Only**

- a. An additional amount of insurance equal to either 25% or 50% of the Coverage A limit of liability may be selected. This additional amount is available when loss to property insured under Coverage A – Dwelling exceeds the Coverage A limit of liability shown in the Declarations.

The additional amount CANNOT be applied to any other coverage nor does it increase the Coverage A limit.

- b. Premium

Option	Premium
25% of Coverage A	0.03 x Adjusted Base Premium
50% of Coverage A	0.05 x Adjusted Base Premium

Use Endorsement HO 04 20 – Specified Additional Amount of Insurance for Coverage A

**524. OUTBOARD MOTORS AND WATERCRAFT**

**A. Introduction**

Coverage is included in the policy form, at no additional charge, for certain watercraft powered by an outboard engine or motor or combination of outboard engines or motors of up to 25 horsepower, and sailboats less than 26 feet in overall length with or without auxiliary power. Coverage is also included for watercraft powered by inboard or inboard-outboard engines or motors, including those that power a jet water pump, of 50 horsepower or less when not owned by an insured or more than 50 horsepower when not owned by or rented to an insured.

**Universal North America Insurance Company  
Nevada Homeowners Program**

**B. Coverage Description**

1. The policy may be endorsed to provide coverage for the following types of craft:
  - a. Watercraft, up to 26 feet in length powered by outboard engines or motors exceeding 25 horsepower; or powered by inboard or inboard-outdrive engines or motors. Coverage IS NOT available for personal watercraft (i.e. Jet Ski). Accumulate total horsepower if two or more engines or motors are regularly used together with any single watercraft owned by insured.
  - b. Sailboats 26 to 40 feet in overall length, with or without auxiliary power.
2. Coverage must be written to expiration of the policy.
3. For Watercraft not described in preceding Paragraphs A. and B.1., coverage is not permitted under the Homeowners policy.
4. The premium in the state where the Insured's residence premises is located shall apply. However, if the insured owns another residence premises in a different state and principally operates the watercraft from that residence, apply the premium for that state.

**C. Premium**

Outboard, Inboard and Inboard-Outdrive Engines or Motors			
Limit (Liability / Med Pay)	Horsepower	Length	
		Up to 15 feet	15 to 26 feet
\$100,000 / \$1,000	Up to 50	\$6.00	\$9.00
\$300,000 / \$5,000		\$14.00	\$20.00
\$500,000 / \$5,000		\$20.00	\$29.00
Sailboats with or without auxiliary power Overall Length – 26 to 40 feet			
\$100,000 / \$1,000	\$ 6.00		
\$300,000 / \$5,000	\$14.00		
\$500,000 / \$5,000	\$20.00		

**D. Additional Watercraft Underwriting Rules**

1. Maximum overall length of boat is to be 26 feet, unless sailboat then 40 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 Skis, Wave Runners, Wet Bikes, 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 competitions ARE NOT ELIGIBLE
8. Amphibious, homemade or kit boats ARE NOT ELIGIBLE
9. Houseboats ARE NOT ELIGIBLE

Use Endorsement HO 24 75 – Watercraft

**525. PERSONAL INJURY COVERAGE**

**A. Introduction**

Liability coverage for personal injury to others, such as false arrest, malicious prosecution, wrongful eviction, slander, libel or violations of right of privacy, may be added to the policy.

**B. Premium**

Limit	Premium
\$100,000	\$13
\$300,000	\$29
\$500,000	\$42

**C. Endorsement**

Use Personal Injury Endorsement HO 24 82.

**Universal North America Insurance Company  
Nevada Homeowners Program**

**600. TERRITORIAL DEFINITIONS (other than earthquake)**

Territory 30	Clark County – East Las Vegas, Las Vegas, North Las Vegas, Paradise, Sunrise Manor, Winchester
Territory 31	Clark County – Remainder
Territory 32	Carson City
	Douglas County – South Lake Tahoe
Territory 33	Washoe County – North Lake Tahoe
Territory 34	Washoe County – Reno, Sparks
Territory 35	Washoe County – Remainder
Territory 36	Elko County, Eureka County, Lincoln County, White Pine County
Territory 37	Churchill County, Douglas County – Remainder, Esmeralda County, Humboldt County, Lander County, Lyon County, Mineral County, Nye County, Pershing County, Storey County

When a zip code is added by the U.S. Post Office in Nevada by dividing an existing zip code into two or more new zip codes, the rating Territory assigned to the existing zip code should be used. For example, if zip code 12345 in rating Territory 1 is divided into two new zip codes, 22345 and 33345, policies in the new zip codes should still be rated in Territory 1. Note that this is not the "Remainder of" Territory, unless the existing zip code was in the "Remainder of" Territory.

Zip codes may refer to post offices rather than geographical locations. Zip codes assigned to post office boxes rather than geographical locations should not be used for rating purposes.

**601. EARTHQUAKE TERRITORIAL DEFINITIONS**

Territory 1	89411, 89413, 89448, 89449, 89704, 89705
Territory 2	89406, 89407, 89410, 89460, 89496
Territory 3	89010, 89047, 89402, 89408, 89409, 89415, 89418, 89419, 89423, 89428, 89429, 89430, 89431, 89432, 89439, 89444, 89447, 89450, 89451, 89452, 89501, 89502, 89503, 89504, 89505, 89507, 89509, 89511, 89512, 89513, 89515, 89520, 89521, 89523, 89533, 89555, 89557, 89570, 89595, 89703, 89706
Territory 4	88901, 88905, 89001, 89003, 89004, 89005, 89006, 89007, 89008, 89009, 89011, 89012, 89013, 89014, 89015, 89016, 89017, 89018, 89019, 89020, 89021, 89022, 89023, 89024, 89025, 89027, 89028, 89029, 89030, 89031, 89032, 89033, 89036, 89039, 89040, 89041, 89042, 89043, 89044, 89045, 89046, 89048, 89049, 89052, 89053, 89060, 89061, 89070, 89074, 89077, 89081, 89084, 89085, 89086, 89087, 89101, 89102, 89103, 89104, 89105, 89106, 89107, 89108, 89109, 89110, 89111, 89112, 89113, 89114, 89115, 89116, 89117, 89118, 89119, 89120, 89121, 89122, 89123, 89124, 89125, 89126, 89127, 89128, 89129, 89130, 89131, 89132, 89133, 89134, 89135, 89136, 89137, 89138, 89139, 89140, 89141, 89142, 89143, 89144, 89145, 89146, 89147, 89148, 89149, 89150, 89151, 89152, 89153, 89154, 89155, 89156, 89157, 89159, 89160, 89161, 89162, 89163, 89164, 89165, 89166, 89170, 89173, 89177, 89178, 89179, 89180, 89185, 89191, 89193, 89199, 89301, 89310, 89311, 89314, 89315, 89316, 89317, 89318, 89319, 89403, 89404, 89405, 89412, 89414, 89420, 89421, 89422, 89424, 89425, 89426, 89427, 89433, 89434, 89435, 89436, 89438, 89440, 89442, 89445, 89446, 89506, 89510, 89701, 89702, 89711, 89712, 89713, 89714, 89721, 89801, 89802, 89803, 89815, 89820, 89821, 89822, 89823, 89824, 89825, 89826, 89828, 89830, 89831, 89832, 89833, 89834, 89835, 89883

Universal North America Insurance Company  
Nevada Homeowners Program

PREMIUM CALCULATION WORKSHEET – FORM HO 00 03

Calculation	Rule	Page	Item
	301	15	Base Class Premium
X	302	15	Protection/Construction Factor
=			<b>Key Premium (round to nearest whole \$)</b>
X	303	16	Key Factor
=			<b>Base Premium</b>
-	401	17	Superior Construction Discount (Base Premium x 0.15)
+	402	17	Townhouse or Rowhouse Surcharge (Base Premium x Factor)
-	403	17	Protective Devices Discount (Base Premium x Factor)
-	404	17	Affinity Discount (Base Premium x 0.10)
+/-	405	18	Age of Home Discount / Surcharge (Base Premium x Factor)
+/-	406	18	Loss History Rating Plan (Base Premium x Factor)
-	407	19	Higher All Peril Deductible (Base Premium x Factor)
-	408	19	Building Code Effectiveness Grading (Base Premium x Factor)
+	409	20	Seasonal / Secondary Residence (Base Premium x 0.10)
-	410	20	Multi-Line Discount (Base Premium x Factor)
-	411	21	Gated Community Discount (Base Premium x 0.05)
+	412	21	Maximum Discount Rule (401+403+404+405+406+407+408+410+411 cannot exceed 70%)
=			<b>Adjusted Base Premium (round to nearest whole \$)</b>
+	501	22	ACV on Roof Surfacing (Adjusted Base Premium x 0.01)
+	502	22	Increased Personal Property (\$1.92 per \$1000)
+	503	22	Personal Property Replacement Cost (Adjusted Base Premium x 0.15)
+	504	22	Ordinance or Law Coverage (Adjusted Base Premium x 0.03)
+	505	23	Business Property – Increased Limits (\$24 per \$2500 increase in limits)
+	509	23	Other Structures – Increased or Decreased Limits (\$2.88 per \$1000)
+	509	23	Other Structures – Rented to Others (\$31 + \$4.80 per \$1000)
+	510	24	Loss Assessment Coverage (Add amount per table)
+	511	24	Scheduled Personal Property (Include premium for total schedule)
+	512	25	Personal Property – Special Limits of Liability (Add amount per table)
+	513	25	Limited Fungi, Wet or Dry Rot or Bacteria Coverage (Section I: \$25,000 = \$45 or \$50,000 = \$77; Section II: \$100,000 = \$7)
+	514	26	Permitted Incidental Occupancies – Residence Premises (Section I: \$5 per \$1000; Section II: \$16)
+	515	26	Special Computer Coverage (\$14)
+	516	26	Refrigerated Personal Property (\$10)
+	517	26	Water Back-Up and Sump Overflow (\$25)
+	518	27	Increased Section II Limits (\$300,000/\$5,000 = \$18; \$500,000/\$5,000 = \$42)
+	519	27	Animal Liability (\$25)
+	520	27	Identity Theft Expense Coverage (\$25)
+	521	28	Equipment Breakdown Coverage (\$25)
+	522	28	Earthquake Coverage (enter total EQ premium amount)
+	523	30	Specified Additional Amount of Insurance for Coverage A (Adjusted Base Premium x 0.03 for 25% or 0.05 for 50%)
+	524	30	Outboard Motors and Watercraft (Add amount per table)
+	525	31	Personal Injury (\$100,000 = \$13; \$300,000 = \$29; \$500,000 = \$42)
=			<b>Total Policy Premium (round to nearest whole \$)</b>

Universal North America Insurance Company  
Nevada Homeowners Program

PREMIUM CALCULATION WORKSHEET – FORM HO 00 04

Calculation	Rule	Page	Item
	301	15	Base Class Premium
x	302	15	Protection/Construction Factor
=			<b>Key Premium (round to nearest whole \$)</b>
x	303	16	Key Factor
=			<b>Base Premium</b>
-	401	17	Superior Construction Discount (Base Premium x 0.15)
-	403	17	Protective Devices Discount (Base Premium x Factor)
-	404	17	Affinity Discount (Base Premium x 0.10)
+/-	406	18	Loss History Rating Plan (Base Premium x Factor)
-	407	19	Higher All Peril Deductible (Base Premium x Factor)
-	408	19	Building Code Effectiveness Grading (Base Premium x Factor)
-	410	20	Multi-Line Discount (Base Premium x Factor)
-	411	21	Gated Community Discount (Base Premium x 0.05)
+	412	21	Maximum Discount Rule (401+403+404+406+407+408+410+411 cannot exceed 70%)
=			<b>Adjusted Base Premium (round to nearest whole \$)</b>
+	503	22	Personal Property Replacement Cost (Adjusted Base Premium x 0.35)
+	504	22	Ordinance or Law Coverage (Adjusted Base Premium x 0.03)
+	505	23	Business Property – Increased Limits (\$24 per \$2500 increase in limits)
+	506	23	Building Additions and Alterations – Increased Limits (\$24 per \$2500 increase in limits)
+	510	24	Loss Assessment Coverage (Add amount per table)
+	511	24	Scheduled Personal Property (Include premium for total schedule)
+	512	25	Personal Property – Special Limits of Liability (Add amount per table)
+	513	25	Limited Fungi, Wet or Dry Rot or Bacteria Coverage (Section I: \$25,000 = \$45 or \$50,000 = \$77; Section II: \$100,000 = \$7)
+	514	26	Permitted Incidental Occupancies – Residence Premises (Section I: \$5 per \$1000; Section II: \$16)
+	515	26	Special Computer Coverage (\$14)
+	516	26	Refrigerated Personal Property (\$10)
+	517	26	Water Back-Up and Sump Overflow (\$25)
+	518	27	Increased Section II Limits (\$300,000/\$5,000 = \$18; \$500,000/\$5,000 = \$42)
+	519	27	Animal Liability (\$25)
+	520	27	Identity Theft Expense Coverage (\$25)
+	521	28	Equipment Breakdown Coverage (\$25)
+	522	28	Earthquake Coverage (enter total EQ premium amount)
+	524	30	Outboard Motors and Watercraft (Add amount per table)
+	525	31	Personal Injury (\$100,000 = \$13; \$300,000 = \$29; \$500,000 = \$42)
=			<b>Total Policy Premium (round to nearest whole \$)</b>

Universal North America Insurance Company  
Nevada Homeowners Program

PREMIUM CALCULATION WORKSHEET – FORM HO 00 06

Calculation	Rule	Page	Item
	301	15	Base Class Premium
x	302	15	Protection/Construction Factor
=			<b>Key Premium (round to nearest whole \$)</b>
x	303	16	Key Factor
=			<b>Base Premium</b>
-	401	17	Superior Construction Discount (Base Premium x 0.15)
-	403	17	Protective Devices Discount (Base Premium x Factor)
-	404	17	Affinity Discount (Base Premium x 0.10)
+/-	406	18	Loss History Rating Plan (Base Premium x Factor)
-	407	19	Higher All Peril Deductible (Base Premium x Factor)
-	408	19	Building Code Effectiveness Grading (Base Premium x Factor)
+	409	20	Seasonal / Secondary Residence (Base Premium x 0.10)
-	410	20	Multi-Line Discount (Base Premium x Factor)
-	411	21	Gated Community Discount (Base Premium x 0.05)
+	412	21	Maximum Discount Rule (401+403+404+406+407+408+410+411 cannot exceed 70%)
=			<b>Adjusted Base Premium (round to nearest whole \$)</b>
+	501	21	ACV on Roof Surfacing (Adjusted Base Premium x 0.01)
+	503	21	Personal Property Replacement Cost (Adjusted Base Premium x 0.35)
+	504	21	Ordinance or Law Coverage (Adjusted Base Premium x 0.03)
+	505	22	Business Property – Increased Limits (\$24 per \$2500 increase in limits)
+	507	22	Unit-Owners Coverage A Increased Limits (Key Factor for Each Add'l \$1000 x Key Premium)
+	507	22	Unit-Owners Coverage A Special Limits (\$2.00 + \$0.89 per \$1000)
+	508	23	Unit-Owners Rental to Others (Adjusted Base Premium x 0.25)
+	510	24	Loss Assessment Coverage (Add amount per table)
+	511	24	Scheduled Personal Property (Include premium for total schedule)
+	512	25	Personal Property – Special Limits of Liability (Add amount per table)
+	513	25	Limited Fungi, Wet or Dry Rot or Bacteria Coverage (Section I: \$25,000 = \$45 or \$50,000 = \$77; Section II: \$100,000 = \$7)
+	514	26	Permitted Incidental Occupancies – Residence Premises (Section I: \$5 per \$1000; Section II: \$16)
+	515	26	Special Computer Coverage (\$14)
+	516	26	Refrigerated Personal Property (\$10)
+	517	26	Water Back-Up and Sump Overflow (\$25)
+	518	27	Increased Section II Limits (\$300,000/\$5,000 = \$18; \$500,000/\$5,000 = \$42)
+	519	27	Animal Liability (\$25)
+	520	27	Identity Theft Expense Coverage (\$25)
+	521	28	Equipment Breakdown Coverage (\$25)
+	522	28	Earthquake Coverage (enter total EQ premium amount)
+	524	30	Outboard Motors and Watercraft (Add amount per table)
+	525	31	Personal Injury (\$100,000 = \$13; \$300,000 = \$29; \$500,000 = \$42)
=			<b>Total Policy Premium (round to nearest whole \$)</b>