

GENERAL UNDERWRITING GUIDELINES



HO-3 HOMEOWNERS

(Underwritten by ICAT Managers, LLC)



SERVING THE FOLLOWING STATES:

AL | **FL** | **GA** | **LA** | **MS** | **NC** | **SC** | **TX** | **VA**

LINKS AND INFORMATION

Website www.CoastalAdvantageIns.com

Telephone **888-376-9633** ext. 2048 | **Phone Quote** ext. 2005 | **High Net Worth** ext. 2655

Username agent's email address

Password zip code of agency

Commission **12%** for New Business | **15%** for select Book Rolls

Billing

- Agency Bill
- Mortgagee Bill
- Premium Finance

Underwriters

- Samantha Reed ext. 1070 - samantha.reed@appund.com
- Josh Gosnell ext. 7472 - josh.gosnell@appund.com
- Jeff Dunn ext. 7309 - jeff.dunn@appund.com

Credits

- **10% discretionary underwriting credits for preferred risks** (call for this credit)
- Centrally Monitored alarm
- Sprinkler system
- Hip Roof

RECENT UPDATES (4/25/18)

- New States Added for HO-3 and HO-3T. **GA, NC, SC, VA (Tier 1 & Tier 2)**
- Short Term Rental – Coverage for home-sharing host activities from 1 night up to as long as several months.
- Pricing Credits – Significant pricing credits for homes built post 1995 and larger higher value properties.
- Corelogic Integration – A built in Replacement Cost Estimate (RCE), will alleviate Coverage A endorsements post issuance. Coverage can be increased up to 20% above the RCE but not reduced below it.

COVERAGE SUMMARY

A summary of the issuance levels, permitted increases, covered perils, and loss settlement terms are as follows:

	Dwelling Type Primary	Dwelling Type Seasonal/Secondary	Dwelling Type Rental
Coverage A Dwelling	Issued at a minimum of 90% of Replacement Cost* Minimum: \$100,000 Max: \$5,000,000 * If ERC included, must be at 100%	Issued at a minimum of 90% of Replacement Cost* Minimum: \$100,000 Max: \$5,000,000 * If ERC included, must be at 100%	Issued at a minimum of 90% of Replacement Cost* Minimum: \$100,000 Max: \$5,000,000 * If ERC included, must be at 100%
Coverage B Other Structures	Issued at 10% of Coverage A Limit with option to exclude, reduce Coverage B Limit to 2% or 5%, or increase to 100% in 5% increments	Issued at 10% of Coverage A Limit with option to exclude, reduce Coverage B Limit to 2% or 5%, or increase to 100% in 5% increments	Issued at 10% of Coverage A Limit with option to exclude, reduce Coverage B Limit to 2% or 5%, or increase to 100% in 5% increments
Coverage C Personal Property	Issued at 50% of Coverage A Limit with option to exclude, reduce Coverage C Limit to 5% or increase to 100%, in 5% increments	Issued at 50% of Coverage A Limit with option to exclude, reduce Coverage C Limit to 5% or increase to 100%, in 5% increments	Issued at 5% of Coverage A Limit
Coverage D Loss of Use	Issued at 20% of Coverage A Limit, option to reduce to 10% or increase to 50%	Issued at 20% of Coverage A Limit, option to reduce to 10% or increase to 50%	Issued at 20% of Coverage A Limit, option to reduce to 10% or increase to 50%
Coverage E Personal Liability	Issued at \$300,000 with option to reduce limit to \$100,000, increase to \$500,000 and \$1M (Option is not available for LLCs), or option to Exclude Coverage	Issued at \$300,000 with option to reduce limit to \$100,000, increase to \$500,000 and \$1M (Option is not available for LLCs), or option to Exclude Coverage	Option to select \$100,000, or \$300,000 Premises Liability Coverage Only, or option to Exclude Coverage
Coverage F Medical Payments	\$1,000, \$2,500, \$5,000 or \$10,000	\$1,000, \$2,500, \$5,000 or \$10,000	\$1,000, \$2,500, \$5,000 or \$10,000
Loss Settlement on Coverages A & B	100% replacement cost applies	100% replacement cost applies	100% replacement cost applies
Loss Settlement on Coverage C	Replacement cost (via endorsement HO-04-90); ACV is not an option	Replacement cost (via endorsement HO-04-90); ACV is not an option	Replacement cost (via endorsement HO-04-90); ACV is not an option
Ordinance or Law (Building Code)	25% of Coverage A Limit (via endorsement HO-04-77) No increase/decrease	25% of Coverage A Limit (via endorsement HO-04-77) No increase/decrease	25% of Coverage A Limit (via endorsement HO-04-77) No increase/decrease
Loss Assessment	\$5,000, \$10,000, \$25,000 or \$50,000 (via endorsement HO 04 35 05 11)	\$5,000, \$10,000, \$25,000 or \$50,000 (via endorsement HO 04 35 05 11)	\$5,000, \$10,000, \$25,000 or \$50,000 (via endorsement HO 04 35 05 11)

*Coverage A limit may be adjusted for increases in valuation at renewal. Florida tri-county area minimum Cov-A is \$250,000

OPTIONAL ENDORSEMENTS

PERSONAL INJURY COVERAGE

Provides liability coverage for personal injury to others for offenses such as false arrest, detention or imprisonment, libel, slander, defamation of character, invasion of privacy, and wrongful eviction or wrongful entry. The Personal Injury limit is the Coverage E limit of liability.

GOLF CART PHYSICAL DAMAGE AND LIABILITY COVERAGE

Extends Section I and II coverages to losses arising from the ownership and operation of a golf cart. Coverage does not apply when golf cart is:

- Used to carry persons for a charge
- Used for business purposes
- Rented to others
- Being used outside of the boundaries of a retirement community or limited access community unless being used for golfing purposes or traveling to or from a gold course

For an additional premium, the endorsement includes special limits of liability as follows:

• Coverage C – Personal Property	\$5,000
• Coverage E – Personal Liability	\$50,000
• Coverage F – Medical Payment to Others	\$5,000

The limits of liability shown above replace the limits of liability shown on the Declarations page for any and all covered losses resulting from the operation of the insured's golf cart.

WATER BACKUP/SUMP PUMP COVERAGE

The policy may be endorsed to provide coverage for loss resulting from water which backs up through sewers or drains or which overflows from the sump. The limits of liability under this option are \$5,000, \$10,000 and \$25,000. The AOP policy deductible applies.

LOSS ASSESSMENT

Provides coverage for losses involving the building or common areas. This coverage will only apply if the limits of the HOA master policy are exceeded. The policy automatically provides \$5,000 of coverage. Additional limits of \$10,000, \$25,000 and \$50,000 can be added by endorsement. The AOP policy deductible applies.

IDENTITY FRAUD EXPENSE

Provides coverage up to \$15,000 for "expenses" incurred by an insured as the direct result of any one identity fraud discovered or learned of during the policy period. Any act or series of acts committed by one or more persons, or in which such persons are aiding or abetting others against an insured, is considered to be one identity fraud, even if a series of acts continues into a subsequent policy period.

INCREASED LIMITS ON BUSINESS PROPERTY

This applies to business property on the residence premises. Limits of \$5,000, \$10,000 and \$25,000 can be added by endorsement. The AOP policy deductible applies.

MECHANICAL BREAKDOWN

Provides coverage for a physical loss or damage that results in equipment breakdown. Coverage is subject to a \$100,000 per occurrence limit of liability. A non-variable per occurrence deductible of \$500 applies to this coverage.

UTILITY BREAKDOWN

Provides coverage for utility line interruption as a result of a covered direct physical loss. Coverage is subject to a \$10,000 per occurrence limit of liability. A non-variable per occurrence deductible of \$500 applies to this coverage.

SINKHOLE COVERAGE *(Florida only – excluded counties; Citrus, Hernando, Pasco, Hillsborough & Pinellas)*

Provides coverage for sinkhole collapse caused by sudden settlement or collapse of the earth supporting the structure. The settlement or collapse must result from subterranean voids created by the action of water on limestone or similar rock formations. Coverage available up to the policy limits at 2% of TIV. The policy deductible applies.

SCHEDULED PERSONAL PROPERTY

Maximum limit of \$15,000 per item. \$50,000 per schedule and \$150,000 for all classes. Appraisals required for each item valued over \$5,000. All standard class codes are available.

INELIGIBLE RISKS AND EXPOSURES

The following is a list of approved roof materials and the acceptable age requirements for each. If the age of the roof exceeds the amount listed below or the roof material is Other, the risk will be referred to Underwriting. ACV Roof Coverage is also available at Underwriter discretion.

ROOF COVERING REQUIREMENTS				
ROOF MATERIAL	0-10 YEARS	10-20 YEARS	20-25 YEARS	25-40 YEARS
Composition, asphalt, or fiberglass	Replacement cost	Replacement cost	ACV	Excluded
Metal	Replacement cost	Replacement cost	Replacement cost	Excluded
Flat	Replacement cost	ACV	ACV	Excluded
Wood shake	Replacement cost	Replacement cost	Replacement cost	ACV
Clay or cement tile	Replacement cost	Replacement cost	Replacement cost	Replacement cost
Other	Referral	Referral	Referral	Referral

BUILDINGS INELIGIBLE FOR COVERAGE

- Builder's Risk, risks in the course of construction or undergoing renovation (unless the risk is being submitted specifically as a Builder's Risk)
- Buildings located on the National Historic Registry
- Buildings or structures that are not fully enclosed (unless submitting as a Builders Risk)
- Buildings in designations of open water, or with a body of water on the property other than a swimming pool
- Properties listed for sale
- Buildings with unrepaired or unmitigated damage in need of repair
- Buildings that are condemned or without public utility services
- Condominiums, row houses, or Southwest adobe style homes
- Buildings with a year built prior to 1945
- Farnettes or Ranchettes
- Buildings with fixed Burglar Bars. Must be quick release.
- Mobile homes, modular homes, or prefabricated homes
- Buildings that are more than 3 levels and/or with more than 4 family units
- Properties in FEMA flood zones with a negative elevation
- Buildings with plumbing or heating not updated in the past 40 years
- Buildings in Protection Class 9 & 10
- Homes with commercial and/or farming activities

BUILDINGS INELIGIBLE FOR COVERAGE *(continued)*

- Homes with Galvanized, Lead or Polybutylene plumbing
- PEX piping installed prior to 2011 or not installed by a licensed contractor (AL - no limitation for age on PEX)
- Roof materials of copper, foam, rubber, thatch, tin, or a total of more than 10% of any of the following: fiberglass, glassgreenhouse, plexiglass or translucent panels
- Buildings with uncorrected fire code violations
- Buildings with siding materials of 31% or more: cement fiber (for pre-1980 dwellings), asbestos, adobe, EIFS, greenhouse walls, or log
- Buildings with aluminum wiring, knob and tube wiring, fuse boxes, homes without circuit breakers, or homes with FPE Stab-Lok breakers
- Construction types that have an underlying structure other than frame or masonry
- Converted commercial buildings or buildings unconventional in design (i.e. berm, geodesic, underground)
- Risks with 3 or more mortgages or loss payees
- Coverage A below \$200,000 (Florida only)

OCCUPANCIES INELIGIBLE FOR COVERAGE

- Animals owned or kept other than domestic pets
- Boarding houses, fraternity/sorority houses, or homes used for residential care
- Seasonal/Secondary homes occupied by insured less than 30 days per year
- Vacant or unoccupied homes

COASTAL ADVANTAGE

GENERAL UNDERWRITING GUIDELINES

888-376-9633 ext. 2026 | PHONE QUOTES ext. 2005



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