

# California

Homeowners

Revised April 25, 2019



UNDERWRITING & PRODUCT GUIDE

*Underwritten by: Integon National  
Insurance Company*



**NatGen**  
PREMIER

## Table of Contents

Contact Information.....	1
Eligibility .....	2
Coverages.....	10
Discounts.....	24
Surcharges.....	26

## Contact Information

### Claims Services

OneChoice — Report a New Claim (Available 24/7) ..... 1-800-468-3466

Premier — Report a New Claim (Available 24/7)..... 1-844-287-2236

### Addresses

#### Correspondence

National General Insurance  
PO Box 3199  
Winston Salem, NC 27102-3199

#### Payments

National General Insurance  
PO Box 89431  
Cleveland, OH 44101-6431

#### Overnight Payments

National General Insurance  
Attention: Lockbox Operations  
800 Superior Ave East  
Cleveland, OH 44114

## Eligibility

Guidelines are applicable to New and Renewal Business unless otherwise noted.

### Property Limits

		PREMIER	ONECHOICE
Property Limits	Coverage A Limit Coverage C Limit	<ul style="list-style-type: none"> <li>Dwelling (HO3): Coverage A limits greater than \$750,000.</li> <li>Refer any premier homes over \$2,000,000 or secondary/seasonal homes over \$750,000.</li> </ul>	<ul style="list-style-type: none"> <li>Dwelling (HO3): \$175,000 – \$3,000,000</li> <li>Contents (HO4): \$25,000 – \$1,000,000</li> <li>Contents (HO6): \$30,000 – \$1,000,000.</li> <li>Refer any homes over \$1,500,000 or secondary/seasonal homes over \$750,000.</li> </ul>
	Coverage C Relationship	<ul style="list-style-type: none"> <li>Refer to underwriting if Coverage C &gt; Coverage A (HO3 only)</li> <li>Ineligible if Coverage C &gt;200% of Coverage A (HO3 only)</li> <li>Coverage C can be reduced to 60% of Coverage A.</li> </ul>	<ul style="list-style-type: none"> <li>Refer to underwriting if Coverage C &gt; Coverage A (HO3 only)</li> <li>Ineligible if Coverage C &gt;200% of Coverage A (HO3 only)</li> <li>Coverage C can be reduced to 40% of Coverage A.</li> </ul>
	Coverage Level	<ul style="list-style-type: none"> <li>If Coverage A (HO3) &gt; \$300,000 ineligible for One Choice Coverage Level</li> <li>If Coverage A (HO3) &gt; \$500,000 ineligible for One Choice or Security Plus Coverage</li> <li>If Coverage A (HO3) &gt; \$2,000,000 Premier Endorsement Required</li> </ul>	
	Coverage Limits	<ul style="list-style-type: none"> <li>For risks with Coverage A limits between \$750,000 and \$2,000,000 two lines of business required (Home, SPP, UMB)</li> <li>For risks with Coverage A limits greater than \$2,000,000 three lines of business required (Home, Auto, SPP, UMB)</li> </ul>	
Other Structures	Specific Structure On Premises Rented to Others	No more than one location.	
	Other Structures Away from Premises	Underwriting approval needed if: <ul style="list-style-type: none"> <li>More than two locations</li> <li>Limit greater than \$100,000.</li> </ul>	
Earthquake Coverage		<ul style="list-style-type: none"> <li>LIMITED Coverage Deductible 15%</li> <li>COMPREHENSIVE Coverage Deductible 10%.</li> </ul>	
Insurance-To-Value		Coverage A must be at least 100% of calculated replacement cost.	

## Applicant Information

Arson or Fraud	Ineligible.
Occupation	Refer to underwriting if professional athlete, entertainer, journalist, politician, or other high profile profession.
Previous Cancellations	Refer to underwriting if: <ul style="list-style-type: none"> <li>Coverage lapsed in the past year.</li> </ul>
Prior Insurance	Ineligible if property was not previously insured. (Not applicable to HO4)
Named Insureds	Named insureds must have insurable interest in the property. Refer if two or more non-domestic partners are listed as named insureds.

## Loss History

New Business	<p>Ineligible if:</p> <ul style="list-style-type: none"> <li>More than one claims in last three years.</li> <li>Any Liability claim in last three years.</li> <li>Any water loss in three years and refer any water loss in five years.</li> <li>Any risk with a water loss in last five years requires a water shut off valve</li> <li>More than one CAT loss in the past three years</li> <li>More than one zero paid loss in the past three years</li> <li>Premier quotes in 90210, 90212, 90275, 94566, 92649, 91607, and 91356 will refer to underwriting. If risk in those zip codes &gt; \$2,000,000 Coverage A, water shut off valve required.</li> </ul>
--------------	---

## Occupancy

Number of Families	<ul style="list-style-type: none"> <li>Up to four families if owner occupied.</li> </ul>
Vacant/Foreclosed/For Sale	Not eligible.
Seasonal and Secondary Dwellings	<p>Primary home must be insured by the company. Proper winterization is required.</p> <p>The following exceptions apply:</p> <ul style="list-style-type: none"> <li>Eligible if primary located out-of-state, or</li> <li>Primary does not meet catastrophe underwriting guidelines.</li> </ul>
Rentals	Ineligible if primary residence is rented. Underwriting approval needed for short term rentals, up to three months.
Townhouse/Row house	<ul style="list-style-type: none"> <li>Acceptable with firewalls</li> <li>Three and four family units are ineligible.</li> </ul>

**Protection Class / Risk Location**

Protection Class 1–9	<p>Acceptable risks:</p> <ul style="list-style-type: none"> <li>• Protection Class 1–8</li> <li>• Protection Class 9 is an UW referral. Policies will be accepted subject to following conditions: <ul style="list-style-type: none"> <li>○ Property less than 5 miles away from the fire department</li> <li>○ Adequate water supply via dry hydrant, cistern, or sufficient fire department shuttle.</li> </ul> </li> </ul> <p>All risks must be accessible year round by plowed road.</p> <p>Ineligible risks:</p> <ul style="list-style-type: none"> <li>• Protection Class 10.</li> </ul>
Slope	Underwriting approval required if residence built on a slope of more than 30 degrees.

**Risk Specific Characteristics**

Historic Home	Homes listed on any historic registries are ineligible.
Roof	<p>The following are ineligible:</p> <ul style="list-style-type: none"> <li>• Wood, Tar paper, rolled plywood boards, stapled roofs, and asbestos</li> <li>• Roof is older than 25 years, unless slate or tile</li> <li>• Flat roofs in good condition are acceptable</li> <li>• Tar and gravel in good condition are acceptable.</li> </ul>
Electrical	<p>Homes with any of the following are ineligible:</p> <ul style="list-style-type: none"> <li>• Dwelling does not have minimum of 100 amps and 220 volt service</li> <li>• Electrical not controlled by circuit breakers</li> <li>• Knob &amp; tube or aluminum wiring present</li> <li>• Presence of Federal Pacific Stab Lok or Zinsco electrical panels.</li> </ul>
Plumbing	<p>Homes with any of the following are ineligible:</p> <ul style="list-style-type: none"> <li>• Polybutylene or lead plumbing</li> <li>• Plumbing that is more than 40 years old and has not been completely updated.</li> </ul>
Dwelling Under Construction	<p>If dwelling is under construction or significant renovation all of the following criteria must be met:</p> <ul style="list-style-type: none"> <li>• Completion of the dwelling must occur within a 6-month time period.</li> <li>• The dwelling will be owner-occupied</li> <li>• Licensed contractor with a minimum of \$1M liability coverage (confirmation retained in Agency)</li> <li>• Home must be insured to finished value.</li> </ul>
Protective Devices	<p>Central fire alarm or Full house sprinkler AND Central burglar alarms required if:</p> <ul style="list-style-type: none"> <li>• Primary with Coverage A &gt; \$1,500,000</li> <li>• Secondary/seasonal with Coverage A &gt; \$750,000</li> <li>• Protection Class 9 AND Coverage A &gt; \$1,000,000.</li> </ul> <p>Smoke detectors on all floors required for all homes.</p>

## Additional Exposures

Pets	<p>The following are ineligible:</p> <ul style="list-style-type: none"> <li>• Dogs: Akita, American Bulldog, Chow, Doberman, Mastiff (All), Pit Bull (All), Presa Canario, Rottweiler, Wolf, or any mix of the above breeds</li> <li>• Dogs that have caused prior liability losses or that have bite history and are still owned by an insured</li> <li>• Any wild animals.</li> </ul>	
Business Activity	Incidental business only and underwriting approval needed.	
Home Day Care	Ineligible.	
Trampolines	<p>Trampolines are acceptable subject to the following conditions:</p> <ul style="list-style-type: none"> <li>• Surrounded by safety netting</li> <li>• On flat ground.</li> </ul>	
Swimming Pools	<p>Swimming pools are acceptable subject to the following conditions:</p> <ul style="list-style-type: none"> <li>• Pool is fenced in with a self-locking gate</li> <li>• There are no diving boards greater than 18 inches above the water surface</li> <li>• Above ground pools are equipped with a pull up ladder</li> <li>• Slides are acceptable</li> <li>• Unfenced pools in gated community are acceptable with underwriting approval.</li> </ul>	
Attractive Nuisances	<p>The following are ineligible:</p> <ul style="list-style-type: none"> <li>• Presence of skateboard or bicycle ramps on premises</li> <li>• Treehouses that are above 12 feet from ground.</li> </ul>	
Recreational Vehicles	<p>Refer if:</p> <ul style="list-style-type: none"> <li>• Engine size greater than 700cc.</li> </ul> <p>Ineligible if:</p> <ul style="list-style-type: none"> <li>• Used for racing, stunt, speed or demolition activity</li> <li>• Driven by person under 16 years old</li> <li>• Not factory built.</li> </ul>	
Watercraft Liability Endorsement	Use	Ineligible if used for racing, for charter, for hire, or for commercial purposes.
	Accidents and Minor Violations	Must meet personal automobile underwriting guidelines.
	Major Violations	No major vehicle violations in past five years.
	Boat Violations	No boating violations in past three years.
	Boat Type	Ineligible if jet ski, jet boat, houseboat, wave runner, or experimental craft.
	Length/Speed	<ul style="list-style-type: none"> <li>• Length &lt;= to 26 feet</li> <li>• Horsepower &lt;= 50 HP.</li> </ul>

**Additional Exposures Continued**

Farming	Ineligible unless incidental or as a hobby. Refer to underwriting if more than two farm animals.
Timeshares	Ineligible.
Trusts	Acceptable subject to the following conditions: <ul style="list-style-type: none"> <li>Trustee, grantor, or beneficiary resides on residence premises</li> <li>No commercial exposure.</li> </ul>
LLCs	Acceptable to be added as additional insured subject to the following conditions. <ul style="list-style-type: none"> <li>No commercial exposure and must be set up for estate planning purposes only.</li> </ul>
Mortgagees	Underwriting approval required if more than two mortgages.
Types of Construction	Newly built homes in pre-approved tract communities are subject to underwriter's discretion for Fireline Score, PPC, and prior losses. The following risks are ineligible: mobile homes, manufactured homes, underground or earth homes, fiberglass, yurts, balloon constructions, EIFS if built prior to 2000. Log homes in Protection Class 9 are unacceptable.
Types of Foundation	The following types of foundations are ineligible: pilings, piers, wharves, jetties, or open foundations.

**Scheduled Personal Property**

	<b>PREMIER</b>	<b>ONECHOICE</b>
Appraisal/Bill of Sale Requirements	Any items greater or equal to \$75,000.	<ul style="list-style-type: none"> <li>Any Items greater or equal to \$10,000 if Coverage A &lt; \$500,000.</li> <li>Any items greater or equal to \$25,000 if Coverage A &gt; \$500,000.</li> </ul>
All classes except Wine	Underwriting approval needed if: <ul style="list-style-type: none"> <li>Any item <math>\geq</math> \$100,000.</li> <li>Total schedule <math>\geq</math> \$200,000.</li> </ul>	Underwriting approval needed if: <ul style="list-style-type: none"> <li>Any item <math>\geq</math> \$50,000.</li> <li>Total schedule <math>\geq</math> \$100,000.</li> </ul>
Wine	Underwriting approval needed if: <ul style="list-style-type: none"> <li>Any item <math>\geq</math> \$1,000</li> <li>Total schedule <math>\geq</math> \$10,000.</li> </ul>	Underwriting approval needed if: <ul style="list-style-type: none"> <li>Any item <math>\geq</math> \$1,000</li> <li>Total schedule <math>\geq</math> \$5,000.</li> </ul>



**Excess Liability**

Number of Locations	Underwriting approval required if extending liability to more than four properties or eight total units.
---------------------	--

**Coastal Guidelines**

Coastal Guidelines	Refer if less than 1000 feet from the coast and less than 25 feet above high water line.
--------------------	--

**Brush Guidelines**

Brush Rules	<p>Dwellings located in close proximity to brush are subject to the following guidelines:</p> <ul style="list-style-type: none"> <li>▪ No wood siding or open/exposed eaves.</li> <li>▪ Dwellings require street width greater than 16 feet. Woodpiles must be at least 30 feet from all structures.</li> <li>▪ Property boundary must be free of construction materials, pine needles, leaves and other flammable debris.</li> <li>▪ LPG tanks (butane and propane) must be at least 30 feet from any structure and 10 feet of clearance must be maintained from brush or other flammable debris.</li> <li>▪ Not eligible within 500 feet of a designated brush zone.</li> </ul>
Fireline	<p>Ineligible if score greater than 3. Ineligible if score greater than 0 and risk located within the following ZIP Codes:</p> <p>92657, 92127, 92603, 92651, 90265, 90077, 93065, 91302, 92679, 90069, 91361, 92067, 91387, 92673, 91360, 92506, 91301, 90046, 91362, 96161, 92677</p>
SHIA	Refer if SHIA (Y) and Fireline score greater than 3.
Suspension of Binding Authority	Temporary suspension of binding authority in zips effected by wildfires.

## Earthquake Guidelines

<p>Retrofitting</p>	<p>For homes built in 1971 and prior, proof of retrofitting is required. All homes built prior to 1940 must be retrofitted in order to bind home coverage.</p> <p>To qualify for the retrofitted rates, the dwelling must meet the following requirements:</p> <ol style="list-style-type: none"> <li>1. Dwelling is properly anchor bolted to the foundation with bolts placed four to six feet apart;</li> <li>2. Cripple walls are braced with plywood or its equivalent;</li> <li>3. Hot water heater is secured to the building frame;</li> </ol> <ul style="list-style-type: none"> <li>• Properties built from 1955 to 1972. Cripple Walls must be braced with plywood or its equivalent. Maximum number of stories allowed is two</li> <li>• Properties built from 1937 to 1954. Must be seismically retrofitted with proof submitted to us. Maximum number of stories allowed is two.</li> </ul>	
<p>Limits</p>	<p>Limited</p>	<p>Comprehensive</p>
<p>Ineligible EQ Risks</p>	<p>Limited</p> <ul style="list-style-type: none"> <li>• Coverage “A” limit should be equal to Coverage “A” limit on the companion Homeowners or Dwelling Fire Policy.</li> <li>• Coverage Limits: Minimum Limit is \$50,000; Maximum Limit is \$1,000,000;</li> <li>• Properties must be built after 1909.</li> </ul>	<p>Comprehensive</p> <ul style="list-style-type: none"> <li>• Properties must be made of <b>frame</b> construction and be used exclusively for residential purposes.</li> <li>• Coverage “A” limit should be equal to Coverage “A” limit on the companion Homeowners or Dwelling Fire Policy.</li> <li>• Coverage Limits: Minimum limit is \$50,000; Maximum limit is \$1,000,000;</li> <li>• Properties must be built after 1937.</li> </ul>
<p>Ineligible EQ Risks</p>	<ul style="list-style-type: none"> <li>• Properties that were originally built for other purposes and then later converted to residential properties are ineligible.</li> <li>• Properties made from prefabricated construction.</li> </ul>	<ul style="list-style-type: none"> <li>• Properties that were originally built for other purposes and then later converted to residential properties are ineligible</li> <li>• Properties made from prefabricated construction</li> <li>• Properties that were originally built elsewhere and then relocated to the current location are ineligible</li> <li>• Properties that are built of masonry construction or where over 1/3 of the dwelling is masonry veneer are ineligible</li> <li>• Properties that are more than three levels in height (including basement are ineligible</li> <li>• Properties that are susceptible to earth movement due to construction design or site location are ineligible.</li> </ul>

**Earthquake Guidelines Continued**

CAT Score Rule	If the ratio of cat cost to home premium exceeds the acceptable threshold then home policy is ineligible.
Condition of Dwelling	<ul style="list-style-type: none"> <li>No visible signs of duress, cracks, or prior damage are present</li> <li>Dwellings should have no unrepaired damage from prior earthquake loss</li> <li>Dwelling should not be undergoing major renovations that would impact the infrastructure of the dwelling or is not undergoing ground up construction</li> <li>Unbraced water heaters must be attached to studs in a wall.</li> </ul>
Suspension of Binding Authority	Binding authority will be suspended when an earthquake occurs registering at least 5.0 on the Richter scale. The binding suspension will be in effect up to 100 miles from the epicenter and last for 30 days from the date of the event. Any aftershock measuring at least 5.0 will reactivate the 30 day suspension.

**Manual Submissions**

Manual Submissions	<p>Risks under \$400,000 Coverage A initiated in NPS need to be manually submitted. New business risks in the following zip codes must be submitted manually:</p> <p>90067 91935 92067 92584 92679 95945 96019  90210 92003 92082 92587 92883 95946 96020  91302 92028 92210 92595 93561 95949 96073  91356 92029 92315 92596 93614 95959 96080  91377 92061 92377 92610 93644 96002 96137  91914 92065 92532 92679 95667 96003 96161</p>
--------------------	---

## Coverages

Coverage options and limits will differ between the product levels. While the limits and coverage options are different between products they do not differ between Monoline and Package policies.

### Section I Coverages

#### Coverage A — Dwelling

- Provides coverage against sudden and accidental direct physical loss to property as indicated below, provided the cause of loss is not excluded by the policy.
  - The dwelling on the 'residence premises' shown in the Declarations, including structures attached to the dwelling; and
  - Materials and supplies located on or next to the 'residence premises' used to construct, alter or repair the dwelling or other structures on the 'residence premises'
- For HO6 — 10% coverage is automatically included for both Monoline and Package policies. The amount of coverage can be increased but not decreased.

#### Coverage B — Other Structures

- Provides coverage against sudden and accidental direct physical loss to property as indicated below, provided the cause of loss is not excluded by the policy.
  - Other structures on the 'residence premises' set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.

#### Coverage C — Personal Property

- Provides coverage for direct physical loss to the property owned or used by an 'insured' while it is anywhere in the world provided the loss is due to a covered peril unless excluded in the policy.

#### Coverage D — Loss of Use

- The limit of Liability for Coverage D is the total limit for the following:
  - Additional Living Expense — If a loss covered under Section I makes that part of the 'residence premises' where you reside not fit to live in, we cover any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living.
  - Fair Rental Value — If a covered loss makes that part of the 'residence premises' rented to others or held for rental not fit to live in, we cover the fair rental value of such premises less any expenses that do not continue while it is not fit to live in.
  - Civil Authority Prohibits Use — If a civil authority prohibits you from use of the 'residence premises' as a result of direct damage to neighboring premises by a peril insured against, we cover the loss as provided in Additional Living Expense and Fair Rental Value.

## Section II Coverages

### Coverage E — Personal Liability

- If a claim is made or a suit is brought against an 'insured' for damages because of 'bodily injury' or 'property damage' caused by an 'occurrence' to which this coverage applies, we will:
  - Pay up to our limit of liability for the damages for which an 'insured' is legally liable.
  - Provide a defense at our expense by counsel of our choice, even if the suit is groundless, false or fraudulent. We may investigate and settle any claim or suit that we decide is appropriate.

### Coverage F — Medical Payments to Others

- We will pay the necessary medical expenses that are incurred or medically ascertained within three years from the date of an accident causing 'bodily injury'.
- Medical expenses means reasonable charges for medical, surgical, x-ray, dental, ambulance, hospital, professional nursing, prosthetic devices, and funeral services.
- This coverage does not apply to the insured or regular residents except 'residence employees'.

### Replacement Cost

- Guaranteed Replacement Cost — covers entire cost of replacing or repairing damaged property even if cost exceeds Coverage A amount.
- Extended Replacement Cost — coverage capped at a maximum of 150% of Coverage A amount.
- Personal Property Replacement Cost.

## Optional Coverages

### Additional Interest

- Policy may be endorsed to list mortgagees or other persons/organizations that have an insurable interest in the property as Additional Interests.
- Each additional interest would be notified if policy is canceled or non-renewed.

### Additional Residence Rented to Others

- Policy may be endorsed to provide coverage when an additional residence is rented to others.

### Building Additions and Alterations

- Applicable to HO4 and it covers the structure from the walls and inward.  
Examples: flooring, cabinetry, walls, etc.
- Purchased in increments of \$1,000 up to \$10,000.

### Blanket Personal Property Coverage —

#### Arts/Cameras/Computer/Furs/Jewelry/Musical Instruments/Silverware/Wine

- Coverage provided for any of the items above on a blanket basis. Limits available in increments of \$1,000 from \$1,000 to \$10,000 or in increments of \$5,000 from \$15,000 to \$25,000, subject to a maximum per item limit of \$10,000.
- For Premier, limits are available up to \$250,000, subject to a maximum \$50,000 per-item limit.

### Business Property

- On Premises:
  - Policy automatically includes \$2,500 in coverage for business property on the residence premises. This endorsement can increase this coverage up to \$10,000.
  - Security Plus and Premier — coverage limit of \$5,000 automatically included.
- Off Premises:
  - Policy automatically includes \$250 in coverage for business property off residence premises
  - Security Plus — automatically includes \$500
  - Security Plus Elite — automatically includes \$2,500
  - Premier — automatically includes \$10,000.

### Business Pursuits

- Coverage may be provided for the liability of the insured arising out of business activities. Coverage is excluded if the insured owns the business, is a partner, or maintains financial control of the business.

### Coverage C Replacement Cost Loss Settlement

- HO3 and Premier Package — this is included.
- For HO2, HO4, and HO6 — policy automatically includes Actual Cash Value loss settlement. Policy may be endorsed to provide Replacement Cost Coverage loss settlement.
- For Form HO6, this option may only be used when the condominium or cooperative unit is owner occupied and not rented to others.

## Earthquake

- Each California residential property policyholder must be offered the opportunity to purchase Earthquake coverage as authorized by the California Legislature.
- The Earthquake endorsement provides the following coverage and limits:
  - Coverage A: Dwelling — A coverage amount must be selected (in thousands) which should equal the Homeowners policy coverage amount for Coverage A: Dwelling
  - Coverage B: Other Structures — with few exceptions, other structures on the insured premises are covered for Earthquake loss
  - Coverage C: Personal Property — \$5,000
  - Coverage D: Loss of Use for Additional Living Expense — \$1,500
  - Limited Building: Code Upgrade Coverage — \$10,000 limit applies if the Dwelling meets certain structural conditions. These structural conditions may exist either by original construction or by upgrading (retrofitting) completed consistent with local residential building codes at the time of the construction or upgrading.
- Retrofitting Requirements — Dwellings must meet the following requirements in order to qualify for coverage:
  - The dwelling is properly anchor bolted to the foundation; and
  - Cripple walls are braced with plywood or its equivalent; and
  - The hot water heater is properly secured to the building frame
- Written verification of retrofitting addressing the above three items is required. Written verification includes a letter or completed work receipt from a licensed building contractor or an inspection from a qualified structural engineer or retrofitting inspection service within the last 20 years.
- Foundation Bolting — Steel anchor bolts must connect the sill plate (the wood board that lies directly on top of the foundation) to the foundation. Bolts should be placed four to six feet apart.
  - How to identify if the dwelling is bolted to the foundation: In a home with a crawl space, the presence of bolts can be verified by looking underneath the house. In slab on grade construction, an unfinished room such as a garage is the best place to verify the presence of bolts.
- Cripple Wall Definition — Cripple walls (i.e. crawl space walls) are short wood perimeter walls used to elevate the house above ground to allow access to the substructure and utility lines or to level a dwelling built on a slope. The height of a cripple wall generally ranges from 14 inches to 4 feet. The interior or exterior faces cripple walls should be sheathed with plywood. Many newer homes utilize concrete perimeter walls to elevate or level the home. These are not cripple walls. A dwelling built on a flat concrete slab without a crawl space beneath it will not have cripple walls.
  - How to identify if cripple walls have been braced: The presence of cripple walls can be confirmed by looking around the perimeter of the crawl space. If wood studs are visible, the cripple walls have not been braced. Braced cripple walls will be completely sheathed with plywood.
- The Earthquake deductible is equal to 15% of the selected coverage amount for Coverage A.

## Equipment Breakdown

- The standard policy may not cover the replacement cost or even repair of important systems in a home such as heating, cooling, and electrical. Equipment Breakdown is an optional coverage endorsement that provides additional coverage to the insured.
- Covered equipment is defined as property that is covered under Coverages A, B, or C excluding lawn equipment
- The limit of insurance is \$50,000.
- Coverage Provided:
  - Expenses associated with repairs or replacement of covered equipment
  - Direct physical damage to covered equipment
  - Additional living expenses resulting from covered equipment breakdown events
  - Spoilage as a result of covered equipment breakdown events
- Additional costs to replace equipment that is better for the environment or more energy efficient
- Damage caused by mechanical and electrical breakdown
- Damage caused by the tearing apart, cracking, burning or bulging of a steam or hot water system or an air conditioning system
- Expediting expense incurred to limit the loss or speed homeowner's equipment restoration.

## Extended Dwelling Replacement Cost

- The policy may be extended to include extended replacement or repair costs protection with no building code upgrade for up to 150% of the Coverage A dwelling limit of liability so that the Coverage A limit keeps pace with inflation in the event of a loss. This endorsement may be added subject to the following conditions:
  - Coverage A must be equal to 100% of replacement cost at the time this coverage is purchased.
  - A current replacement cost estimator must be furnished.
  - The insured must maintain Coverage A at 100% of the dwelling's full replacement cost by paying renewal premiums computed to reflect the then current replacement cost. The current replacement cost will be based on a residential construction cost index provided to us by a major appraisal company.
  - Physical improvements or additions to the dwelling must be reported to us within 60 days if the full replacement cost of these improvements or additions exceeds \$5,000 or 5% of the Coverage A limit shown on the declarations page, whichever is greater.
  - The insured must elect to repair or replace the damaged building.
  - The dwelling must be no more than 50 years old.

## Dwelling Under Construction

- For a one year period only, a policy may be issued for a residence under construction provided the insured is not acting as his or her own general contractor. A copy of the Contractor's CGL certificate must be provided. The Coverage A limit should be an amount equal to 100% of replacement cost of the completed value of the dwelling.
- This endorsement is not available to HO4 or HO6.



## Fungus, Rust, Wet Rot, Dry Rot or Bacteria

- Basic Limits (HO2, HO3 and HO6) — When the Fungus, Rust, Wet or Dry Rot, or Bacteria Limited Coverage endorsement is attached to the policy, limited amounts of insurance are automatically provided as follows:
  - Section I — \$10,000 to pay for loss to covered real or personal property, owned by an insured, that is damaged by mold, fungi, wet rot, dry rot or bacteria on the 'residence premises' as defined in the coverage endorsements.
  - Section II — \$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 fungus, rust, wet rot, dry rot or bacteria.
- Increased Limits
  - Section I — Limits may be increased to \$25,000 or \$50,000. The limit selected is entered on the coverage endorsements or the policy declarations.
  - Section II — Limits may be increased to \$100,000. The limit selected is entered on the coverage endorsements or the policy declarations.
- Application of Limits of Liability
  - 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 Fungus, Rust, Wet Rot, Dry Rot or Bacteria Coverage or the number of claims made during the policy period.
  - 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 person whose property is damage, the number of insureds, the number of locations insured under this policy or the number of bodily injury or property damage claims made.

## HO6 Units Rented to Others

- There is no coverage for Coverage C — Personal Property and Section II Liability when the residence premises is regularly rented or held for rental to others. The policy may be endorsed, however, to provide such coverage, including theft.
- The Coverage C minimum limit of liability may be waived when the value of the insured's personal property in the rented unit is less than \$10,000.

## Identity Fraud Expense Coverage

- Provides \$15,000 in coverage for expenses incurred by an insured as a direct result of any one identity fraud which is both commenced and first reported while this coverage is continuously in effect. Such expenses include cost of notarizing fraud affidavits, costs related to law enforcement, financial institutions, credit agencies, etc.
- Any acts or series of acts committed by any one person or in which any one person is concerned or implicated is considered to be one identity fraud.
- Security Plus Elite – automatically includes \$15,000 in coverage and option to increase to \$25,000.
- Premier – automatically includes \$25,000 in coverage.
- Deductible is \$250.

## Landlord's Furnishings

- Forms HO3 automatically cover, on a named perils basis (except theft), landlord furnishings in an apartment on the residence premises regularly rented or held for rental. The basic limit per apartment unit is \$2,500. This coverage is not available to HO4 or HO6.
- The basic limit of \$2,500 may be increased in increments of \$500 up to a total of \$10,000 per apartment. The increased limit applies to the same perils that applies to the basic limit and may vary by rented unit.

## Loss Assessment Coverage

- The policy automatically provides, under Section I Additional Coverage and Section II Additional Coverage, a limit of \$1,000 each for assessments relating to the residence premises, excluding assessments resulting from the peril of earthquake.
  - Security Plus — Automatically includes \$5,000 and higher limits are available
  - Security Plus Elite — Automatically includes \$50,000
  - Premier — Automatically includes \$100,000
  - Higher limits are not available for Security Plus Elite or Premier.
- Additional Locations:
  - The policy may be endorsed to provide loss assessment coverage pertaining to additional locations
  - No more than two additional locations can be written in addition to the residence premises.

## Motorized Golf Cart – Physical Loss Coverage

- The policy may be endorsed to provide coverage for physical loss to a motorized golf cart, including permanently installed accessories, equipment and parts, owned by an insured
  - Security Plus, Security Plus Elite, or Premier — Certain golf carts within an insured's private residential community may be covered at no additional charge.
- Golf cart cannot carry more than four people and cannot exceed 25 miles per hour. Maximum limit of liability is \$7,500.
- Deductible of \$500 applies in case of loss and it replaces the all other peril deductible applicable to the homeowner policy.

## Ordinance or Law Coverage

- The policy automatically provides up to 10% of the Coverage A limit of liability (or for Form HO4, the Building Additions and Alterations limit) to pay for the increased costs necessary to comply with the enforcement of an ordinance or law.
- Increased Amount of Coverage:
  - The policy may be endorsed to increase the basic Ordinance or Law coverage amount 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.
  - This coverage is not available to HO2 and HO4.
  - For policies with the Security Plus Elite endorsement, 100% of Coverage A is automatically included.
  - For policies with the Premier endorsement, Ordinance and Law is increased up to the Coverage A policy limits at no additional charge.

## Other Structures on Premises Rented to Others

- Policy may be endorsed to provide coverage when a structure on the residence premises is rented to others. This coverage only applies to HO2 or HO3.

## Outboard Motors and Watercraft

- Coverage must be written to the expiration of the policy. For boats not described below, coverage is not permitted. The premium in the state where the insured's residence premises is located shall apply.
- Outboard Motors of up to 25 horsepower or sailboats less than 26 feet with or without auxiliary power are covered in the policy form. Coverage is available for an additional premium, for watercraft powered by outboard motors exceeding 25 horsepower; inboard or inboard-outdrive motors; and sailboats 26 feet or more in length. Accumulate total horsepower if two or more motors are regularly used together with any single watercraft owned by the insured.

## Permitted Incidental Occupancies Residents Premises

- 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 and Section II coverage on a permitted incidental occupancy in the dwelling or in another structure on the residence premises.
- Permitted Incidental Occupancies
  - Examples of such occupancies are offices, private schools or studios meaning offices for business or professional purposes, and private schools or studios for music, dance photography and other instructional purposes.
- If the permitted incidental occupancy is located in another structure, Coverage B does not apply to that structure.
- The permitted incidental occupancies endorsement also covers personal property pertaining to the permitted incidental occupancy within the Coverage C limits stated in the declarations.

## Personal Injury

- Liability coverage for personal injury to others, such as false arrest, libel or invasion of privacy, may be added to the policy.
- Automatically included under Security Plus, Security Plus Elite and Premier endorsements.

## Premier Endorsement

- The policy may be broadened by adding the Premier endorsement. If the policy is Form HO2, it is not eligible for the Premier endorsement.
- Coverage Description:
  - Guaranteed Replacement Cost
  - Cash out option
  - Coverage D — no limit
  - Special Limits for Increased Coverage C as follows:
    - \$2,500 on money, bank notes, bullion etc.
    - \$5,000 on securities
    - \$5,000 on watercraft, including their trailers
    - \$5,000 on trailers not used with watercraft
    - \$5,000 for loss by theft, misplacing or losing of jewelry, watches, and furs; \$50,000 if the theft occurs while on the premises of a bank or safe deposit company
    - \$10,000 for loss by theft of firearms
    - \$10,000 for loss by theft of silverware, \$50,000 if the theft occurs while on the premises of a bank or safe deposit company
    - \$10,000 for property on the residence premises used primarily for business purposes
    - \$5,000 for property away from the residence premises used primarily for business purposes
    - No limit on electronic apparatus in a motor vehicle
    - No limit on electronic apparatus used primarily for business while away from the residence premises and not in or upon a motor vehicle
    - \$5,000 on business computers on or away from the residence premises
    - \$10,000 in the aggregate for loss by theft of trading cards, collectibles, comic books, and figurines, including any of these that are part of a collection
    - \$2,500 for wine
    - Debris removal — reasonable cost
    - Trees, shrubs, and other plants — up to 5% of the limit of liability and no more than \$5,000 if this limit to be paid for any one tree, shrub or plant
    - Fire department — unlimited coverage with no deductible
    - Credit cards — \$5,000 limit
    - Loss Assessment — \$100,000 limit
    - Ordinance and Law up to Coverage A policy limits

### Premier Endorsement Continued

- Grave markers — \$3,000 limit
- Refrigerated products coverage unlimited for food items and up to up to \$1,000 for non-food items  
**Note:** A \$100 deductible applies
- Lock replacement coverage — reasonable
- Reward coverage up to \$5,000
- Water backup up to Coverage A policy limit for Building and Alterations and Coverage C policy limits for personal property
- Agreed amount for scheduled jewelry is included
- Coverage is provided for certain golf carts within an insured's private residential community
- Outboard motor extension of coverage is provided for outboard motors up to 50 horsepower and for owned inboard — outdrive boats up to 50 horsepower
- Coverage is expanded for incidental business activities of minors
- Waiver of up to \$25,000 deductible for Section I losses exceeding \$50,000
- Personal Injury coverage up to the Coverage E limit via endorsement
- Unit Owners Coverage A Special coverage added via endorsement at no additional charge for HO6
- Identity Theft Expense Reimbursement of \$25,000 via endorsement at no additional charge.

### Premier Valuable Personal Articles Endorsement

- Applicable only to policyholders with Premier endorsement. Coverage is broadened to include:
  - All risk coverage
  - Worldwide coverage
  - Fine arts conservation
  - Market value loss settlement
  - Cash out option
  - Reward coverage — 10% of item, up to \$5,000
  - Newly acquired Items
  - No deductible
  - Breakage for fine arts.

### Premier Green Upgrades Coverage

- Coverage provides the ability to rebuild the Dwelling and Other Structures with environmentally friendly material to meet the certification requirements of the LEED® for Homes Green Building Rating System of the U.S. Green Building Council or meet the 'Bronze' requirements of the National Association of Home Builders Green Building Guidelines. The coverage is also available for replacing damaged 'Electronic Equipment' with environmentally friendly equipment identified by the United States Government DOE, EPA as Energy Star qualified.
- Limit of Liability up to \$50,000
- Available only to Premier policyholders.

## Residence Held in Trust

- A Homeowners policy may be issued in the name of both the trust and trustee when:
  - The residence held in trust is a one or two family dwelling or a condominium unit used exclusively for residential purposes
  - Legal title to the dwelling or condominium unit is held solely by the trust
  - The resident of the residence held in trust include at least one of the following: the trustee, the grantor of the trust, or the beneficiary of the trust; and
  - The trust and trustee are both shown as the named insured on the policy declarations, regardless of who resides in the residence held in trust.

## Security Plus

- The policy may be broadened by adding the Security Plus endorsement. If the policy is an HO2, it is not eligible for the Security Plus endorsement.
- Coverage Description:
  - Coverage A — Dwelling Limit, Coverage B — 10% of A, Coverage C — 70% of A
  - Coverage D — Reasonable expenses up to 24 months
  - Coverage E — \$100,000
  - Coverage F — \$1,000
  - Special Limits for Increased Coverage C as follows:
    - \$300 on money, bank notes, bullion etc.
    - \$5,000 on securities
    - \$1,500 on watercraft, including their trailers
    - \$1,500 on trailers not used with watercraft
    - \$2,500 for loss by theft, misplacing or losing of jewelry, watches, and furs
    - \$2,500 for loss by theft of firearms
    - \$5,000 for loss by theft of silverware
    - \$5,000 for property on the residence premises used primarily for business purposes
    - \$5,000 for property away from the residence premises used primarily for business purposes
    - \$1,500 on electronic apparatus in a motor vehicle
    - \$1,500 on electronic apparatus used primarily for business while away from the residence premises and not in or upon a motor vehicle
    - \$10,000 on computer equipment on the residence premises or at an insured student's residence
    - \$5,000 on computer equipment away from the residence premises
    - \$5,000 on business computers on or away from the residence premises
    - \$2,500 in the aggregate for loss by theft of trading cards, collectibles, comic books and figurines, including any of these that are part of a collection
    - \$2,500 for wine.

**Security Plus Continued**

- Removal of trees is increased to \$1,000 (\$500 max per tree) and coverage is added for removal of tree(s) that block(s) a registered motor vehicle from entering or leaving the premises
- Credit cards — \$2500 limit
- Loss Assessment — \$5,000 limit
- Ordinance and Law increased to 25% of Coverage A
- Grave markers — \$1500 limit
- Refrigerated products coverage up to \$500  
Note: A \$100 deductible applies
- \$250 Lock Replacement Coverage
- Refrigerated products coverage up to \$500
- Credit card and bank fund transfer coverage up to \$3,000
- Broadened tree debris removal coverage
- Personal Injury coverage up to the Coverage E limit
- Additional Section II coverage - \$100,000 for Coverage E and \$1,000 for Coverage F;
- Outboard, inboard, or inboard-outdrive motor extension of coverage is provided for owned outboard, inboard or inboard-outdrive boats up to 50 horsepower
- \$2,000 in Personal Property coverage extension for property away from premises for damage caused by flood, earthquake or landslide
- Property damage to property of others in the control of the insured has been broadened to include water damage related perils.

## Security Plus Elite

- The policy may be broadened by adding the Security Plus Elite endorsement. If the policy is an HO2, it is not eligible for the Security Plus Elite endorsement.
- Coverage Description:
  - Coverage A — Dwelling Limit, Coverage B – 10% of A, Coverage C – 70% of A
  - Coverage D — Reasonable expenses up to 24 months
  - Coverage E — \$100,000
  - Coverage F — \$1,000
  - Special Limits for Increased Coverage C as follows:
    - \$1,000 on money, bank notes, bullion etc.
    - \$5,000 on securities
    - \$3,000 on watercraft, including their trailers
    - \$2,000 on trailers not used with watercraft
    - \$5,000 for loss by theft, misplacing or losing of jewelry, watches, and furs; \$10,000 if the theft occurs while on the premises of a bank or safe deposit company
    - \$5,000 for loss by theft of firearms
    - \$10,000 for loss by theft of silverware
    - \$10,000 for property on the residence premises used primarily for business purposes
    - \$5,000 for property away from the residence premises used primarily for business purposes
    - No limit on electronic apparatus in a motor vehicle
    - No limit on electronic apparatus used primarily for business while away from the residence premises and not in or upon a motor vehicle;
    - \$5,000 on business computers on or away from the residence premises
    - \$5,000 in the aggregate for loss by theft of trading cards, collectibles, comic books and figurines, including any of these that are part of a collection
    - \$2,500 for wine
- Removal of trees is increased to \$2,000 (\$500 max per tree) and coverage is added for removal of tree(s) that block(s) a registered motor vehicle from entering or leaving the premises
- Credit cards — \$5,000 limit
- Loss Assessment — \$50,000 limit
- Ordinance and Law increased to 100% of Coverage A
- Grave Markers — - \$3,000 limit
- Refrigerated products coverage up to \$1,000  
Note: A \$100 deductible applies
- Reward coverage up to \$1,000
- Agreed amount for scheduled jewelry is included.



### **Special Coverage — HO6 Coverage A**

- Automatically included in Security Plus or Premier package.
- Broadened to cover additional risks of loss.

### **Special Personal Property Coverage**

- Coverage C (HO3) — Personal Property is insured against perils named in the form. The policy may be endorsed to insure Coverage C against additional risks of physical loss subject to certain exclusions.
- For Form HO6, this option may only be used when the condominium or cooperative unit is owner occupied and not rented to others.

### **Scheduled Personal Property with Agreed Value Loss Settlement**

- Agreed Value loss settlement will apply in case of repair or replacement of damaged property.

### **Water Backup and Sump Pump Discharge or Overflow**

- The policy forms exclude coverage for loss resulting from water or water-borne material which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump, or related equipment. This coverage is not available to HO4.
- The policy may be endorsed to provide such coverage for a limit of liability of:
  - \$5,000, subject to a \$500 deductible
  - \$10,000, subject to a \$500 deductible
  - \$25,000, subject to a \$1,000 deductible.
- Security Plus Elite — \$5,000 automatically included. Additional \$50,000 available via endorsement.
- Premier — up to Coverage A amount is automatically included.

### **Workers' Compensation**

- Workers' Compensation coverage is mandatory under California law and must be included on all policies.
- Coverage is provided for all damages which the insured is legally liable because of Bodily Injury sustained by a 'residence employee'. The injury must be caused by accident or disease and arise out of and in the course of employment by the insured.
- The following definitions are used to determine appropriate premiums when coverage is written.
  - Private Residence Employee — Occasional — Applies to the occasional employee(s) not engaged as an out servant or in servant, as defined below. All California policies must include coverage for occasional employees.
  - Private Residence Employee — Out servants — Applies to employee(s) engaged for 10 hours or more per week in household domestic service, whose principal duties are performed outside the private residence building
  - Private Residence Employee — In servants — Applies to employee(s) engaged for 20 hours or more per week in household domestic service, whose principal duties are performed inside the private residence building.

## Discounts

The following discounts are available for qualifying risks.

### Age of Dwelling

The dwelling age is calculated by subtracting the year construction was completed from the effective year of the policy. This discount does not apply to renters or condominiums, or to dwellings which are secondary residences. Discount gradually decreases for dwellings 0-12 years old.

### Earthquake Retrofit

Applies to all dwellings built after 1971 or when the home meets the earthquake retrofitting requirements.

### Home Buyer Discount

If the following criteria are met, the policyholder initially qualifies for the Home Buyer Discount.

- The age of the home must be 49 years or less. Age of home is defined as the difference between the year for which the policy is being rated and the year in which the home was built.
- The purchase date of the home must be less than five years prior to the policy effective date.
- This discount is not applicable to dwellings in the course of construction.
- This discount applies to primary dwellings only. This discount does not apply to condo/renter/dwelling fire policies.

### Home Claim Free Discount

A discount will be applied to the primary residence premium if:

- The named insured or spouse has maintained a homeowner, renter, or condominium policy issued by a non-residual market insurer for the twelve months prior to the policy effective date, and no loss that resulted in a paid claim (net of associated subrogation recoveries) of more than \$500 has occurred during the five year period prior to the policy effective date.
- This discount does not apply to renters or to secondary residences.
- Claims that occurred under a named insured's prior homeowner, renter, or condominium policy, as well as claims that occurred under a National General Insurance policy will be considered in determining eligibility for this discount.
- For renewal business, claims will be evaluated as of 45 days prior to the policy effective date. Claims occurring between this date and the policy effective date will not be considered until the next renewal.

## Protective Devices

- Burglar Alarms (local, police station reporting, central)
- Fire Alarms (local, police station reporting, central)
- Gated Community
- Automatic Sprinkler System
  - In all areas except attic, bathroom, closets, and attached structure areas that are protected by a fire detector
  - In all areas including attics, bathrooms, closets, and attached structures.
- Automatic Water Shut-Off System — An automatic shut-off system installed at a single point of the water main serving the residence wand acting as a first line defense against water damage
- Seismic Shut-Off Valve — A system that when activated by an earthquake will automatically shut off the gas lines
- Sprinkler System Flow Alarm — A central or direct station monitored alarm that alerts the monitoring station when the residential sprinkler system is activated
- Gas Leakage Detection System — Monitors gas line and will close the main gas valve and transmit a signal through the central station alarm system
- Whole House Backup Generator — The generator that must be a home standalone unit designated by long life and not portable. The unit must be capable of operating home systems in the event of interruptions of normal electrical service
- Temperature Monitoring System — A system which transmits temperature monitoring via the central station alarm system
- Alarm Signal Continuity System — A system that monitors the continuity between local, central, and direct alarm systems
- Full Time Resident Caretaker — A trained resident caretaker dwelling on the property and responsible for maintenance and upkeep.

## Surcharges

### Fireline/SHIA Factor

A factor is applied in the premium calculation based on the Fireline score and Special Hazard Interface Area (SHIA) indicator reported by Insurance Services Organization (ISO) for the residence premises.

### Loss Surcharge

A loss, whether insured or not, is defined as any property loss greater than \$500, or any liability loss. Losses which are assigned a catastrophe code or are caused by weather or medical payments are not applicable.

### Monoline Factor Surcharge

This surcharge applies to insured that does not have auto insurance with an affiliated company.

### Multi Family Surcharge

Applies to three and four family dwellings

### Secondary/Seasonal Residence

This surcharge applies to insureds that does not have auto insurance with an affiliated company. A seasonal residence is a residence with continuous unoccupancy of three or more consecutive months during any one year period.

### Trampoline

A surcharge shall be added to the premium of any dwelling that has a trampoline exposure, regardless of whether the trampoline is in storage or in use.